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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Shane Parry
Temporary Chairs of Committees—Senators Thomas Mark Bishop, Suzanne Kay Boyce, Patricia Margaret Crossin, Mary Jo Fisher, David Julian Fawcett, Helen Evelyn Kroger, Scott Ludlam, Gavin Mark Marshall, Claire Mary Moore and Louise Clare Pratt
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. Eric Abetz
Deputy Leader of the Opposition in the Senate—Senator Hon. George Henry Brandis SC
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Mitchell Peter Fifield

Senate Party Leaders and Whips
Leader of the Australian Labor Party—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy
Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party of Australia—Senator Hon. George Henry Brandis SC
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
Chief Government Whip—Senator Anne McEwen
Deputy Government Whips—Senators Carol Louise Brown and Helen Beatrice Polley
Chief Opposition Whip—Senator Helen Kroger
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

Printed by authority of the Senate
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(1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

PARTY ABBREVIATIONS

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
## GILLARD MINISTRY

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<td>Prime Minister</td>
<td>Hon. Julia Gillard MP</td>
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<tr>
<td>Deputy Prime Minister, Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<td>Minister for School Education, Early Childhood and Youth</td>
<td>Hon. Peter Garrett AM, MP</td>
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<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
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<td>Minister for Foreign Affairs</td>
<td>Hon. Kevin Rudd MP</td>
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<td>Minister for Trade</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Minister for Defence and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<td>Hon. Anthony Albanese MP</td>
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<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
<td>Hon. Tony Burke MP</td>
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<td>Minister for Finance and Deregulation</td>
<td>Senator Hon. Penny Wong</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
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<td>Attorney-General and Vice President of the Executive Council</td>
<td>Hon. Robert McClelland MP</td>
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<td>Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate</td>
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<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<td>Minister for Climate Change and Energy Efficiency</td>
<td>Hon. Greg Combet AM, MP</td>
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[The above ministers constitute the cabinet]
GILLARD MINISTRY—continued

Minister for the Arts
Minister for Social Inclusion
Minister for Privacy and Freedom of Information
Minister for Sport
Special Minister of State for the Public Service and Integrity
Assistant Treasurer and Minister for Financial Services and Superannuation
Minister for Employment Participation and Childcare
Minister for Indigenous Employment and Economic Development
Minister for Veterans' Affairs and Minister for Defence Science and Personnel
Minister for Defence Materiel
Minister for Indigenous Health
Minister Assisting the Prime Minister on Mental Health Reform
Minister for the Status of Women
Minister for Social Housing and Homelessness
Special Minister of State
Minister for Small Business
Minister for Home Affairs and Minister for Justice
Minister for Human Services
Cabinet Secretary
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary to the Treasurer
Parliamentary Secretary for School Education and Workplace Relations
Minister Assisting the Prime Minister on Digital Productivity
Parliamentary Secretary for Trade
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary for Defence
Parliamentary Secretary for Immigration and Multicultural Affairs
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing
Parliamentary Secretary for Disabilities and Carers
Parliamentary Secretary for Community Services
Parliamentary Secretary for Sustainability and Urban Water
Minister Assisting on Deregulation and Public Sector Superannuation
Minister Assisting the Attorney-General on Queensland Floods Recovery
Parliamentary Secretary for Agriculture, Fisheries and Forestry
Minister Assisting the Minister for Tourism
Parliamentary Secretary for Climate Change and Energy Efficiency

Hon. Simon Crean MP
Hon. Tanya Plibersek MP
Hon. Brendan O'Connor MP
Senator Hon. Mark Arbib
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Kate Ellis MP
Senator Hon. Mark Arbib
Hon. Warren Snowdon MP
Hon. Jason Clare MP
Hon. Warren Snowdon MP
Hon. Mark Butler MP
Hon. Kate Ellis MP
Senator Hon. Mark Arbib
Hon. Gary Gray AO, MP
Senator Hon. Nick Sherry
Hon. Tanya Plibersek MP
Hon. Mark Dreyfus QC, MP
Senator Hon. Kate Lundy
Hon. David Bradbury QC, MP
Senator Hon. Jacinta Collins
Senator Hon. Stephen Conroy
Hon. Justine Elliot MP
Hon. Richard Marles MP
Senator Hon. David Feeney
Senator Hon. Kate Lundy
Hon. Catherine King MP
Senator Hon. Jan McLucas
Hon. Julie Collins MP
Senator Hon. Don Farrell
Senator Hon. Nick Sherry
Senator Hon. Joe Ludwig
Hon. Dr Mike Kelly AM, MP
Senator Hon. Nick Sherry
Hon. Mark Dreyfus QC, MP
SHADOW MINISTRY

Leader of the Opposition
Hon. Tony Abbott MP

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

Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Hon. Warren Truss MP

Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations
Senator Hon. Eric Abetz

Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Senator Hon. George Brandis SC

Shadow Treasurer
Hon. Joe Hockey MP

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

Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals
Senator Hon. Nigel Scullion

Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate
Senator Hon. Barnaby Joyce

Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Hon. Andrew Robb AO, MP

Shadow Minister for Energy and Resources
Hon. Ian Macfarlane MP

Shadow Minister for Defence
Senator Hon. David Johnston

Shadow Minister for Communications and Broadband
Hon. Malcolm Turnbull MP

Shadow Minister for Health and Ageing
Hon. Peter Dutton MP

Shadow Minister for Families, Housing and Human Services
Hon. Kevin Andrews MP

Shadow Minister for Climate Action, Environment and Heritage
Hon. Greg Hunt MP

Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship
Mr Scott Morrison MP

Shadow Minister for Innovation, Industry and Science
Mrs Sophie Mirabella MP

Shadow Minister for Agriculture and Food Security
Hon. John Cobb MP

Shadow Minister for Small Business, Competition Policy and Consumer Affairs
Hon. Bruce Billson MP

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

| Shadow Minister for Employment Participation | Hon. Sussan Ley MP |
| Shadow Minister for Justice, Customs and Border Protection | Mr Michael Keenan MP |
| Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation | Senator Mathias Cormann |
| Shadow Minister for Childcare and Early Childhood Learning | Hon. Sussan Ley MP |
| Shadow Minister for Universities and Research | Senator Hon. Brett Mason |
| Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House | Mr Luke Hartsuyker MP |
| Shadow Minister for Indigenous Development and Employment | Senator Marise Payne |
| Shadow Minister for Regional Development | Hon. Bob Baldwin MP |
| Shadow Special Minister of State | Hon. Bronwyn Bishop MP |
| Shadow Minister for COAG | Senator Marise Payne |
| Shadow Minister for Tourism | Hon. Bob Baldwin MP |
| Shadow Minister for Defence Science, Technology and Personnel | Mr Stuart Robert MP |
| Shadow Minister for Veterans’ Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC | Senator Hon. Michael Ronaldson |
| Shadow Minister for Regional Communications | Mr Luke Hartsuyker MP |
| Shadow Minister for Ageing and Shadow Minister for Mental Health | Senator Concetta Fierravanti-Wells |
| Shadow Minister for Seniors | Hon. Bronwyn Bishop MP |
| Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate | Senator Mitch Fifield |
| Shadow Minister for Housing | Senator Marise Payne |
| Chairman, Scrutiny of Government Waste Committee | Mr Jamie Briggs MP |
| Shadow Cabinet Secretary | Hon. Philip Ruddock MP |
| Shadow Parliamentary Secretary Assisting the Leader of the Opposition | Senator Cory Bernardi |
| Shadow Parliamentary Secretary for International Development Assistance | Hon. Teresa Gambaro MP |
| Shadow Parliamentary Secretary for Roads and Regional Transport | Mr Darren Chester MP |
| Shadow Parliamentary Secretary to the Shadow Attorney-General | Senator Gary Humphries |
| Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee | Hon. Tony Smith MP |
| Shadow Parliamentary Secretary for Regional Education | Senator Fiona Nash |
| Shadow Parliamentary Secretary for Northern and Remote Australia | Senator Hon. Ian Macdonald |
| Shadow Parliamentary Secretary for Local Government | Mr Don Randall MP |
| Shadow Parliamentary Secretary for the Murray-Darling Basin | Senator Simon Birmingham |
| Shadow Parliamentary Secretary for Defence Materiel | Senator Gary Humphries |
| Shadow Parliamentary Secretary for the Defence Force and Defence Support | Senator Hon. Ian Macdonald |
SHADOW MINISTRY—continued

Shadow Parliamentary Secretary for Primary Healthcare  Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health  Mr Andrew Laming MP
Shadow Parliamentary Secretary for Supporting Families  Senator Cory Bernardi
Shadow Parliamentary Secretary for the Status of Women  Senator Michaelia Cash
Shadow Parliamentary Secretary for Environment  Senator Simon Birmingham
Shadow Parliamentary Secretary for Citizenship and Settlement  Hon. Teresa Gambaro MP
Shadow Parliamentary Secretary for Immigration  Senator Michaelia Cash
Shadow Parliamentary Secretary for Innovation, Industry, and Science  Senator Hon. Richard Colbeck
Shadow Parliamentary Secretary for Fisheries and Forestry  Senator Hon. Richard Colbeck
Shadow Parliamentary Secretary for Small Business and Fair Competition  Senator Scott Ryan
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Thursday, 13 October 2011

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9:30, read prayers and made an acknowledgement of country.

MOTIONS
Commonwealth Ombudsman

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (09:31): I seek leave to move a motion which would allow Senator Sarah Hanson-Young to explain to the Senate for five minutes her contact with the Commonwealth Ombudsman and questions at Senate estimates arising therefrom.

Leave not granted.

Senator ABETZ: Pursuant to contingent notice, I move:

That so much of standing orders be suspended as would prevent me moving a motion to provide for the consideration of a matter, namely a motion to give precedence to a motion to allow Senator Sarah Hanson-Young to explain to the Senate for five minutes her contact with the Commonwealth Ombudsman and questions at Senate estimates arising therefrom.

In moving this motion, let me say it has been well accepted practice that people will from time to time have contact with witnesses that appear before Senate estimates. That is accepted practice. But what is unbelievable is the gross hypocrisy of the Australian Greens, because two years ago Senator Bob Brown, the Leader of the Australian Greens, said that if you do something like that you should have the decency to warn the committee, to tell the committee beforehand that you have had such contact. It is a bit like corporate donations, isn't it? Corporate donations are horrendous, they are bad and they corrupt the democratic process, unless the Greens are the beneficiaries of that donation. Similarly it seems that it is a corruption of the democratic process to have contact with a witness before Senate estimates unless you are a Greens senator. Then it is all okay.

The hypocrisy is rank, the hypocrisy is transparent, and the Australian people are finally waking up to how the Greens do their politics. It is deceptive, it is dishonest, it is duplicitous. It is exactly what the Greens represent in this place: one standard for everybody else and a completely different standard, or should I say no standards whatsoever, for the Australian Greens. That is why Senator Hanson-Young should come into this place, not so much to explain what she has done but to explain the rank hypocrisy of the Australian Greens as was displayed by the Leader and his deputy leader of the Australian Greens and indeed by the Australian Labor Party. It is so indicative that Senator Milne, who was more than willing to pontificate two years ago when a coalition senator found himself in that place, at the doorstop this morning said, 'Senator Brown and Senator Hanson-Young will be discussing that.' She did not want to talk about the rank hypocrisy. And we know why: because Senator Hanson-Young is challenging her for the deputy leadership of the Australian Greens. That is why she was not willing to defend Senator Hanson-Young, and of course you cannot defend the hypocrisy of the Australian Greens. The Australian people are slowly but surely waking up to this hypocrisy, this duplicity, this double standard—

Senator McEwen: You can talk about hypocrisy!

Senator ABETZ: Yes, Senator McEwen, we will continue to highlight hypocrisy and duplicity as shown by the Labor Party in going to an election saying no carbon tax and then conniving with the Greens to bring in a carbon tax. Unfortunately the Labor Party
has caught the green disease. They think they can say one thing and then do something completely different. That is why I have warned the Labor Party time and time again that if you lie down with dogs you will get up with fleas. You have lain down with the Australian Greens and you now have the fleas of duplicity and betrayal of the Australian people on your fur. You know what? I hope the Australian people de-flea you very shortly. But they will also, hopefully, get rid of this government and allow sensible government and mature government to be restored to this country.

Back to the matter at hand. The Australian Greens and Senator Hanson-Young do need to explain to the Australian people why it is so outrageous, why it is so improper, for a coalition senator to have contact with a public servant prior to a Senate estimates hearing but it is all okay when an Australian Green does it. It is the hypocrisy, and that is what the Australian Greens stand for. It is hypocrisy writ large and we have seen it again.

Of course, what was the only media outlet willing to really give it a good run? The Australian—the ’hate media’, because any media outlet that exposes the duplicity, the hypocrisy and the dishonesty is labelled the hate media and threatened with an inquiry and threatened with licences.

Opposition senators interjecting—

Senator BOB BROWN: Well, you might think that is funny. Liberal senators might think that is funny; I think it is absolutely disgusting. I think you should be ashamed of yourselves. I think you should have a bit more control of the way some of the people who think your way act and behave. The fact that outside this parliament just yesterday we saw security guards removing supporters of this coalition after they had disrupted question time in the other place while down on the lawns in front orderly Australian citizens were putting forward a point in favour of action on climate change shows the difference between the extremists who back the Liberal Party and Senator Abetz and the decency of people who are concerned about issues and want them properly debated in this place.

The Australian's front-page story today has come out of a committee release which was a result of questions put by Senator Crossin, and I have this question to ask of those opposite: don't they want information coming out? Is it the case that the Ombudsman and the information coming from the Ombudsman should not be on the public record? Is it the quest of the opposition to suppress such information? I find it more than passing strange that the Australian today did not run the fact, from
our press release yesterday, that I asked questions of the Ombudsman which were instigated by the Ombudsman's office because the answers to those questions should be on the public record.

Of course, we have the ABC coat-tailing on the *Australian* today on a press release yesterday that they missed. I and Sarah Hanson-Young and my Greens team are very happy to be on the side of getting information out into the public and defending the Ombudsman's office. It is, after all, not something that ministers on either side happen to like. The Ombudsman is there as the watchdog of the public interest, and ministers do not like that—

**Senator Ronaldson:** Oh, you're a hypocrite. You're a fraud and a hypocrite.

**Senator BOB BROWN:** and nor does the member opposite, on behalf of the Liberals, interjecting in this debate 'fraud and hypocrite'.

What a level of debate we are seeing from this incompetent opposition, hurting from losing yesterday's vote in the House of Representatives! They know that a massive change in the politics of this country occurred yesterday and will be followed up in this Senate in a couple of weeks time. We have a Leader of the Opposition who has made a 'pledge in blood' which he cannot and will not keep. So you would expect when you have people who are losing an argument on a monumental issue like climate change that they will go for the person, not the issue. Well, bring it on, because we will give you the public rebuttal you deserve.

What is happening here is that the opposition are trying to prevent debate on important matters in private members' time, which is about to come up. They will not succeed.

**Senator LUDWIG** (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (09:42): We all seem to enjoy a bit of sport in this place sometimes. I think in this instance this is rank hypocrisy from the opposition in relation to this.

**Senator Abetz:** You reported me to the Privileges Committee for a matter like this.

**Senator LUDWIG:** I listened to you in silence and I would ask you to respond in kind. You come in here without notice, without the courtesy of telling the Manager of Government Business in the Senate that you are going to undertake this work. If you want to talk about rank hypocrisy then I think it is reasonable to say that if you do want to undertake—

**Senator Ronaldson:** Who are you addressing?

**Senator LUDWIG:** If the opposition—

**Senator Abetz:** A point of order, Mr Deputy President: I have suffered a lecture from the Manager—

**The DEPUTY PRESIDENT:** There is no point of order, Senator Abetz.

**Senator Abetz:** The point of order is that the Manager of Government Business is trying to tell us how to abide by the procedures—

**Senator LUDWIG:** That is not a point of order.

**Senator Abetz:** it is; just hear me out—of this place and one of the most fundamental of them all is that you address your comments through the chair and not directly at senators.

**The DEPUTY PRESIDENT:** The substance of the point of order is that all senators should direct their comments through the chair. Senator Ludwig, you have the call.
**Senator LUDWIG:** In my response, Mr Deputy President, that is precisely what I was doing. I used the term, Mr Deputy President, because Senator Abetz has come in here without notice and moved a motion to take away the opportunity for this Senate to deal with private senators' business, to deal with legislation. Of course, Senator Abetz has also removed the opportunity—which Senator Abetz has named himself—for an explanation, because there are many ways in which this may be dealt with other than by upsetting this Senate through a procedural motion to direct a specific senator to undertake a particular task. That is a ridiculous position to put any senator in. There are many opportunities to have the Senate deal with this issue. As Senator Abetz indicated, one avenue is privilege. Senator Abetz would understand that, having had—

*Opposition senators interjecting—*

**The DEPUTY PRESIDENT:** Order, senators!

**Senator LUDWIG:** And the opposition should let me get to that point, but they cannot. They want to continue to shout and complain. If they had listened to me in the first place, I would have gone on to say that Senator Abetz did face up to the issue, did face up to Privileges, did explain his position and did take the proper course in all of that. The Godwin Grech issue was not something that anyone would be proud of in this place, but Senator Abetz did face the music in respect of that matter—and we did not, from the position of opposition or from government, undertake this particular task. We gave senators an opportunity to respond in this place or referred them or used the procedures in this place to deal with it rather than walking in here without notice and using this opportunity as a stunt to run a couple of arguments.

It was not only the argument in relation to the substantive matter that you are seeking to suspend standing orders over; you then tied in your complete negativity in relation to the clean energy bills. You just want to come in here and say no. All that Mr Abbott wants to do in relation to that legislation is say no. What the opposition are doing is rank hypocrisy—to come in here and undertake this task without giving the Senate an opportunity to deal with it in the usual way. You want to simply rerun your hatred of and pathological difficulties with the Greens from the opposition, it appears. That is all it seems to be and what you simply want to do.

**Senator Abetz:** So you don’t have a dislike of the Greens; that’s interesting.

**Senator LUDWIG:** Not a personal one. We differ on policy. We differ on a range of matters. And you would see that come through in many of the debates that we have opposed in relation to the Greens’ policy or the opposition’s policy. But we do not take a personal view, which is what seems to be reflected in this motion. We do not take a personal view. Why? Because senators in this place have a responsibility at first principles. You have not allowed that to occur and you should. You should take that position rather than sneak in here without notice and throw a motion on the table, because that is in effect what you have done.

*(Time expired)*

**Senator RYAN** (Victoria) (09:48): Sadly, I come to this motion today. I should be shocked by it. I should be shocked by the hypocrisy shown by the Greens. But my experience with them over a decade plus shows that one cannot be shocked by it. Yesterday we saw the constant application of the gag and the guillotine. The party in the corner of this chamber preaches but does not act. It is like an American television evangelist in the 1980s. It comes in here—I
very soon expect to see tears and I am sorry if they find themselves on the other side of the chamber.

Senator Brown and the Greens have never shown a willingness to measure themselves by the same standards they measure everyone else by. If it is about donations, apparently corporate donations are evil, except if they are in the largest donation in history, received by Senator Brown. If it is about the gag—it is okay if rich people give you money, Senator Brown, is it? It is not okay if small businesses give a bit of money to someone. It is okay, just like it is with the media. Those who write things you like, those who support the green agenda, you do not subject to scrutiny.

Opposition senators interjecting—

The DEPUTY PRESIDENT: Order on my left!

Senator Bob Brown: Mr Deputy President, I raise a point of order. You have ruled that Senator Ludwig must address the chair. I think this senator should follow the same rule.

The DEPUTY PRESIDENT: As I did earlier, I remind all senators to address their remarks to the chair.

Senator Ryan: Mr Deputy President, my apologies. Quite correct: I will address my remarks through the chair. But I have to disagree with the comments of my leader on this when he described the fleas that are on the Labor dog right across the country, because I think it is more like a tick. A tick is a true parasite. It sinks its teeth into something and then tries to suck it dry. What we have with the alliance we are seeing opposite, which prevents issues like this being discussed, is an alliance where not only is the tail wagging the dog but the tick is sucking the life out of a once-great party—and they have to stand here and defend them. They have to stand here and not subject the people to the same standards that they wish to subject the other side of this chamber to.

When we had heads of state in this parliament, the leaders of our closest allies, we saw a student-like protest in the House of Representatives chamber. Are you proud—

Senator McLucas: Just like this; just like what you're doing now.

Senator Ryan: I will take that interjection, Senator McLucas. Are you proud that you have to work with these people? I bet you are not. I bet you are not, just like most people on your side. Because when the President of the United States was here, Senator McLucas—

The DEPUTY PRESIDENT: Through the chair.

Senator Ryan: Mr Deputy President, when the President of the United States was here, it was like watching a student protest on television as the leftovers from the Vietnam marches of the 1960s suddenly lived out their baby boomer dreams and tried to disrupt a joint sitting of the parliament for a foreign head of state. That was a low point, Mr Deputy President, an absolute low point.

What we see from the Greens is a history of deception, duplicity and double standards. They are a group of people, a party, that talk about freedom of speech yet actually want to have an inquiry into the media, and they openly attack some private newspapers as the 'hate media'. Why do they do that? Why are those journals attacked? They are attacked because of the issue of being subjected to scrutiny. We have seen supporters of the Greens challenge television journalists and launch GetUp! campaigns because someone was not questioned in a nice way on what used to be the 'Greens Broadcasting Corporation'. How dare someone on the 'Greens Broadcasting Corporation' occasionally question them! What we are seeing right through this
chamber—and I have been here for only just over three years—is a pattern of duplicity, deception and double standards.

All the opposition is asking is that Senator Hanson-Young have the opportunity to live up to the standards set by her leader—nothing less and nothing more. The modern-day Inquisition that is the Greens party is one where if you do not like the Greens they will subject you to a government media inquiry, where if you do not like the Greens they will set the mob upon you. We know the antecedents of the Greens party. We know what their supporters are like when they see people that we do not like. We were all opposed to the messages of Pauline Hanson, but it was not members of this side who were throwing urine bombs; it was not members of this side trying to blockade public meetings of people they do not like. We challenged their ideas, but the Greens seek to blockade public meetings of people they do not like. We challenged their ideas, but the Greens seek to shut down debate. Today, just like we are seeing in the media, just like we have seen with the gag, just like we have seen with the guillotine and just like we have seen with their behaviour when foreign heads of state visit this chamber, we see nothing less than complete duplicity. The tick that is the Greens is sucking the Labor Party dry, and it is sad to see them not even willing to subject the Greens to some basic scrutiny.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (09:53): It would be very difficult for people listening to this debate to know what the question before the chair is. I would like to take people away from a torrent of personal abuse and back to the substantive matter under debate here, which concerns a number of emails that were pasted on the committee website. They were there the night before last, but the coalition apparently had not seen them, even though they have members on that committee, and did not recognise that there was anything substantive to do something about. They had to wait for the lead from the Australian before they realised there was a story here to pursue. So, a day and a half after the matter appeared on the committee website we now have the matter at hand. The real issue is that if you look at the emails—there were more than 150 emails there—the story with the overwhelming majority of them is the attempt by the government to influence the Ombudsman. Some of those emails from a minister's office were actively criticising the Ombudsman, saying that they were not happy with the way the Ombudsman was speaking out on several issues et cetera. That is the issue here: an attempt by a minister's office to influence and silence and call on the Ombudsman to reign in his remarks and actions in the public arena.

There is also the issue of whether the Ombudsman is well-enough funded to conduct the inquiries that the Ombudsman thinks is an appropriate thing to do. Surely, that is something the community needs to think about. The matters at hand are whether we do want to have a strong Ombudsman's role and whether we do want to have an Ombudsman who is not afraid to speak out and wants to have the money to fund the inquiries that he or she thinks are appropriate. As a house of parliament what we should be looking at is (a) the ministerial response to the Ombudsman and (b) the adequate funding or otherwise of the Ombudsman.

I can understand that the coalition is not coping with the fact that they are now so far on the back foot they are about to fall over backwards. They are about to fall over backwards about carbon pricing in Australia because we have a situation now where the Leader of the Opposition, Mr Tony Abbott, has backed himself so far into a corner with his totally over-the-top remarks about his "blood oath". One wonders whether he will
next descend to a tattoo. That is about the level of engagement we have had from the Leader of the Opposition.

The issue is that the Leader of the Opposition will be out there saying that he will repeal the bills, but in fact that is the next great big lie of Australian politics. He will not repeal these bills, and he knows he is not going to be able to do so. It will be interesting to see how he is going to weasel out of his commitment over the next couple of years, or whether it is even tenable for the coalition to go into the next election with him as leader, if he cannot weasel himself out of the box he has put himself into. The reason for this is that business is going to back this in. I can tell you that now. Business is going to back in this carbon price. When that starts to happen, where is the coalition going to go for a constituency? Business is not going to want the investment they make in carbon permits rendered valueless after they have had to put millions into buying them. And that is not to mention reducing the tax-free threshold and the increased compensation. We are going to have a situation now, and we have all been watching with interest—

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (09:59): What an absolute show of hypocrisy from that side of the chamber from the holier-than-thou Greens. We have sat on this side of the chamber, colleagues, for years and years and years listening to Senator Bob Brown railing about how we had to have honesty in this chamber, how we had to have opportunity for free speech and how we had to be accountable. Well, all that this motion does today is ask for similar treatment for the Greens, as was expected of our side of the chamber. I think, colleagues, that is an entirely fair thing. I think anybody in the community would think that was an entirely fair thing—and we finally have Senator Sarah Hanson-Young join us in the chamber. I understand that she will not have an opportunity to speak, so good timing! So we have got silent Sarah, we have got squibbing Sarah, we have got squirrelled away Sarah, who has turned up now to make it look good, so she is in the chamber.

The DEPUTY PRESIDENT: Senator Nash, you have to refer to Senator Hanson-Young by her correct title. Senator Milne, did you have a point of order?

Senator Milne: Yes, thank you. The point of order was precisely in the rules of debate—

The DEPUTY PRESIDENT: I have ruled on that, Senator Milne.

Senator Milne: personal reflection is unacceptable.

The DEPUTY PRESIDENT: Thank you. Senator Nash, you have the call.

Senator NASH: So—Senator Hanson-Young, who is silent; Senator Hanson-Young, who is squibbing; Senator Hanson-Young, who has been squirrelled away; Senator Hanson-Young, who wants to have a shot at the deputy leadership. But this is extraordinary, given the hypocrisy. What we have is the Greens, who have one standard for themselves and one standard for everybody else. They have one rule for themselves and one rule for everybody else. What is really interesting, colleagues, is they have always had that. They have always had that, but it is just that now we have this cobbled together Greens-Independents-Labor government there is finally some scrutiny from out there in the community and from the media of what the Greens are actually doing.

Senator Bob Brown interjecting—

Senator NASH: Jump on in if you like, Senator Brown, because goodness knows what you said before did not make a lot of
sense—very, very touchy. What we need to see is some equity here. Isn't it interesting that the minute anybody in the media actually questions what the Greens are doing all of a sudden it is the 'hate media'? It cannot possibly be a balanced inquiry about what the Greens are actually doing on an issue. No, it is the 'hate media', because there is no way in the world that the Greens could possibly be wrong on anything, apparently, according to the Greens. According to the Greens, they are correct on everything and God forbid that anybody should question what they are doing. Isn't the timing interesting, colleagues, as to the moment Senator Hanson-Young arrived? So we have seen this morning the Leader of the Greens and the current Deputy Leader of the Greens protecting their senator, Senator Sarah Hanson-Young, because I reckon it is not very far from Senator Hanson-Young's office to the chamber. I am pretty close to her and I reckon I could do it in about 20 seconds or so. But, no, Senator Hanson-Young arrived in time not to speak. Normally we try to arrive in this chamber in time to speak. Normally it is a bit of a rush. Normally we have to fly. Normally we have to dash in here by the skin of our teeth to get in here to speak. Senator Hanson-Young is the only senator I have ever seen arrive in time not to speak. It is extraordinary, when we have given Senator Hanson-Young the opportunity this morning to have her say. All we have said is about the opportunity for Senator Hanson-Young to respond, which is only right and fair, and yet she had to hide behind her leader and her current deputy leader and swan in and sit down like a good little girl. Perhaps Senator Brown actually gave her a call and said, 'Leave your office now.' What we have seen from this side of the chamber is absolute hypocrisy. When we saw yesterday Senator Siewert stand up and talk about the coalition guillotining in the past, given that we had a guillotine yesterday—

**Opposition senators:** No, five!

**Senator NASH:** Thank you, there were five. The ultimate hypocrisy is why yesterday Senator Siewert did not take it up with the government for guillotining. Why on earth was she talking about us guillotining? If she and the Greens were so concerned about a guillotine, they should have taken it up with their coalition partners, the Labor Party senators over there—the Labor government. They were the ones that put the guillotine on, not us. This is the hypocrisy and the complete lack of principle that we have seen from the Greens yesterday and in previous times and it is only now that finally it is starting to get out there among the public that the Greens are nothing but a party of hypocrisy with one rule for themselves and one rule for everybody else.

**Question put:**

That the motion (Senator Abetz's) be agreed to.

The Senate divided. [10:08]

(The President—Senator Hogg)

Ayes ...................... 30
Noes ...................... 35
Majority ............. 5

**AYES**

Abetz, E
Back, CJ
Birmingham, SJ
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Fisher, M
Kroger, H
Madigan, JJ
McKenzie, B
Parry, S
Ronaldon, M
Sealion, NG

Adams, J (teller)
Bernardi, C
Boswell, RLD
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Humphries, G
Macdonald, ID
Mason, B
Nash, F
Payne, MA
Ryan, SM
Williams, JR

CHAMBER
Senator Feeney did not vote, to compensate for the vacancy caused by the resignation of Senator Coonan.

Question negatived.

**BILLS**

**Clean Energy Bill 2011**

**Clean Energy (Consequential Amendments) Bill 2011**

**Clean Energy (Household Assistance Amendments) Bill 2011**

**Clean Energy (Income Tax Rates Amendments) Bill 2011**

**Clean Energy (Tax Laws Amendments) Bill 2011**

**Clean Energy Regulator Bill 2011**

**Explanatory Memorandum**

**Senator LUDWIG** (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (10:12): In relation to the Clean Energy Bill 2011 and 17 related bills introduced yesterday, I table revised explanatory memoranda relating to the Clean Energy Bill 2011, the Clean Energy (Consequential Amendments) Bill 2011, the Clean Energy (Household Assistance Amendments) Bill 2011 and the Clean Energy Regulator Bill 2011, and a correction to the explanatory memorandum relating to the Clean Energy (Income Tax Rates Amendments) Bill 2011 and the Clean Energy (Tax Laws Amendments) Bill 2011.

**Family Law Legislation Amendment (Family Violence and Other Measures) Bill 2011**

**Explanatory Memorandum**


**Auditor-General Amendment Bill 2011**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Senator MARK BISHOP** (Western Australia) (10:12): The Auditor-General Amendment Bill 2011 implements various recommendations contained in report 419 of the Joint Committee of Public Accounts and Audit. The recommendations follow an extensive inquiry into the Auditor-General Act 1997. The bill to implement the recommendations from the report was
originally introduced into the House by the member for Lyne and chair of the committee, Mr Rob Oakeshott, on 28 February 2011. On 12 September 2011, the member for Petrie and the deputy chair of the committee, Ms Yvette D'Ath, moved amendments to the bill that were agreed to be the House of Representatives.

The amendments to the act that would be made by this bill will ensure that the Auditor-General has the tools to respond to today's auditing challenges. The most important change to flow from the implementation of the JCPAA recommendations will result in the Auditor-General having the power to follow the money. That is, in certain circumstances the Auditor-General would be able to undertake audits of Commonwealth partners, private sector and state and/or territory entities that receive Australian government funds to implement an Australian government program. These amendments will address the glaring gap in accountability identified by the JCPAA. The Auditor-General's powers are limited at present to an assessment of the way that Australian government bodies implement government programs. This means that the Auditor-General is unable to express the extent to which individuals or entities that receive Australian government funds to implement programs or deliver services on behalf of the government achieve the purpose for which funds were provided. The amendments implement the unanimous recommendation of the JCPAA report that the Auditor-General be given the authority to undertake audits of Commonwealth partners whether they are state or territory entities or other individuals, or indeed other bodies. The bill contains appropriate restrictions on the extent of these powers, particularly in relation to state and territory entities. For example, the Auditor-General will be able to assess the operations of a state or territory entity only after a request by the JCPAA or the responsible minister. The assessment will be only to the extent that they relate to achieving the purpose for which funds were provided. The government therefore anticipates that the Auditor-General's new powers will be used quite sparingly.

With one exception, the bill implements the recommendations of the JCPAA report as intended by the JCPAA. That exception relates to the performance-auditing arrangements for government business enterprises. The Auditor-General Act currently provides that GBEs can be audited by the Auditor-General only at the request of the JCPAA, the minister responsible for the GBE or the finance minister. The JCPAA report recommends that the act should be amended to give the Auditor-General the authority to initiate audits of GBEs. Successive governments have taken the view that the Auditor-General should not have the ability to audit GBEs of his own motion. GBEs, as we all know, are subject to competitive pressure and disciplines that do not apply to other Commonwealth bodies. For that reason, to the greatest extent possible they should be subject to the same audit arrangements as their competitors. The government considers that audits of GBEs should be requested by the parliament in response to genuine public interest concerns about aspects of their operations. They should not be an incidental part of an annual work program. The JCPAA, which comprises members from across the political spectrum and can and does conduct hearings in private, is the appropriate body to consider whether a particular GBE should be audited. Accordingly, the bill would allow the JCPAA alone to request an audit of a GBE by the Auditor-General. As is currently the case, the Auditor-General could ask the JCPAA to request an audit of a particular GBE.
The remaining amendments would make relatively minor changes to clarify the way that the act operates. They would, for example, provide clear authority for the Auditor-General to undertake assurance reviews and audits of performance indicators. These are currently carried out as audits by agreement under section 20 of the act. The amendments will also clarify the Auditor-General’s powers to require the production of documents that are the subject of legal professional privilege.

Before making a few supplementary remarks, I would like to thank members of the JCPAA for their report. I would also like to thank the member for Lyne, who originally introduced the bill, for his cooperation in the development of the government amendments. These amendments will ensure that the changes to the Auditor-General Act 1997 contained in this bill will operate as intended.

Just to bring those few remarks together, the Joint Committee of Public Accounts and Audit has conducted a full inquiry into aspects to modernise the Auditor-General Act. There has been a full and open report of that committee. Normally when committees make recommendations to government the government considers those within the time frame permitted and publishes a document tabled in both houses as to the government’s attitudes to a particular set of recommendations. In this case the chair of the committee, consistent with the recommendations of that committee, introduced a bill into the House. The government worked with the sponsor, Mr Oakeshott, in the House to clarify the drafting and to make the drafting technically correct and consistent internally with the policy concepts that can be found in the particular act.

As I said, there are clear, major and substantive changes to the act concerning auditing of government business enterprises. The principal change is that the Auditor-General would have the power, on his own motion, to audit GBEs. The Auditor-General will no longer be required to consult with the minister or the JCPAA; he simply needs the approval of the JCPAA. Hence this maintains and increases the role of the JCPAA as the principal committee that regulates the behaviour of the Auditor-General and, indeed, from time to time is charged with the responsibility of updating and modernising that act.

As I said in my introductory report, government business enterprises are quite different from line departments of either a state or a territory or, indeed, a Commonwealth portfolio. You have only to look at the nature of GBEs—Medibank or the Rail Track Corporation or Australia Post. They themselves, of course, operate in the commercial sphere. They operate in a market economy. They have competitive pressures. But, most importantly, if one examines each of the acts that establish those bodies and regulate them, there are internal mechanisms for regular accounting provisions and, more importantly, regular auditing requirements in the act. In addition, each of those GBEs that I mentioned and the others that are pertinent to this debate are required regularly to report on their activity, behaviour and deliberations to the responsible minister.

In that context, the most important change in the bill before the chair flows from the implementation of the JCPAA recommendation that the Auditor-General will now have the power to follow the money trail. In certain circumstances, the Auditor-General would be able to undertake audits of Commonwealth partners—private sector and state and territory entities that receive Australian government funds to implement an Australian government program.
There are two final minor amendments that are worthy of note and that are addressed in the EM attached to this bill. Firstly, clear authority is provided for the Auditor-General to undertake assurance reviews and audits of performance indicators. That of course is a critical part of his work and on a regular basis both assurance reviews and audits are tabled in both houses of the parliament. Secondly, whilst I refer to the second amendment as minor it is an amendment of note because it clarifies that the Auditor-General's powers to require the production of documents that are the subject of legal professional privilege will not apply in this case. When line departments of the Commonwealth allocate, arguably, hundreds of millions of dollars, or indeed billions of dollars for, say, the construction of roads or bridges, or those sorts of massive infrastructure works that are increasingly undertaken in our major cities and regions, a lot of those funds are allocated to what are colloquially known as the prime contractors. They in turn subcontract a lot of the work down the line and, indeed, subcontractors establish a range of legal entities that receive funds for different aspects of the work and do the job. So the other provision contained in the bill as to legal professional privilege will, under appropriate circumstances, allow the Auditor-General to follow the money trail of those entities that are created as subsets of other corporate bodies to ensure that funds are properly expended for the purpose originally intended by the Commonwealth. I commend the bill to the chamber.

Senator RYAN (Victoria) (10:24): The opposition have expressed a number of views with respect to the Auditor-General Amendment Bill 2011. The antecedent of this bill is the extravagant waste and misuse of taxpayers' money that occurred in this government's first term. I sat in the Finance and Public Administration Legislation Committee's estimates hearings when we heard the Auditor-General essentially say he was limited by the act and could not consider the profound waste that had occurred in some of the states and territories under the so-called Building the Education Revolution, where we know that billions of dollars of taxpayers' money was wasted in building halls that were unfit and overpriced, and are not used.

Senator McLucas interjecting—

Senator RYAN: The Auditor-General made it clear that he could not look into this, Senator McLucas. The Auditor-General said that his power was limited in determining how quickly the government could shovel the money out of the door—my words, not his. The act limited his powers. This created enormous public concern about the waste of billions and billions of dollars of government money, to say nothing of the waste with the home insulation debacle, which tragically ended in deaths. As I have said previously in this chamber, I can only imagine the outrage from the Labor Party if deaths in a workplace had occurred under a program under the previous coalition government— we would still be hearing about it today. But we heard nothing about it and, quite frankly, this government's waste of taxpayers' funds stands as an appalling example from the last 30 or 40 years of mismanagement and poorly designed programs. If you asked Australians, 'If you had a once-in-a-generation chance to invest $10 billion or $12 billion in our education system,' I can tell you the answer would not have been, 'The government's Building the Education Revolution.' They would not have wanted wrong-sized school halls, with some being badly built and many overpriced.

We know the Auditor-General has expressed concerns about the limits of his powers in chasing the money trail,
particularly with the way this government has structured COAG agreements and the way the money gets sent through the states and territories. Our view is that that is primarily a product of the government's poorly designed programs, lack of oversight, poor implementation and lack of interest and concern—and indeed its lack of curiosity about efficient use of taxpayers' dollars.

This bill, as originally introduced, apart from one provision, had the coalition's support. Some coalition amendments will soon be circulated. The government have substantially changed the original private member's bill moved by the member for Lyne—the changes were substantial; they were not just technical. Our amendments take a different form, but they are aimed at achieving the same results, in essence, as put forward in the House. But we have taken into account the government's amended bill and we have accepted the structure of it, apart from these two provisions.

Our view is that the bill as amended by the government has significant costs. The ability of the Auditor-General to chase the money trail goes too far. The ability of the Auditor-General to peer into the private accounts of businesses and contractors is a profound concern. To put it simply, how does a subcontractor who might be indirectly in receipt of Commonwealth funds cope with a Commonwealth audit by the Auditor-General? This is a real concern. We have significant problems already with the aggregation of government contracts that make it difficult for small and medium business to participate in government contracts. I cannot imagine anything that would scare a small business more than the threat of an army of Canberra auditors coming into their business. We do not see a need for that provision to be instituted in this bill. Those businesses have little capacity to deal with a significant Commonwealth audit of that nature.

In our view, it would also subject them to a potential double audit. In the other place, the member for Mackellar, the shadow minister, noted that there are different purposes with public sector audits and with private sector audits. A public sector audit is limited in scope to whether the money has been spent efficiently, whether the program is designed efficiently and appropriately, and what the program's objectives are. In the private sector, as well as ensuring the accounts are correct, it is also important to note that auditors have a role in providing advice to a business. The threat of a Commonwealth audit of someone in indirect receipt of Commonwealth funds that might have gone through multiple sets of hands does not in any way relieve the business of the challenge that it would face in its normal audit, as it appropriately should. We see no reason to necessarily subject potentially a very small business that might have only a handful of employees, full-time or part-time, to an audit of that nature. That need has not been established. The real need is to exercise some oversight over these new COAG agreements and some oversight over state and territory governments, and potentially even local governments—those public sector bodies that are in receipt of Commonwealth funds, as increasingly happens under our federal arrangements.

Compliance costs are already a problem for small and medium businesses in this country. We have heard a great deal about the 220 regulations created for every single regulation that has been removed by this government. Its performance in complying with its own regulatory regime, with a number of regulatory impact statements, is poor. We have a 50- or 60-page regulatory impact statement on soccer goal posts, yet the government has exempted its own
superannuation and mining taxes, and even the carbon tax, from regulatory impact assessment. We on this side find that bizarre.

It is also bizarre that the government simply does not understand the imposts that every little additional regulation places on the small and medium business sector. In particular, the threat of this may well make it significantly more difficult for small businesses to access government contracts. I do not think anyone would openly desire that and I know that on this side of the chamber we specifically oppose any measure along that line. The real problem here is that we have a government that has a careless attitude towards taxpayer funds. I do not see how subjecting a small business right at the end of the value chain is going to address the problem when we know a lot of the waste has been passed from Commonwealth department to department and then through to state governments. That is where there has been a lack of oversight. There is no demonstrated need for potentially every small and medium sized business being subjected to a Commonwealth audit.

We have also opposed the exception outlined by Senator Bishop relating to government business enterprises. I am not convinced by the arguments—I do not care how old they are—that government business enterprises should in some way be exempt from the ability of the Auditor-General to initiate an audit on his or her own volition. Leaving that power solely with the Joint Committee on Public Accounts and Audit effectively leaves that power in the hands of the government.

I do not buy the competitive neutrality argument that has been put by Senator Bishop, that we should not subject government business enterprises to something that private sector enterprises are not. That is because in the other part of this bill we see that private sector businesses, potentially small subcontractors, are subjected to the oversight of the Commonwealth Auditor-General. Why on earth should the Auditor-General be able to go and investigate the private accounts of a subcontractor on a school hall but not be able to investigate the accounts of a government business enterprise? It is a profound double standard. I do not care if the arguments have been used before, Senator Bishop. Circumstances change. We have privatised a lot of businesses. Quite frankly, government businesses use taxpayer capital whereas private sector businesses do not. If anything, my view is that government business enterprises should be prepared for a higher level of scrutiny precisely because they have had to call on the taxpayer to provide the capital for their development.

We will be moving amendments to reflect those two concerns. Our prime concern remains that the Commonwealth Auditor-General, as a large and effective organisation, needs to focus its resources on who the Commonwealth hands its money to. In this case, that money is primarily handed to the states and territories. When we look at the examples that have driven this reform, they are the waste that has occurred under this government and under the current Prime Minister before she was Prime Minister—particularly in the education and school halls phase, but also in the home insulation phase, although that was not her portfolio.

We do not want to create an extra layer of bureaucracy—a potential extra layer of compliance costs—and I put it to the government and cross benches that no argument has been put to justify potentially subjecting any small business that could be putting solar panels on a roof through a government program or subcontracting on a school hall to the might of the Auditor-General when we have had billions of dollars
wasted in the first step from this chamber—it goes necessarily from Commonwealth to state and territory before it gets to the final point. That risk is not justified by any case that has been put. Similarly, there is absolutely no case for government business enterprises effectively being given a lower level of audit. They use taxpayer funds as capital and have done so over many years. We will move amendments to that effect and I understand that, if they have not already been circulated, they will be very soon.

Senator RHIANNON (New South Wales) (10:35): The Greens support the Auditor-General Amendment Bill 2011, which will provide for the Auditor-General to conduct a performance audit to assess the performance of state and territory bodies that receive Commonwealth funding to deliver specified outcomes. This is a most important piece of legislation. It will enhance the democratic process because it brings greater transparency and accountability to how government programs are implemented. When there is greater openness about how government bodies work, the public can then have greater involvement in the workings of government. I congratulate all members of the Joint Committee of Public Accounts and Audit and, in particular, its chair Mr Rob Oakeshott. I was fortunate to be a member of the New South Wales parliament when Mr Oakeshott was also a member, and have always found that his work is very thorough and he is very committed to his own constituents and the people of this country.

The current act that covers the Auditor-General means that the Auditor-General can assess only the Commonwealth’s administration of funding, not the use to which the funds have been put by the state or territory governments. Other senators have set out how the amendments in the bill will impact on the Auditor-General’s office. I will provide some examples of how these amendments will play out. If we go back to the committee report, which is essentially where this bill comes from, it used the example of the Building the Education Revolution. That was a program the Greens supported as part of the stimulus package. As well as providing stimulus, the program also provided much-needed infrastructure to schools throughout the country. The previous speaker, Senator Ryan, once again railed against this program. But those comments only serve to show how out of touch he is with what is going on in communities. Yes, there were some problems with that program, as there are with many large-scale programs. But, from my experience of going to many schools and speaking in many communities, most people out there cannot believe their luck—that they have ended up with school halls and other infrastructure that they thought they would never have the chance of obtaining. It is making a real difference to education outcomes.

The Building the Education Revolution program was subject both to an audit by the Auditor-General and to an independent review by Brad Orgill. Both reports found that the program was a success. The Auditor-General has made the point that his audit could only concern itself with the administration of the program by the Department of Education, Employment and Workplace Relations and not with the performance of the state and territory authorities in delivering the projects. This was a shortcoming.

With this bill enacted, we will be able to ‘follow the money trail’. Those words have been used by many other speakers and it certainly sums up the essence of the changes to the act. It seems perfectly appropriate that the Commonwealth Auditor-General should be able to follow the money on such programs to ensure Commonwealth funds are being used for the purpose for which they...
were provided, whether it is the Building the Education Revolution, other stimulus programs, assistance for rebuilding after the floods, private providers picking up public money for vocational education training—an issue that I have been pursuing lately—or any other Commonwealth funds being provided for a whole range of purposes.

The contracting out of services should not result in the loss of government accountability. This particularly applies when it comes to private contractors. I am very pleased that the bill makes a significant amendment to allow the Auditor-General to audit the performance of contractors who receive money to deliver Commonwealth projects or services. As the committee report notes, the Commonwealth government is increasingly outsourcing the delivery of government programs and services. This outsourcing can potentially lead to a loss of government accountability if the performance of private contractors cannot be subject to audit. It was a unanimous finding of the committee, and a point on which there was general agreement in the evidence, that the Auditor-General should have the power to examine the expenditure of public funds when government enters into commercial arrangements for the provision of services. The head of the Defence Materiel Organisation submitted to the inquiry that the Auditor-General should have greater authority to examine the financial and performance outcomes associated with Commonwealth expenditure, including the authority to conduct company audits. Once this bill is enacted, the Auditor-General will have that authority.

In summary, the Auditor-General is one of our most important democratic institutions, providing accountability for the use of taxpayers' money and the general financial integrity of the Commonwealth government. This bill will make an important contribution, I believe, to improving this work. I did note that Senator Ryan spoke of amendments that he will shortly be circulating. We will certainly give those close attention but we are concerned—and I am happy to put this on the record—that the coalition could be up to more mischief here. Considering how thorough the work done by the committee was, leading to the recommendations which have been adopted in this bill, you again have to suspect what the coalition is up to.

Senator THISTLETHWAITE (New South Wales) (10:41): I rise to speak on the Auditor-General Amendment Bill 2011. The bill seeks to amend the Auditor-General Act to implement various recommendations of report 419, tabled in December 2010, of the Joint Committee of Public Accounts and Audit. The bill seeks to extend the Auditor-General’s mandate to undertake performance audits of private sector providers and state government agencies in certain circumstances and to undertake a specific audit program of a sample of agency performance indicators. The bill will allow the Auditor-General to conduct, in certain circumstances, assurance reviews with the same powers and access to information and premises as applies to performance and financial audits.

Assurance reviews are undertaken by agreement with a client, either at the request of the client or in response to a request from stakeholders, including ministers, the Joint Committee on Public Accounts and Audit and other parliamentary committees. The terms of the review are negotiated directly with the client. The Auditor-General's existing powers in relation to the conduct of performance and financial audits by arrangement are outlined in section 20 of the act. The Joint Committee of Public Accounts and Audit recommended extending the Auditor-General's existing powers to include the conduct of assurance reviews. This will
ensure greater confidence that the Auditor-General can carry out such reviews without having to negotiate terms, breadth and access to information directly with the client.

The bill also provides clarity with respect to claims of legal professional privilege for information or documents—ensuring that such claims do not override the Auditor-General's information-gathering powers. In doing so, the bill makes it clear that the information or documents do not cease being the subject of legal professional privilege if produced in response to a direction by the Auditor-General. The Australian National Audit Office has noted that agencies have, directly or indirectly, obtained legal advice which claims that certain documents are protected by legal professional privilege and therefore cannot be produced. In evidence to the Joint Committee of Public Accounts and Audit, the Auditor-General noted that, despite these difficulties, the Audit Office has never been refused access to such information. By clarifying the situation, however, this amendment will improve the efficiency of the audit process by removing the time-consuming process of having to negotiate the provision of privileged documents. The bill also clarifies that the Auditor-General is able to audit any Commonwealth controlled entity, including Commonwealth controlled companies and their subsidiaries. This is by far the most significant amendment in this bill. This will allow the Auditor-General to follow the money and audit parties of government contracts and agreements. This means that private sector and state and/or territory entities that receive Australian government funds to implement Australian government programs will come within the definition of those to be audited. Under the current arrangements, the Auditor-General can access the records and information of such external parties, but only when assessing the performance of the relevant agency, not when directly assessing the performance of an external party. This means that the Auditor-General is unable to access the extent to which the external parties that receive the government funds achieve the purpose for which those funds were provided. This bill gives that authority to the Auditor-General, along with the authority to undertake audits of those Commonwealth partners.

The bill contains appropriate restrictions and protections on the extent of these powers, particularly in relation to state and territory entities, and the government anticipates that they will be used sparingly. For example, the Auditor-General will be able to assess the operations of a state or territory entity only after a request has been made by the Joint Committee of Public Accounts and Audit, or by the responsible minister, and only to the extent that those operations relate to achieving the purpose for which the funds were provided.

The amendments to the bill implement those recommendations of the Joint Committee of Public Accounts and Audit report that require legislation, with one exception. That exception relates to the performance-auditing arrangements for government business enterprises. The Auditor-General Act currently provides that government business enterprises can only be audited by the Auditor-General at the request of the Joint Committee of Public Accounts and Audit, the minister responsible for the government business enterprise or the finance minister. The Joint Committee of Public Accounts and Audit report recommended that the act should be amended to give the Auditor-General the broad authority to initiate audits of government business enterprises.
Successive governments have taken the view that the Auditor-General should not have the ability to audit government business enterprises of their own motion. Government business enterprises are subject to competitive pressures and disciplines that do not apply to other Commonwealth bodies, and to the greatest extent possible they should be subject to the same audit arrangements as their competitors. The government considers that audits of government business enterprises should be requested by the parliament in response to general public interest concerns about aspects of their operations, rather than as an incidental part of an annual work program. The Joint Committee of Public Accounts and Audit, which comprises members from across the political spectrum and can conduct hearings in private, is the appropriate body to consider whether a particular government business enterprise should be audited.

The House of Representatives agreed to the amendments which now form part of the bill before the Senate. Accordingly, the Auditor-General Amendment Bill would allow only the Joint Committee of Public Accounts and Audit to request an audit of a government business enterprise by the Auditor-General and, as is currently the case, the Auditor-General could ask the Joint Committee of Public Accounts and Audit to request an audit for a particular government business enterprise. The measures contained in the bill will ensure that the Auditor-General has the tools to respond to today's audit challenges. The government supports the bill before the Senate. We see it as an appropriate response to that important report of the Joint Committee of Public Accounts and Audit, and I commend the bill to the Senate.

 Senator CORMANN (Western Australia) (10:49): The coalition well understands why the member for Lyne has initiated the Auditor-General Amendment Bill 2011. The member for Lyne is part of and supports a government that has a devastating track record of waste and mismanagement. Clearly the member for Lyne is embarrassed that he is part of such a government, because he knows that the failures of the Gillard-Brown government are also his failures. The waste and mismanagement that has been inflicted on the Australian people by this incompetent Labor-Green government is also his responsibility, so he is trying to do what he thinks he can do to somehow find a way to put some additional checks and balances into the system. I well understand his motivations, and they are laudable, though I would urge the member for Lyne to reflect on whether there might be a more effective way for him to ensure that Australians can benefit from better government, because this government cannot be helped. This government will never become a good government, even with any additional checks and balances and red tape that might be put into place through legislation like this.

The main purpose of the Auditor-General Amendment Bill 2011 is to extend the powers of the Auditor-General to audit not only government entities and agencies but also contracting third parties. As my good friend and colleague Senator Ryan has told the chamber, the coalition supports the intent of this legislation, though in its current form we cannot support this bill without a number of amendments which Senator Ryan has circulated on behalf of the coalition. Firstly, this bill creates an increase in the regulatory burden on Australian business. As I look at the activities of this high-spending, high-taxing, high-red-tape government, I remember this quote from former US President Ronald Reagan, who said about government's view of the economy:

If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.
That is the economic policy of the Gillard-Brown Labor government. If it moves, they will tax it. If it keeps moving, they will find ways to regulate it. And, if it stops moving, Kim Il Carr, Senator Carr, will come in and say, 'Let's subsidise it.' That is the way the government goes about things. That is what the carbon tax is all about: 'Let's tax the hell out of Australian business. Let's really make it hard for them to make a quid. Let's work as hard as we can as a government to make Australian businesses less competitive than higher-emitting businesses in China and other places around the world. Then let's put in some more regulation. Then, when businesses get in trouble, let's subsidise them.' This is just ridiculous.

This Labor government is a high-taxing, high-regulating government, even though in the lead-up to the last election it promised us new and refreshed rigour in deregulation. For every new regulation, they were going to abolish one. I think that is what they said. Senator Ryan, is that right? Is my recollection correct?

Senator Ryan: Two hundred and twenty to one!

Senator CORMANN: There you go. They even have a Minister for Finance and Deregulation, but the track record of the government has been nothing short of atrocious on that front. The level of additional red tape imposed on businesses across Australia under this government is unprecedented.

This bill would require any private sector supplier to any government agency to be prepared to undergo a full investigation by the Auditor-General at any time. It is our view that this would place an unnecessary added cost and compliance burden on businesses across Australia. Under Labor over the last four years, we have already seen the greatest growth of government in our lives. That includes the Whitlam era. This government is worse than the Whitlam government when it comes to increasing the size of government and its reach into people's lives.

Senator Ryan: They're proud of that!

Senator CORMANN: As Senator Ryan says, this government is proud of it. But I know that people across Australia are sick of it. People across Australia are sick of this government wanting to increase its reach into their lives and make their lives more difficult. If supported, this bill would just further increase that burden of red tape for any business doing work with the government. The ever-expanding reporting requirements and compliance burdens for many hundreds of thousands of small and mid-tier businesses are becoming a major cost, impacting on the profitability of these businesses and in many cases threatening the very survival of particular businesses. There have been literally thousands of new regulations in the last four years. There has to be a point where we stop this flood of red tape and start to turn the flood back.

This government's whole rationale is to make decisions on behalf of others in the community. In the case of this bill, it is making decisions on behalf of not only other government instrumentalities but also the many hundreds of thousands of small businesses that this legislation would extend to. We have heard from Senator Bishop, who is part of this high-taxing, high-regulating, 'Let's subsidise them when they're failing because of our high taxes and regulations' government. Senator Bishop has said that the government is going to support this legislation, so we know that this government supports further regulation, when it has been promising us deregulation.

There is no doubt that this legislation would create a very significant impediment
to many of the smaller and mid-tier businesses doing business with the government. I am sure that this is not the intent of the bill. I am sure that is not what the member for Lyne was seeking to achieve. He just wanted to improve the checks and balances on a bad government. He is embarrassed by being associated with this bad government and he thinks that, if we give some more powers to the Auditor-General, they will be able to do the job that he is not able to do. The member for Lyne actually has it in his power to improve government in Australia without adding significant additional red tape for hundreds of thousands of businesses across Australia. I really and truly think that the member for Lyne should reflect on that. He could actually achieve both better government and less red tape for small business. If we had better government, there would be no need for this legislation which would strangle more small businesses in additional red tape.

I know that members in the other place do not really pay that much attention to what happens in this chamber, particularly these days.

**Senator Xenophon:** They should!

**Senator CORMANN:** I agree with Senator Xenophon—they should. But these days the Senate has become very boring. These days in this chamber the government has got the numbers. What happens from time to time is that the Greens—playing to the gallery, playing a bit of theatre—will jump up and down and say, 'We don't like this,' or 'We think this is bad,' or 'The mining tax should be expanded,' or 'We think we should do this and that,' but at the end of the day they will turn around and have their tummy tickled by Julia Gillard and on they will go. They will vote for it. They even vote for the gag these days.

**The ACTING DEPUTY PRESIDENT (Senator Moore):** Senator Cormann; I remind you that when you are referring to Ms Gillard it is 'Prime Minister Gillard' or 'Ms Gillard'.

**Senator CORMANN:** Thank you, Madam Acting Deputy President. These days the Greens jump up and down and pretend that they have some level of disagreement with the government on things, but ultimately they will just vote along. They even vote along for the gag. In the last two days I have things seen things that I thought I would never see. Senator Bob Brown yesterday voted for a gag which prevented him from explaining his new-found support for the gag. Senator Brown yesterday voted to gag debate so that the Senate could not require him to explain why he all of a sudden supported the gag. This morning the Greens voted against Senator Hanson-Young explaining herself to this chamber. As much as I think it is regrettable, I understand why people look at our chamber less these days.

But, Senator Xenophon, I have to say when it was you and Senator Fielding on the crossbench this was a much more interesting chamber, because in those days the Senate could make a decision on the merits of an argument. When the government came up with something that was demonstrably bad policy, the Senate would be able to stop the bad government in its tracks. These days, if a bad government comes up with bad policy, the Greens will try and make it worse. In the past a bad government would come up with bad policy and Senator Xenophon and then Senator Fielding tried to make it better; these days a bad government comes up with bad policy and the Greens will do everything they can to make it worse. Having said all of that, I do hope that the member for Lyne—and somebody who is watching could bring it to his attention—will reflect on the power that he has to deliver better government to
Australia without imposing significant additional red tape on businesses. That is a significant power he holds and indeed he should reflect on it.

With the level of scrutiny and intrusion that would come about with a study by the Auditor-General of business practices, many small and medium sized businesses will choose not to do business with government agencies as a consequence. Therefore, only the biggest companies with the resources available to prepare for and comply with an Auditor-General investigation are likely to be prepared to tender for contracts under these circumstances.

We know that the Labor Party likes big business. The Labor Party does not like small or middle sized businesses; the Labor Party only likes big business. Remember the way it negotiated, exclusively and in secret, the design of the mining tax? It went behind closed doors with the three biggest taxpayers around Australia, the three biggest mining businesses, excluding hundreds of thousands of small and mid-tier mining companies from the process. Remember how this government designed the tax exclusively and in secret with BHP, Rio and Xstrata. It designed the mining tax in a way that would make it harder for all the smaller and mid-tier guys to compete with the big guys. So we know that the Labor government is a big business government.

*Senator Mark Bishop interjecting—*

**Senator CORMANN:** Maybe the reason Senator Bishop thinks this legislation is a good idea is that it will make it easier for big business to contract with the government. It will get rid of this pesky competition from small and mid-tier businesses, who will just give up because there is so much red tape involved that there is not a buck to be made. So maybe Senator Bishop and the Labor Party think this might help big business because it will get rid of some pesky competition, but of course that is not in the public interest. It is not in the national interest. This legislation will very quickly provide a significant impediment to many businesses in continuing to seek government business. This will particularly disadvantage small to medium sized businesses in Australia, denying them the opportunity to compete for government business.

With a reduction in competition for government business and the audit compliance burden for all tenderers, this legislation will lead to greater costs in the provision of government services. And who will have to pay for that? If you add red tape and reduce competition, you increase the cost. So you increase government spending and you increase the deficit further. What do you think our current Treasurer is going to come up with as a solution? I do not know, but chances are he will come up with yet another tax to line up behind the 19 new or increased taxes that we have had from this Treasurer over the last four years. This is what we are looking at. This is a government that just cannot manage its finances. It is trying to pile on more and more costs. It is trying to make it more and more expensive to do business with the government, and who ultimately pays the cost of that? It is, of course, the Australian taxpayer. The Australian taxpayer comes last in the government's considerations. That is the track record that we have seen over the last four years.

Many of the businesses that do choose to continue to tender for government work would face the prospect of an Auditor-General inquiry sometime in the future, and it would be a real prospect when you look at the myriad programs that have wasted thousands of millions of dollars in the last four years under this government. The programs that these businesses were in good
faith seeking to do work for could well end up being the subject of an Auditor-General inquiry, given the record of this government and its total incompetence in terms of wasting public moneys and mismanaging so many programs.

As a consequence, many of these contractors will build into the tender price the increased cost to cover the potential audit requirements. So this is going to go across all of the contracts. All of these businesses are going to think, ‘There’s a chance that we might have to deal with an audit by the national Auditor-General as part of our contracting with the government, so we’d better make sure we price that into our contract.’ The cost goes up again, and not just across the high-risk areas but across the board. On so many fronts, this is simply an addition to the existing reporting requirements. Also, this type of post-event auditing would be trying to chase any potential waste of taxpayers’ money after the event, so well after the horse has bolted.

The proposition from the coalition for an office of due diligence is the way to go. My coalition colleague Senator Ryan will be moving amendments to remove the ability of the Auditor-General to audit private contractors which we believe will create an extra layer of bureaucracy for small business and will stop them bidding for government contracts. We cannot support this bill without this change. Furthermore, we will seek to reverse the government’s amendment in the House of Representatives. The government amendment means that government business enterprises can now only be audited by the Auditor-General if approved by the Joint Committee of Public Accounts and Audit, effectively giving the government a veto over any audit of a government business enterprise. This is a direct attack on the independence of the Auditor-General. It crosses the line on accepted principles of the separation of powers. Unless the coalition’s very sensible amendments removing the audit powers over private contractors are passed, we will oppose this bill.

I will sum up. The reason the member for Lyne felt compelled to put this legislation forward is that he, like us and like people across Australia, has witnessed a bad, incompetent and wasteful government mismanaging the affairs of the nation over the last four years. Instead of reflecting on the fact that he is actually part of this government, that the failures of this government are also his failures, instead of reflecting on how he can ensure that Australians can benefit from better government into the future, his backdoor solution increases red tape and increases costs for businesses across Australia. That is not the way to go. He has gone for a solution that is actually not going to achieve a proper resolution without excessive additional costs to be carried by business and taxpayers across Australia.

I urge senators in the chamber not to support this bill unless the amendments to be moved by Senator Ryan are successfully carried, because the amendments to be moved by Senator Ryan will ensure that small and medium sized businesses will continue to tender for business with government, that we will have appropriate levels of competition in the tendering for government contracts and that costs are kept at the lowest possible level. You want to have appropriate competitive tensions when there is government tendering for various services and contracts. That is the way to do it. That is, of course, the way a coalition government would do it.

It is time to ensure that we have better government. It is time to ensure that the waste and the mismanagement is stopped. It
is time to ensure that taxpayers get value for money. But this legislation in its current form is not the way to do it. So I would very strongly urge all senators to vote against this bill unless the amendments that are going to be moved by Senator Ryan on behalf of the coalition are successfully carried.

Senator XENOPHON (South Australia) (11:10): I am grateful for Senator Cormann’s comments about the Senate being a more interesting place. I am not sure that it was actually.

Senator Cormann: I thought it was. We did some great things.

Senator XENOPHON: Well, I always find the Senate interesting, Senator Cormann. I will just indicate that, as I understand Senator Cormann’s position, the coalition will be supporting the second reading stage of this bill, which I think is a good thing. I think Senator Ryan is nodding. I hope I am not verballing him.

Senator Ryan: Not opposing.

Senator XENOPHON: Not opposing the bill. It is a bit like the government on the palm oil bill. We can obviously explore the amendments from Senator Ryan, and I would be grateful if I could have an opportunity to speak to Senator Ryan before this bill progresses further. I imagine we will not be going too far in the committee stage.

I support the second reading of this bill, which is based on the recommendations of the Joint Standing Committee of Public Accounts and Audit and which will improve the scope of the Auditor-General. As a member of the South Australian parliament on the Legislative Council I thought it was important to improve the scope of the role of the state Auditor-General to look at issues of efficacy and the effectiveness of government programs to ensure not just that money was spent as it was meant to be spent but that the money spent delivered good outcomes. A classic example of that were drug rehabilitation programs. These are issues that I previously raised in my time as a member of the South Australian state parliament.

I think that, ultimately, where taxpayer dollars are being spent, it is vital that the money can be tracked. I believe it is crucial that there is appropriate scrutiny of Commonwealth agencies, Commonwealth authorities and government business enterprises. I believe it is fundamental that these bodies are held accountable for their operations and that the Auditor-General has the power to conduct assurance reviews as needed to ensure they are complying with standards.

For instance, the government’s National Broadband Network is being rolled out to the tune of some $40-plus billion dollars. I am on the committee looking into that as a participating member. Having come back from a meeting this morning, I believe that this bill would enhance the powers of the Auditor-General to add an extra layer of scrutiny to that project. This bill will enable the Auditor-General to audit NBN Co., a government business enterprise, in all aspects of the rollout and the operations of the company. I think that is a good thing.

Furthermore, we see regular examples of inefficient Defence procurement spending and problems with Defence contracting. I recently participated in a Senate inquiry into that where we heard evidence from the Defence Materiel Organisation. I think that if this would enhance the powers of the Auditor-General to sort out the billions of dollars being spent there and whether it is being spent effectively in the defence of our nation that would be a good thing. This bill will enable the Auditor-General to explore all aspects of contracting in this agency, which will ultimately lead to better value for
money and therefore better use of taxpayer dollars.

I acknowledge the opposition's concerns with this bill. They obviously can be explored in the committee stage. I look forward to having a discussion with Senator Ryan in relation to that. Whilst we may agree to disagree on a number of issues, I do respect the intellectual rigour which he brings to issues. I think that is very important in a debate in this place.

I also think that if money is being spent, whether internally or by way of a contractor, it needs to be monitored and the agency needs to be held accountable. An example of where things have gone wrong is the Home Insulation Program, which the opposition criticised with, I think, some real justification. I believe this bill will enable the Auditor-General in such circumstances to follow the money trail and to follow a whole range of issues which the Auditor-General does not have the power to do at present. I would have thought, for that reason alone, we would have learned from the lessons of the past that it is important to give the Auditor-General additional powers. I note the opposition's argument that this will place a burden on contractors, but I do not believe there is a reason for them not to be scrutinised when taxpayer dollars are being spent. There might be peripheral issues in relation to the processes involved and unnecessary red tape, but I think the principle that contractors be accountable is a good one, particularly given the role of governments in terms of outsourcing. It is something that the coalition government did. I think there ought to be that level of scrutiny.

I support the second reading of this bill. I look forward to further debate in relation to it. I think that this is a bill that will advance the interests of taxpayers by having greater levels of scrutiny and I commend the member for Lyne for introducing in the other place these much needed reforms. I genuinely look forward to the committee stage of this bill and to discussing this matter further with Senator Ryan.

Senator MARK BISHOP (Western Australia) (11:15): I thank all honourable senators for their contributions to the debate on the Auditor-General Amendment Bill 2011. I just want to make a few comments in response and also make some general comments that go to the amendments that have been circulated by the opposition. Probably when we go to the committee stage, I will adopt those comments again. The background to this bill is well known and well understood, as shown by the contributions here today. There has been a full committee inquiry by the Joint Committee of Public Accounts and Audit and the report of that committee has been tabled. Customarily, the government considers reports and recommendations of committees and, if it accepts those recommendations and they require a legislative response, brings forward amendments to the relevant bills at the appropriate time. In this case the chairman of the committee, an Independent from New South Wales, Mr Oakeshott, the member for Lyne, took things in hand and had the Clerk of the House draft legislation he thought appropriate to give effect to the recommendations of the JCPAA. The government indicated its general support for that proposition but became involved in the drafting because it wanted to make the necessary amendments that would come before both chambers precise, exact and internally consistent with the current policy prescriptions in the act. The principal purpose of the amendments before the chair have been identified by all speakers. The Auditor-General will no longer be required.
to consult with the minister or JCPAA, it will simply need the approval of the JCPAA to go about business as authorised under the act.

I have closely listened to the comments senators have made concerning the money trail, the role of subcontractors and the role of private sector entities. For reasons that will become quite clear, the government is committed to extension of the powers of the Auditor-General to examine non-Commonwealth entities, whether they be state or private sector. The government is also committed to maintaining its position of following the money in the audit trail. I will put some advice on the record as to what the position of the Auditor-General is in respect of both of those proposals.

Senator Ryan in his comments significantly addressed the role of private sector entities in terms of the auditing process, more particularly small and medium sized businesses, and put the view quite forcefully that it was inappropriate for government to be auditing those private sector entities. He reflected on amendments that were put in the House and defeated. I note that the amendments that have been circulated in this place in substance are almost the same as the amendments that were previously moved and defeated in the House. Although the wording of those amendments is significantly different, the purpose behind the amendments in both places is the same.

In respect of those amendments I put on the record that the JCPAA in its deliberations recognised that there is an increasing use of contractors to implement government programs and services. The committee acknowledged that this practice has benefits for service delivery. The committee was also concerned it had the potential to undermine ministerial responsibility and parliamentary oversight. The committee wanted to see more accountability in this area and wanted the Auditor-General to have the power to audit external entities, including contractors delivering government programs and government services. The government response to the committee report supports this proposal and the bill currently before the chair gives effect to that recommendation.

I do note Senator Cormann's comments and Senator Ryan's comments about a possible increase in the regulatory burden that this might impose on small business. The bill does contain appropriate restrictions on the extent of these powers. More importantly, the purpose of the audit will be limited to an assessment of how the operations of the private sector entity contributed to achieving the purpose for which it received Australian government funds. So it is not a frolic on its own by the Auditor-General; it is not able to cavalierly go and investigate near and far. The audit is limited to an assessment of how the operations of the private sector entity contributed to achieving the purpose for which it received Australian government funds.

The Auditor-General's primary client is the Commonwealth parliament. We say it is entirely appropriate that the parliament be able to assure itself that public funds provided to private sector entities have been spent on the purpose for which they have been provided. Really, when one thinks about the proposition, it is absurd in this day and age, where the Commonwealth government is increasingly covering off shortfalls, shortcomings and deficiencies in state government provision of services, particularly in terms of infrastructure, construction and the like, that if billions of dollars are allocated via Commonwealth interests to state agencies or state departments and then on funded to private
sector interests to carry out the work they contract to do, the money trail cannot be followed and audits cannot be conducted by the Commonwealth to ensure that the money that was allocated for purpose A is spent only on purpose A. Accordingly, I do not consider that the amendments to the bill that have been circulated by the opposition present an excessive regulatory burden on small businesses. Nor should they be regarded as an impediment to businesses seeking work delivering Commonwealth activities. On that basis, when the matters do come before the committee stage for decision, the government's position will be maintained.

Finally, in response to comments raised on this argument about independent contractors, subcontractors or private sector entities contracting for the receipt of Commonwealth funds to deliver work for Commonwealth purpose, I can advise that the Auditor-General expects to use the power to audit private sector entities only when the performance of a contractor would be significant in the context of the delivery of a government program. The Auditor-General has advised the Commonwealth that it would be very unlikely that this would ever be the case for a small business. The concerns or fears that have been raised by the opposition in their contributions to the second reading debate, and referred to somewhat obliquely in passing by Senator Xenophon, are directly addressed in the comments of the Auditor-General that it would be very unlikely that this would ever be the case for a small business. With those concluding remarks, I commend the bill to the chamber.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator RYAN (Victoria) (11:24): by leave—I move coalition amendments (1), (2) and (3) on sheet 7162 together:

(1) Schedule 1, item 19, page 6 (line 32) to page 7 (line 3), omit subsection 18B(1), substitute:

(1) The Auditor-General may conduct a performance audit of a Commonwealth partner if the partner is, is part of, or is controlled by, the Government of a State or Territory.

(2) Schedule 1, item 19, page 7 (after line 4), before paragraph 18B(2)(a), insert:

(aa) the person or body is, is part of, or is controlled by, the Government of a State or Territory; and

(3) Schedule 1, item 19, page 8 (lines 1 to 3), omit subsection 18B(9).

I take the points raised by speakers in this debate and move these amendments on behalf of the coalition. The effect of these amendments is to limit the scope of the Auditor-General's powers effectively at the door of government. We have taken account of Senator Bishop's concerns earlier when he said that we need to give the Commonwealth Auditor-General the power to look into other branches of the federation where they are in receipt of Commonwealth money. The coalition strongly agrees with this and has proposed it. We have argued in this place before that, in respect of money appropriated and spent by this place for a purpose—whether it be directly or through another level of government—the members of this place have an interest, on behalf of all Australians, in checking up on the spending of that money to determine whether or not the money was spent efficiently, whether or not the program was designed efficiently and whether or not the program was administered well.

We have heard a number of examples of where that has failed over the last few years. We have seen it happen with school halls, where we know there were billions of dollars
wasted. As I said earlier, the idea that we would have asked Australians a few years ago for the undreamed of amount of money of $14 billion—a once-in-a-generation amount—to be invested in education, and that we would have spent it that way, is, I think, something that not even members of the government would own up to. That is because they cannot look in the mirror and say, 'We spent that $14 billion as well as it could have been spent.' Imagine the benefits that could have gone to teacher training, to teacher remuneration and reward and to other facilities in schools—not just school halls. I think that in the years to come we will hear complaints about lack of schoolyards in some of these schools. I live in the inner city of Melbourne and a number of these schoolyards—

*Senator Farrell interjecting—*

*Senator Polley interjecting—*

**Senator RYAN:** They do not have a yard anymore, Senator Polley and Senator Farrell. They do not even have a schoolyard. There is nowhere for them to run around. They are rostering lunchtime and playtime at schools that have a real-estate challenge. But we whacked on a hall because many of the schools were old. If we had asked ourselves if this was the best way to spend this once-in-a-generation amount of money we would have said this is not the way to do it. No one can contend that this was the single best thing to do with $14 billion.

*Senator Farrell interjecting—*

*Senator RYAN:* I hear the very soft interjections about school halls. I have teachers in my family, Senator Farrell, and no one thinks the school hall or the improved schoolyard is the best way to have spent that money. That the children in those schools will spend many years of their working lives paying back the debt you ran up to pay for the school halls, long after they have finished building them and probably long after those school halls have become redundant and been torn down, is tragically ironic.

The challenge around this bill in particular is: where do we draw the line and what is the legitimate burden to place upon those people who are in receipt of Commonwealth funding? I have no problem whatsoever in applying the same burdens to Commonwealth agencies, state governments and state agencies. However, the coalition has a substantial concern that a subcontractor working on a school hall, with 10 degrees of separation from the appropriation of money in this place, is somehow going to be the person facing the audit from the might of the Commonwealth Auditor-General's office. We know from the JCPAA report that they do not expect there to be a significant increase in workload nor a significant increase in the requirement for resourcing of the ANAO as a result of the recommendations that have been incorporated in this legislation.

The problem, however, is that we do not need to see a substantial increase. What worries me is that we are actually going to see one or two small or medium sized businesses subjected to a substantial audit, which they often do not have the capacity to deal with. Lend Lease, if we were going after them, would have the capacity to deal with the Commonwealth Auditor-General. But how on earth does a two- or three-person firm working in plumbing, electricals or even service provision, like IT, have the capacity to face up to the Commonwealth Auditor-General? The truth is that it does not. The truth is that we are not even looking at the right spot.

The effect of these amendments is also to bring the burden back upon us. As politicians, as members of the executive opposite, at the state and territory level as
well, the burden is upon the public sector not only to appropriate the money and throw it around but to actually design the programs well and to administer them well. The opposition's view is that we can actually meet the objectives outlined in the JCPAA report and that we can meet the objectives of ensuring value for money, ensuring that programs are administered and funded efficiently and ensuring that we get the outcomes we desire. We believe we can do that by holding government departments and agencies accountable. Whether it is a state department of education or the Commonwealth department of sustainability, the burden should be upon the public sector to make sure the program is designed well, to make sure it is administered reasonably and to make sure it achieves the objectives that the money was appropriated for. I do not think the need has been established that we should be going after the person who is necessarily in receipt of that.

All the flaws that have led to this particular bill have actually been flaws on behalf of government. I do not want to assign a motive to those opposite, but it does concern me that there is a bit of misdirection going on here. It is as if the private sector businesses in receipt of these malformed and maladministered programs are somehow the ones completely at fault. I do not know whether they are or not, but the truth is that we know there were substantial flaws in the government administration of this. We know that there was not the capacity of the Auditor-General to look into this. We know that we could not test whether there was value for taxpayers' money. So why don't we, at least in the first instance when we are dealing with this problem, say: 'Let's fix up our side of the equation. Let's fix up our side of the negotiating table and make sure government programs get it right'? I do not think—and it is an extreme example—that making the subcontractor company of two or three subject to the Auditor-General is going to solve the problem. It will only be one instance anyway.

We know, with the BER and with home insulation, that there were systemic problems. There were problems at a policy level and at a government administration level. The problems were not just with a few dodgy people. The problems were because of what this government did. As I have said before, this government was warned about this. It was warned about this during the inquiry into the stimulus, it was warned about it on the way through, it was warned about it while it was happening and it was warned about it after it started happening, yet at no point was the Labor government, under the then Prime Minister and now foreign minister, interested in heeding those warnings until it was too late, in both economic and, tragically, personal terms.

A concern we have about the bill as it stands is that, if the Auditor-General were to start auditing a couple of small firms, I can imagine some firms I know that would be in receipt indirectly of Commonwealth funding that simply would have to stop work. They do not have the redundant capacity to have their books audited. They might be family businesses. They might be small businesses with just a few people and an accountant employed as a bookkeeper. How on earth do we expect those people to deal with the Auditor-General? A lot of these small businesses are already struggling under the burden of red tape. We read only a couple of weeks ago that, under the national OH&S laws proposed by this government, every small business and home business in my home state of Victoria has to develop an evacuation plan. That is tens of thousands of businesses that have to figure out a way to get out of their house or garage, just to comply with national regulation.
This is a mind-set that worries us on this side of the chamber. I do not think there is necessarily anything malevolent about this, nor malicious, but what does concern us is that there is a complete lack of understanding of the impact that rules like this can have on small business. I know that this is going to scare off a lot of small businesses. For a family business that might be in receipt of Commonwealth money, the mere risk of being subjected to an audit of this scale—adding the tax office, WorkSafe, Fair Work Australia and whatever other agency you have to deal with to the Commonwealth Auditor-General—is actually just too great.

I just want to reinforce these points. We do believe in chasing the money trail, but I think the responsibility of the money trail is actually one of the public sector. It is our responsibility to design, administer and implement programs efficiently. That is our burden. It is not an unreasonable one and I do not think we should try to shift blame, if we get it wrong, because someone else has not run the program properly. There are always people who misbehave with public funds. Our responsibility is to make sure the incentive and the opening is not there for them to do it. That is where this government failed. That is where the Building the Education Revolution failed and that is where the Home Insulation Program failed. Undoubtedly there were some people undertaking acts that could be described as wrongdoing. But I do not see why we should subject all the businesses of Australia—most of which are overwhelmingly doing their best to comply with the plethora of regulations at local, state and federal level—to this threat because we cannot get our programs right.

This bill has not come up over years of contracting. I know there are concerns on the crossbenches. They are entirely legitimate concerns about how we keep an eye on contractors and the increasing use, particularly at a state level—as I am sure senators Xenophon and Rhiannon would have been aware of—of commercial-in-confidence as a cover-all claim to prevent public scrutiny of the expenditure of public funds. I have been there and I actually agree with those concerns. But the burden then is upon us to design and run the programs properly, to make sure there is no incentive for malfeasance, to make sure there is no ability to rort a program, to make sure that you do not have a situation where someone can get a phone book and start cold-calling pensioners and saying: 'I can put insulation in your roof. I have got no qualification. It will be free.' That is not necessarily the problem of all the businesses that were working in that space legitimately—most of whom, by the way, have now gone out of business. The fact that there might have been one or two builders or others that might have taken advantage of the Building the Education Revolution funds that were splashed around Australia, particularly in New South Wales, does not mean that all the builders in every state of Australia should have the threat of an ANAO audit hanging over their head. The fact that we are not dramatically increasing the size of the resourcing makes me wonder if, when the political pressure is on, one business or two businesses, who may have done nothing wrong, are going to get audited. There is a lack of understanding, in this city in particular, that even if you have done nothing wrong—even if you have no risk of being inconsistent with the guidelines and have done everything by the book—the audit is still going to cost you money and time. In the case of a family business it is also going to cost you in stress, because in many cases the spouse of the businessperson is the bookkeeper.
An example of this at the moment is dentistry. Many dentists throughout Australia have committed the technical error of not putting paperwork in on time because they were not familiar with the Medicare bulk-billing system. Historically dentists have not had a great deal to do with this process; they have done it for only a number of years. Yet we have dentists with bills of $70,000, $100,000 and in one case several hundred thousand dollars. The government is coming in and auditing them. These are family businesses in many cases, and this is putting their families through a great deal of stress. I was at a dentist with the shadow minister only last week in northern Melbourne. Three nurses had been placed full time at that dentist's practice to deal with the Medicare audit and chase up the paper trail. Medicare is not alleging that any money has been misclaimed. It is not alleging that any money has in some way not been appropriately spent. They are simply saying, 'You didn't do the paperwork; you didn't tick all the boxes.'

This is an example of what an audit can mean to a small business. The threat of an audit is a real and present problem that will scare small businesses away from bidding for government contracts and government work. And the last thing this country needs is more Lend Leases getting more government work. And the last thing this country needs is fewer small businesses operating in Australia. We do not need to make their life any more difficult, but the threat of an ANAO audit will do that.

I urge senators on the government benches and the cross benches to consider these amendments, because I think we can deal with all the legitimate concerns about chasing the money trail by actually taking that responsibility upon ourselves and making sure the government of the day—in whatever jurisdiction it may be—actually designs, administers and implements its programs appropriately. That is why we stand for office. It is our responsibility, and we should not try to avoid blame.

Senator CORMANN (Western Australia) (11:39): Let us call this what it is. The Auditor-General Amendment Bill 2011 is about making small business pay for the incompetence and the mismanagement of this Labor government over the past four years. We have this bill because the Labor government made a complete mess of the pink batts arrangement. This government decided to send billions of dollars out into the Australian economy to get people to put pink batts into their roofs. It is a matter of historical record that we had fires, deaths and all sorts of issues. In this $2½ billion program, after the government had spent half they then had to spend the other half to fix up the mess.

Because this government stuffs up, because this government does not know how to administer a program and because this government does not know how to do its job, who has to carry the can? Who has to pay the price for it? Small business does. The truth of the matter is that there were inherent flaws in what the government did at the time. No amount of auditing, no amount of additional red tape and no amount of increased compliance burdens would have addressed those inherent flaws.

Senator Bishop is now the Chair of the Economics Legislation Committee, so let us have a conversation about economics. When you have a government that suddenly puts billions of dollars into the economy, saying, 'We want people to spend this money on
putting pink batts into their roofs,’ and all of a sudden you get all these people across Australia saying, ‘I've got this free money and I know I have to spend it putting pink batts into my roof,’ guess what happens? The level of supply available in the Australian economy cannot match the artificially increased demand for that particular product or service.

We have a government that incompetently decides to put billions of dollars into the economy to create an artificial demand that the market cannot supply. And what happens? Hundreds of thousands of cowboys come in and said: ‘There's all this money going around. The government is throwing taxpayers' money around like confetti. I want a piece of that. I can do that. I might not have the expertise, I might not have the track record, I might not have the experience and I might not know what I'm doing. What I'm doing might be completely unprofessional and it might put lives at risk. It might put the lives of my workers at risk. But there's all this government money going around, and I want a piece of that cake. I'm going to put some of these pink batts into people's roofs, even though I haven't got what it takes to make it happen.’

Here we have a government that has just thrown billions of dollars into the economy, creating artificial demand that cannot be met from the supply available in the market. All these cowboys come in and provide very bad service, with all the consequences that have been well documented. Then, of course, the inevitable happens: the government, under appropriate political pressure, has to pull the pin on the program, because there is an understandable outcry across the Australian economy about its incompetence, which has put lives at risk and caused fires in houses around Australia. The government then has to do the inevitable: it has to pull the money out of the program.

What happens then? You have the established suppliers—the people who know what they are doing, the people who have a good, solid small business, the people who actually provide a service that is valued by people across Australia—all of a sudden being confronted with competition from all these cowboys who were attracted by the government's taxpayer funded honey pot. Then all of a sudden the government pulls out the money. So all of a sudden what happens in the markets? I hope that the chair of the economics committee—the government senator representing the Labor Party on the economics committee—reflects on what I am talking about here, because he knows that this is true. As soon as the government then says, ‘Okay, we've got to take all of this money away now,’ we now have all these suppliers and services out there—the cowboys as well as the established businesses—but now we have taken all of the demand out of the market. What happens? All of a sudden all of the Australian small businesses—the good businesses who were able to provide a service that was valued and who knew what they were doing, along with all of the cowboys—have not got any business anymore, because the whole market collapses. All of a sudden their businesses are under pressure. All of a sudden their businesses collapse alongside the cowboys.

No amount of additional red tape would have prevented that from happening. We wrote the script before the government went ahead with this—this Labor government, which does not understand the economy, does not know how to manage money, does not understand the consequences of its decisions, does not think things through and does not understand the impact that its decisions are having on real people. We have Senator Ludwig here, the minister who made an ill-thought-out decision out of nowhere to
ban all exports of all live cattle—boom!—at the stroke of a pen, hurting thousands of Australian families. Of course, we get this again and again and again. This is a government which does not think things through. This is a government which does not understand the real-life consequences of its decisions. Then, once the shit hits the fan, rather than deal with the actual—

The CHAIRMAN: Order! Senator Cormann, I think you need to withdraw that remark.

Senator CORMANN: I withdraw that remark, but the Senate well understands what I am trying to say. Once the problems happen and once the government is confronted with the consequences of its actions, rather than address the root causes it wants to put another red-tape bandaid on it. Rather than deal with the root causes, which are bad decision making in the first place, it wants to put a red-tape bandaid on it, which yet again will hurt small business.

The Senate should not go along with that. The Senate should force this government to face up to the consequences of its bad decisions. The decision to put billions of dollars into the Australian marketplace to solicit an artificial demand for additional pink batts was a bad decision, and it was always going to end up in tears. It was ending up in tears not because of what established, respected small businesses across Australia were doing but because what the government did was fundamentally flawed. It was inherently flawed. It was always going to be a problem.

So that is why the coalition will not be party to attempts to force businesses across Australia to pay the price for this government's incompetence and mismanagement. What we need is better government, not more red tape. We need a government that actually thinks things through before it presses ahead and sends billions of dollars into the economy, creating all sorts of consequences which were entirely foreseeable and which this government should have foreseen. That is really at the crux of this issue. Instead of doing the right thing and focusing on how it can deliver better government, it says: 'Oh, well, it's not really our fault. It's not our fault that all these cowboys were attracted into the pink batts market because we decided to put billions of dollars into the economy, creating a demand which existing small businesses would not be able to handle. It's not our fault that all these cowboys that came into the market then did not do the right thing. We now want to punish every single small business across Australia as a consequence of our incompetence and mismanagement.' That is not the way to go about this, I would suggest to the Senate.

Of course, this is not an isolated example. The pink batts example is one of the high-profile ones. Of course, we had the Julia Gillard memorial halls, and that was another high-profile fiasco. But the principle here is that when governments, and in particular Labor governments, willfully spread taxpayers' money around like confetti instead of doing what they should be doing—that is, to prudently and cautiously assess in terms of allocating limited taxpayer resources to the priority needs and services that should be provided to the Australian community—this is what you are going to get. It is completely inefficient that this government says, 'Rather than be more cautious in the way we spend taxpayers' dollars and focus on how we can deliver more with less and on how we can fund the necessary services of government instead of going into areas where we should not go, let's just increase the size of government and the level of red tape and make it harder for small and mid-sized
businesses to contract with the government. That is not the way to do it.

The live cattle export fiasco, which was the responsibility of Senator Ludwig, who is sitting here in this chamber, is another one of these examples where you have a government that is completely oblivious and, quite frankly, does not care about the impact that its bad and incompetent decisions are having on real families and real people. So I guess the next thing is that we are going to have some sort of red-tape solution to prevent governments from making these sorts of decisions in the future, instead of just doing what we should do, which is to change the government so that we have a government that actually knows what it is doing. Our position is very clear: although we do not wholeheartedly support the bill, the amendments circulated by Senator Ryan at least allow us to be in a position to not oppose it. Unless the Senate supports the amendments put forward by Senator Ryan, the legislation will be an irresponsible attack on small- and mid-sized businesses across Australia. It will inappropriately increase the level of red tape imposed on small- and mid-sized businesses just to cover up the demonstrated incompetence of this Labor administration over the last four years. We remember when they came out with another proposal to spend a lot of money, they thought, 'We can't trust finance minister Penny Wong with that; we'd better appoint former coalition finance minister John Fahey to oversee how the money is spent.'

The government know they are not good at dealing with money, so they are always looking for a workaround. The problem is that this workaround is going to increase the cost of doing business with government in Australia. That might be good for big business, and we know that Senator Bishop and the Labor Party more generally are very comfortable in the company of big business and that they do not really like small business. Big businesses are a bit like governments sometimes—they have their bureaucracies and they can talk the same language to each other. Big businesses have big departments, whose job is to deal with government bureaucracy. Big government likes big business because they talk the same language. Small business is not able to handle a lot of the red tape coming out of this government. This legislation is another example of unnecessary red tape. What we need in Australia is a serious commitment to rolling back the red tape, reducing the red tape, and not keeping on adding to it. If Senator Bishop and other Labor senators spent a bit of time in their home states talking to small business, they would know what I am talking about. Get out of the boardrooms of the big business corporations, who are quite happy to deal with that sort of stuff, and start talking to real people.

Senator Mark Bishop interjecting—

Senator CORMANN: Start talking to some real people across Western Australia, Senator Bishop, because that is what senators on this side of the chamber do. If you were talking to some real people, you would not be supporting this legislation. This legislation is all about making business pay the price for Labor's incompetence and mismanagement over the last four years.

Senator MARK BISHOP (Western Australia) (11:55): I want to briefly respond to the remarks made by Senator Ryan and Senator Cormann. The entirety of the debate in the committee has been rather polemic in nature: emotion and not much substance or principle. The opposition are erecting the straw man of hurtful Commonwealth invasion and unwarranted attack on the proper, lawful operations of small businesses. We reject that polemical assertion outright. The purpose of the audits,
if they are ever conducted on small business or medium business, is limited to an assessment of how the operations of the small business entity contributed to achieving the purpose for which it received Australian government funds. If the Commonwealth allocates $300 million to road and bridge construction, tender is made and it is allocated to a prime contractor. The prime contractor in turn retains a whole range of subcontractors—operators, tilers, electricians, welders and the lot—to carry out the job and down the chain dozens and dozens of small business operations carry out the actual work of the contract. We say it is entirely appropriate that if it is warranted, if there is a need, the Commonwealth is able to audit a particular exercise to ensure that the purpose of the money allocated is spent only and solely on the purpose for which it was allocated. If moneys are allocated for the construction of a road, the moneys must be properly spent on labour costs, on steel girders, on bitumen and on cement and the like, but not otherwise. We say that that is a most reasonable argument and a most reasonable objective.

We have noted the concerns behind the polemic argument run by Senator Ryan and Senator Cormann, so we took the trouble to inquire of the Auditor-General as to the purpose of the bill before the chair. What will it do? Once the bill is passed and the powers granted, the Auditor-General is responsible for the exercise of the powers. The Auditor-General—and I put this on the record again in this debate—advised: The Auditor-General expects to use the power to audit private-sector entities only when the performance of a contractor would be significant in the context of the delivery of a government program. It is very unlikely that this could ever be the case in relation to a small business.

So the polemic debate that we have had for the last 40 minutes, defending the interests of the small business and which I say is a straw man, the Auditor-General in a curt, written response advised, 'It would be unlikely this would be the case in relation to a small business'.

In response to the other comments raised as to the allocation of Commonwealth funds to line departments of the Commonwealth or state entities and departments, we agree and are rigorous in ensuring that funds are properly appropriated, programs are properly designed, internal accounting and reporting responsibilities are created at the outset, and line responsibility is supervised. All of those things occur as a matter of course in the administration of Commonwealth programs. If shortcomings or deficiencies or errors are identified, we are more than happy to ensure that a proper audit and a proper regulatory process make certain that it does not occur again. We simply say that, if we have proper funding allocation, proper program design, internal accountability requirements and appropriate supervision of line staff, it is also appropriate in state government entities that receive Commonwealth funds.

Commonwealth funds, of course, is a synonym for taxpayers' funds, so we want them spent properly both at a Commonwealth level and a state level. There is an increasing use of outsourcing and an increasing shift of work to the private sector, all across the Commonwealth. You only have to go through northern New South Wales, Queensland and Western Australia to see the hundreds and hundreds—thousands—of contractors carrying out government work at ports, on roads and bridges, at schools and at community centres to understand the need to ensure that the billions of dollars that the Commonwealth appropriates from Commonwealth funds is spent on the purpose for which it is intended and no other.
We are not embarrassed by that. We say it should be the case. The reason there have not been amendments of this nature to date to the Auditor-General Act, and why it has become an issue of late, is simply that the nature and allocation of Commonwealth funding is changing. Increasingly, the Commonwealth sets a goal, a purpose, and the delivery of the purpose is allocated to a private sector entity. It could be a large construction company, a large shipbuilding company or a large defence contractor. Now that funding arrangements have changed, all we are seeking to do is to ensure the standards that were present in the act when only Commonwealth entities were responsible for the spending of Commonwealth funds are still appropriate in taxpayers' interests and that funds are properly audited and accounted for.

We note, absent the polemic from the other side of the chamber, the comments again of the Auditor-General that it would be very unlikely that this would ever be the case in relation to a small business. With those remarks, the government indicates that it will oppose the amendments moved by Senator Ryan.

Senator RYAN (Victoria) (12:02): I do not plan to take a great deal of the chamber's time but I have to respond to some of the comments from Senator Bishop. Senator Bishop, I put to you that I was not being in my polemical form when I spoke earlier. I can do that but that was not characteristic of the way I was speaking. You read out a statement by the Auditor-General, saying it was essentially 'very unlikely' . That provides no comfort. The Auditor-General has incredible autonomy. The office has independence for good reason. That statement that it was 'very unlikely' that they would look into a small business simply does not provide the security for the many businesses that I had, I thought, outlined earlier in quite a quite a reasonable fashion in this chamber, rather than a polemic fashion.

The point is the threat of the audit can be in itself a disincentive for small businesses to participate in these arrangements. I suggest that there is a lack of understanding of the appropriate role of a government agency in the government's point of view on this. If I am a contractor to a state government agency that may be indirectly in receipt of Commonwealth money, I probably already have compliance burdens. You want to impose on top of that a potential compliance burden with the Auditor-General. I put to you that the responsibility is with the contracting agency. That is why we are in public life—one of the reasons for managing public funds responsibly. This, I fear, is a diversion from the real challenge, which is making sure we design, run and implement our programs appropriately.

So, Senator Bishop, rather than being polemic, as you suggested, they are genuine concerns on this side. I do not think that the government understands the burden of every additional regulatory piece of red tape it throws on a small or medium business. The lack of understanding is exemplified by the comments you made, Senator Bishop. This is going to be an additional regulatory burden—yet another one. It is going to scare small businesses and I fear that we may find an innocent business that is audited one day. Quite frankly, there is a lack of understanding by the Auditor-General and the government about the impact an audit that clears someone completely still has on a person's business and, potentially, their life. That statement from the Auditor-General read out by Senator Bishop is comforting but I put it to you that it is only temporary because the very autonomy in this act means it is just that—it is as worthless as the Malaysia deal; it is not legally binding.
Senator XENOPHON (South Australia) (12:04): The concern expressed by the opposition is that this amendment means there will be the threat of an audit of businesses and as a result of this small businesses may be put off tendering for government contracts.

Senator Ryan: One of them.

Senator XENOPHON: Yes, that is one of the concerns raised. I want to fairly summarise Senator Ryan's position in relation to that. My question to Senator Bishop is: what safeguards are in place for there not to be an unnecessary onus on businesses? I can understand the argument about there being a threat of an audit, but if an audit actually takes place I would imagine that there would be protocols and procedures in place for the Auditor-General's office to deal fairly with those small businesses to ensure that the process is a fair one and not unduly onerous. Has any analysis been done on the compliance costs, particularly for those small businesses? I think there are many larger businesses that are big and ugly enough to look after themselves, particularly public companies, that will not be daunted by the prospect of an audit. Even if a small business is subjected to an audit, and again we are looking at an efficient and effective use of taxpayers' funds for these government contracts and making sure that the money has been appropriately spent, I would have thought that the audit process would not necessarily have to be a traumatic one. It could be a pretty straightforward one that is reasonable. To what extent will the Auditor-General's office adapt its processes in order to deal with small businesses?

I do not think they have this wrong now, but this would be quite a different role for the agency in terms of their interaction with small business contractors. Essentially that is my concern. I can see the motivation for Senator Ryan's amendment but I wonder, in a practical sense, what the impact will be. Can we get Senator Bishop's perspective on this?

Senator MARK BISHOP (Western Australia) (12:07): In response to Senator Xenophon's direct question: if there is ever any audit of a small business it will be, by its nature, the exception not the rule. That logically derives from the comment provided in writing by the Auditor-General. I will read it again:

… very unlikely that this would ever be the case in relation to a small business.

So the Auditor-General does not, on the basis of the statement he has provided, anticipate a heavy workload in this area. That is why I characterise it as exception rather than rule and that is why, Senator Xenophon, I characterise Senator Ryan's argument as a straw man argument. If the responsible entity does not intend to have a heavy, a medium, a small, a sequential or an ongoing workload in relation to audit of small business, then it is a straw man argument to build this up into a massive issue. These arguments were run in the House under the sponsorship of Mrs Bishop—she moved amendments which were in substance the same but different in form—and were specifically covered in the explanatory memorandum.

On the issue raised by Senator Xenophon concerning the cost to small business, no analysis has been done. It is too early to do the analysis. We disagree with the inference that audits will be traumatic for small business. We disagree strongly that any audits, should they occur—no matter how minor in number—will be traumatic for small business. The Auditor-General's office is not operating some sort of gestapo unit which runs near and far with truncheons, invading offices and saying, 'Give us your...
papers; give us your notes; give us your files.’ They are a set of government officials who always conduct themselves properly and only according to law.

The reason I can assert that, Senator Xenophon, is that—and Senator Xenophon knows this—for the best part of 10 years I have been heavily engaged with officials of the Auditor-General's office and departments at all levels, particularly in the areas of defence—the Defence Materiel Organisation and contracting responsibilities of line officers. If no-one else in this parliament has been assiduously following the accounting lines of responsibility, I have. But in all of those inquiries we did in opposition and which have been followed through in government, we have never, ever had a complaint raised—formally or informally, in writing or verbally—about, even at worst, inappropriate behaviour by officials of the Auditor-General's office. So I think, on the basis of the behaviour experienced over the last 10 years, it is not unfair to say that we could expect that behaviour to continue in the future.

So if Senator Xenophon, in addressing the concerns of Senator Ryan, asks what assurances we can give, the response of the government is this. First, we expect any audit of small business to be absolutely minimal. Second, no analysis has been done of the costs to small business—we believe it to be too early. Third, and finally, if the point were to be pressed, we say that the past conduct and performance of the ANAO has never, in all the years I have been here both in opposition and in government, been challenged by any senator or member of the House. On that basis we would say that the integrity and past practice of officials should be regarded as sufficient guarantee. Even if one were to go to the worst case, as outlined by Senator Ryan and raised by Senator Xenophon—that is, if there were outrageous abuse, if there were exceptionally poor behaviour by officials or if tactics of the type described but not specified by Senator Ryan were employed—there is, of course, a set of regulations which provide recourse. So, Senator Xenophon, that is the response of the Commonwealth to your legitimate question.

Senator RYAN (Victoria) (12:13): I would like to respond to a couple of the—I am not sure if they were intentional or otherwise—inferences I took from Senator Bishop's comments in response to Senator Xenophon. In no way was I reflecting upon the integrity of the officials of the Auditor-General's office. That would be the last thing I intended. What I am suggesting is that this would be a very new space for them in which to operate. It is not something with which they have a great deal of experience. I am aware of the limitations of my own experiences, Senator Bishop, and I always try to take those into account. I am very reticent to go boots and all into an area where I do not have experience, particularly shared experiences with those in that area. This is an area where the ANAO do not have experience. You say that these audits will only happen as the exception, so the ANAO will not get any experience.

I mentioned earlier that I do not think a promise is good enough when we have parliamentary officials with this much power. I have always been a strong believer in checks and balances upon an executive power and this is akin to an executive power. The Auditor-General is accountable to this place, but lack of experience could make the audits traumatic. Senator Bishop asserted that there is no reason for these audits to be traumatic. If you are in a two-person business where your spouse does the books while you work and all of a sudden an auditor comes in to look at the books to the standard that we would demand in this place for anyone receiving public funds, if
anything it is going to be a bit challenging for a lot of small businesses running a simple MYOB cash accounting system to be able to meet those requirements. On top of that, the official may not have any experience in dealing with small businesses. While there is no malfeasance or intention for this to be difficult, there is not going to be a first-instance meeting of minds on this case.

We are setting up a situation here where a legitimate audit done under this law for all the right reasons may be undertaken and may find that a small or medium sized business has done nothing wrong—great; I am sure everyone will be pleased by that—but I think you are undervaluing the trauma, the opportunity cost and the stress to the business or people's personal lives of the bit in between: the audit. For a lot of these people in receipt of government funds, if you are unwilling to draw a line under where the Auditor-General stops and where our responsibility begins, then I think you undervalue the impact that this could have on a small business operation. A promise is not enough. A statement is not enough. That is no reflection on someone's integrity—it is simply the fact that there may be a different person in office in the future. You have outlined that they do not have experience and you have outlined that they are not going to get experience because they intend to do it rarely, and therefore they are not going to have that knowledge which might make it a little bit easier, and I do not see why there is not some discussion if not on the opposition's amendment of drawing a line at the government's front door then at least of considering a threshold requirement. The Auditor-General cannot look into a $15,000 IT contract. That is a job for someone else, and I would suggest it is appropriate for the agency that let the contract to do it.

I say to the chamber that this government's form on contractors is not one to be trusted. We have budget items at the moment for going after contractors. The term 'sham contracting' has been thrown around both houses in this place and I know a lot of small business people and independent contractors who are very worried by that. There is, in my view, a lack of understanding, and I think Senator Bishop's speech just illustrated that, while there is no intention from the Auditor-General—and maybe not even from the government—to make life more difficult, it will do so, even if inadvertently.

Senator MARK BISHOP (Western Australia) (12:17): There is one point I did not make in response to the question asked by Senator Xenophon, and it might go some way to allaying concerns raised by Senator Ryan in his response. I am advised by officials that the Auditor-General can currently require small business to produce documents that are relevant to an audit of a Commonwealth program. There is already preliminary lawful activity in that sense.

Senator Xenophon, you made a reference earlier to the fact that you were a former member of the upper house in South Australia, and my vague memory in the brief that I received was that the powers being sought in this bill are entirely consistent with extant powers that the auditors-general of South Australia, Western Australia and, I think, Tasmania already have. Again, in response to your question, we do have examples of how the staff of auditors in those two or three states function. I am sure that, from your own, lengthy experience in the South Australian parliament, if there had been not even abuse but misuse of authority it would have been brought to your attention through normal processes in that institution.

Question put:

That the amendments (Senator Ryan's) be agreed to.
The committee divided. [12:23]
(The Chairman—Senator Parry)
Ayes..........................30
Noes...........................36
Majority....................6

AYES
Adams, J Back, CJ
Bernardi, C Birmingham, SJ
Boswell, RLD Boyce, SK
Brandis, GH Bushby, DC
Cash, MC Colbeck, R
Cormann, M Edwards, S
Eggleston, A Fawcett, DJ
Fierravanti-Wells, C Fifield, MP
Fisher, M Humphries, G
Johnston, D Kroger, H (teller)
Madigan, JJ Mason, B
McKenzie, B Nash, F
Parry, S Payne, MA
Ronaldson, M Ryan, SM
Scullion, NG Williams, JR

NOES
Arbib, MV Bilyk, CL
Bishop, TM Brown, CL
Brown, RJ Cameron, DN
Collins, JMA Conroy, SM
Crossin, P Di Natale, R
Faulkner, J Furner, ML
Gallacher, AM Hanson-Young, SC
Hogg, JJ Ludlam, S
Ludwig, JW Lundy, KA
Marshall, GM McEwen, A (teller)
Mclucas, J Milne, C
Moore, CM Polley, H
Pratt, LC Rhiannon, L
Sherry, NJ Siewert, R
Singh, LM Stephens, U
Sterle, G Thistlethwaite, M
Urquhart, AE Waters, LJ
Wright, PL Xenophon, N

PAIRS
Abetz, E Evans, C
Heffernan, W Wong, P
Joyce, B Carr, KJ
Macdonald, ID Farrell, D

Senator Feeney did not vote, to compensate for the vacancy caused by the resignation of Senator Coonan.
Question negatived.

Senator RYAN (Victoria) (12:27): by leave—I move opposition amendments (1) to (10) on sheet 7163 together:

(1) Schedule 1, page 4 (after line 11), after item 7, insert:
7A Subsection 16(1)
Omit "(other than a GBE)".

(2) Schedule 1, items 8, 9 and 10, page 4 (lines 12 to 18), omit the items, substitute:
8 Subsection 16(3)
Repeal the subsection.

(3) Schedule 1, items 12, 13 and 14, page 4 (line 24) to page 5 (line 1), omit the items, substitute:
12 Subsection 17(1)
Omit "(other than a GBE)".
13 Subsection 17(3)
Repeal the subsection.

(4) Schedule 1, page 5 (after line 16), after item 18, insert:
18A Subsection 18(4)
Omit "(other than a GBE)" (twice occurring).

(5) Schedule 1, item 19, page 5 (line 24), omit "(other than a GBE)".

(6) Schedule 1, item 19, page 5 (line 26), omit "(other than a GBE)".

(7) Schedule 1, item 19, page 6 (lines 9 to 11), omit subsection 18A(3).

(8) Schedule 1, item 24, page 10 (line 12), omit "(other than a GBE)".

(9) Schedule 1, item 24, page 10 (line 14), omit "(other than a GBE)".

(10) Schedule 1, item 24, page 10 (lines 22 to 24), omit subsection 19A(3).
I will be as brief as possible. These amendments change the government's bill to ensure that the Auditor-General can, on his or her own initiative, undertake an audit of a
government business enterprise. This was a recommendation of the Joint Committee of Public Accounts and Audit. The problem with the government's bill is that it did not implement that recommendation and still requires that the JCPAA request the Auditor-General to undertake an audit of a government business enterprise. It does allow the Auditor-General to request the JCPAA to make that order, and the problem with that is it still means that an audit of a government business enterprise is actually in the hands of the government itself, whether that be the minister or the government majority on the JCPAA.

The opposition does not see the logic in having the Auditor-General able to undertake audits of a small business or a medium sized business that has indirectly been in receipt of Commonwealth money but not able to undertake an audit of a government business enterprise on its own initiative, despite the fact that that GBE has used taxpayers' funds for capital. That inconsistency will be addressed by these amendments. I urge the committee to adopt these amendments, to at least ensure a level of consistency in the treatment of business enterprises. There is no reason whatever for this to be separate.

I know the Greens have outlined on a number of occasions concerns about the investments of government instrumentalities. I respectfully suggest that, if sunlight is to be brought to those concerns, we need to give the Auditor-General the autonomy to undertake investigations and audits in this area without the government's say-so.

Senator XENOPHON (South Australia) (12:29): I indicate that I support the coalition's amendments, for a number of reasons. I did not support the previous amendments, because I thought that the concerns were not sufficiently founded in terms of how the Auditor-General's office would deal with small businesses and that the Senate could keep an eye on the Auditor-General's office through Senate estimates. In relation to these amendments, I think it is entirely appropriate that the bill be amended to ensure that the Auditor-General is able to inquire into and audit government business enterprises, when you consider that one of the biggest government business enterprises is NBN Co. There are other layers of scrutiny, but this would be an important additional layer of scrutiny. I do not think it is reasonable that the government should veto or direct the Auditor-General, an independent statutory officer, as to whether an audit ought to take place. In the same way that I thought it was important to give the Auditor-General's office the discretion to decide which small businesses to look into—even small businesses where there might be contractors involving thousands or tens of thousands of dollars—it would seem absurd not to allow the Auditor-General, as an independent statutory officer, to investigate what a government business enterprise is doing, particularly with NBN Co., where we are talking about tens of billions of dollars.

So I would like to hear from the government, from Senator Bishop, why we should not include government business enterprises within the purview of the Auditor-General, allowing the Auditor-General to have that discretion. Let the Auditor-General decide, not the executive arm of government. I strongly support these amendments.

Senator MARK BISHOP (Western Australia) (12:30): As everyone knows, this bill has been through the House. The bill was sponsored in the House by the Chair of the JCPAA, Mr Oakeshott. The bill went through the House with the support of Mr Oakeshott. So the matter under discussion, whilst different in the respect identified by Senator Ryan in that it is not entirely
consistent with the original recommendation of the JCPAA, has through the negotiation process been agreed to by Mr Oakeshott. It accurately reflects, in addition, the view of the government.

That being the context in which we discuss the amendments moved by Senator Ryan, the question becomes: why does the government hold to that position? The response is very simple and exact, and it is this. Successive governments, both conservative and Labor, have taken the view that the Auditor-General should not have the ability to audit GBEs of his own motion. We say, and I do not think it is seriously challenged, that GBEs are subject to competitive pressures and disciplines that do not apply to other Commonwealth bodies. Medibank, for example, is qualitatively different to the Department of Health and Ageing. So GBEs are subject to competitive pressures and disciplines that do not apply to other Commonwealth bodies and, to the greatest extent possible, we believe—and successive governments have believed—that they should be subject to the same audit arrangements as their competitors. The government considers that audits of GBEs should be requested by the parliament in response to genuine public interest concerns about aspects of their operations rather than as an incidental part of an annual work program.

The JCPAA comprises members from both houses. It comprises members of all parties represented in both houses and it has an independent chair. We consider that to be the appropriate body to consider whether a particular GBE should be audited. But, in that context, Senator Ryan and Senator Xenophon, let me spell it out even more clearly. GBEs operate—

The CHAIRMAN: Order! The time allotted for this debate has expired.

Progress reported.

PETITIONS

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

Halal Food

This petition of certain citizens of Australia draws the attention of the Senate to the dramatic expansion of Halal Islamic food in Australia and the lack of choice for those citizens who do not wish to eat Halal certified food that has been dedicated to the Islamic deity "Allah" and certified by an Islamic Authority who charge a fee.

We therefore humbly request the Senate to ensure that Halal Islamic food does not become the norm in Australian shopping centres, schools or defence bases etc and to ensure all Halal Islamic food is dearly labelled with a legible description and that Australian customers always have the choice of Halal Islamic food or non-Halal Islamic food, as we oppose any imposition of Sharia Law on Australia.

And your petitioners, as in duty bound, will ever pray.

by Senator Nash (from 58 citizens).

Petition received.

NOTICES

Presentation

Senator LUDLAM: To move:

That the Senate—

(a) notes that:

(i) the Fourth Review Conference to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects will be held in Geneva from 14 November to 25 November 2011,

(ii) Australia will be the Friend of the Chair at this conference,

(iii) the proposed new protocol on cluster munitions protocol will be discussed at this conference,
(iv) this protocol does not uphold the high standard and obligations of the Convention on Cluster Munitions (CCM),

(v) the development of a weaker legal norm with this protocol sets a dangerous precedent for avoiding existing legal obligations, and

(vi) support for this protocol could potentially breach the obligations of a state party to the CCM; and

(b) calls on the Government to:

(i) recognise that the CCM is the reference for the prohibition of such weapons, and

(ii) undertake not to support this protocol or any other instrument that weakens the CCM.

**Senator MARK BISHOP:** To move:

That the Joint Committee of Public Accounts and Audit be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 2 November 2011, from noon to 1 pm.

**Senator MARK BISHOP:** To move:

That the Joint Committee of Public Accounts and Audit be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate on Wednesday, 2 November 2011 followed by a private briefing, and Wednesday, 23 November 2011, from 11 am to noon, and 11 am to 1 pm, respectively.

**Senator SINGH:** To move:

That the Joint Standing Committee on Migration be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 2 November 2011, from 10.30 am to noon.

**Senator LUDLAM:** To move:

That the Senate—

(a) congratulates the Government for maintaining Australia's longstanding policy of predating bilateral nuclear cooperation agreements on the condition of membership to the Treaty on the Non-Proliferation of Nuclear Weapons; and

(b) calls on the Government to identify the countries to which it will not permit the sale of uranium.

**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 Economics References Committee, postponed till 1 November 2011.

**COMMITTEES**

**Selection of Bills Committee**

**Report**

**Senator McEWEN** (South Australia—Government Whip in the Senate) (12:34): I present the 14th report of 2011 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. 14 OF 2011**

(1) The committee met in private session on Wednesday, 12 October 2011 at 7.34 pm.

(2) The committee resolved to recommend—

That—

(a) the provisions of the Australian Renewable Energy Agency Bill 2011 and the Australian Renewable Energy Agency (Consequential Amendments and Transitional Provisions) Bill 2011 be referred immediately to the Environment and Communications Legislation Committee for inquiry and report by 7 November 2011 (see appendix 1 for a statement of reasons for referral); and

(b) the provisions of the Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011, the Education Services for Overseas Students (TPS Levies) Bill 2011 and the Education Services for Overseas Students
(Registration Charges) Amendment (Tuition Protection Service) Bill 2011 be referred immediately to the Education, Employment and Workplace Relations Legislation Committee for inquiry and report by 1 December 2011 (see appendix 2 for a statement of reasons for referral).

(3) The committee resolved to recommend—
That the following bills not be referred to committees:
- Auditor-General Amendment Bill 2011
- Coal Mining Industry (Long Service Leave) Legislation Amendment Bill 2011
- Higher Education Support Amendment Bill (No. 2) 2011
- Maritime Legislation Amendment Bill 2011
- Offshore Petroleum and Greenhouse Gas Storage Amendment (Significant Incident Directions) Bill 2011
- Social Security Amendment (Student Income Support Reforms) Bill 2011
- Social Security Legislation Amendment (Family Participation Measures) Bill 2011
- Tax Laws Amendment (2011 Measures No. 7) Bill 2011
- Veterans’ Affairs Legislation Amendment (Participants in British Nuclear Tests) Bill 2011.

The committee recommends accordingly.

(4) The committee deferred consideration of the following bills to its next meeting:
- Classification (Publications, Films and Computer Games) Amendment (Online Games) Bill 2011
- Personal Property Securities Amendment (Registration Commencement) Bill 2011
- Telecommunications Amendment (Mobile Phone Towers) Bill 2011.

(Anne McEwen)
Chair
13 October 2011

BUSINESS

Rearrangement

Senator FARRELL: I move:
That the order of general business for consideration today be as follows:

(a) general business notice of motion no. 485 relating to border security; and
(b) orders of the day relating to government documents.

Question agreed to.

COMMITTEES

Treaties Committee

Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (12:35): by leave—On behalf of the Joint Standing Committee on Treaties, I move:

That the Joint Standing Committee on Treaties be authorised to hold a public meeting during the sitting of the Senate on Monday, 31 October 2011, from 10 am to 1.30 pm.

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (12:35): Mr President, I seek leave to make a statement.

The PRESIDENT: Leave is granted for two minutes.

Senator KROGER: I want to explain why we are opposing this. It is the government that has changed the hours that the Senate is sitting. It is the government itself that has extended those sitting hours. It has included another week in November. It has done that in collusion with the Greens so that we can deal with the toxic carbon tax. It has provided for and allowed only 20 hours of debating time. That is time in which we believe that, in the interests of all Australians, we should be in this chamber and be giving due consideration, discussion, dialogue and scrutiny to it. We do not believe holding public hearings during the time that the carbon tax is being considered
in this chamber to be in the interests of those who elected us to this place. So this is no reflection on our consideration of the importance of this public hearing, but we do believe if the government cannot get its act together and organise its business hours appropriately to allow for public hearings outside parliamentary sitting times then that is something that we should not support. We do not support it and the Greens should not support it. It is an indictment upon them that the Deputy Chair of the Joint Standing Committee on Treaties himself, Senator Simon Birmingham, will not be able to attend the public hearing because as the shadow parliamentary secretary for the environment he will be in this place. He will not be able to attend the hearing even though he is deputy chair. On that basis, we oppose this motion.

Question put:
That the motion (Senator McEwen's) be agreed to.

The Senate divided. [12:43]

(The President—Senator Hogg)

Ayes....................35
Noes....................30
Majority...............5

AYES

Arbib, MV
Bilyk, CL
Brown, CL (teller)
Bishop, TM
Brown, RJ
Cameron, DN
Collins, JMA
Conroy, SM
Crossin, P
Di Natale, R
Farrell, D
Furner, ML
Gallacher, AM
Hanson-Young, SC
Hogg, JJ
Ludlam, S
Ludwig, JW
Lundy, KA
Marshall, GM
McEwen, A
McLucas, J
Milne, C
Moore, CM
Polley, H
Pratt, LC
Rhiannon, L
Sherry, NJ
Siewert, R
Singh, LM
Stephens, U
Sterle, G
Thistlethwaite, M
Urquhart, AE
Waters, LJ
Wright, PL

NOES

Adams, J
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Ferraravanti-Wells, C
Fisher, M
Johnston, D
Madigan, JJ
McKenzie, B
Parry, S
Ronaldson, M
Scullion, NG
Back, CJ
Birmingham, SJ
Boyce, SK
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Humphries, G
Kroger, H (teller)
Mason, B
Nash, F
Payne, MA
Ryan, SM
Williams, JR

PAIRS

Carr, KJ
Joyce, B
Evans, C
Abetz, E
Faulkner, J
Macdonald, ID
Wong, P
Heffernan, W

Senator Feeney did not vote, to compensate for the vacancy caused by the resignation of Senator Coonan.

Question agreed to.

BUSINESS

Consideration of Legislation

Senator LUDWIG: I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Banking Amendment (Covered Bonds) Bill 2011, allowing it to be considered during this period of sittings.

Question agreed to.

COMMITTEES

Community Affairs References Committee

Reference

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:46): I move:

That the following matter be referred to the Community Affairs References Committee for inquiry and report by 30 April 2012:
The factors affecting the supply and distribution of health services and medical professionals in rural areas, with particular reference to:

(a) the factors limiting the supply of health services and medical, nursing and allied health professionals to small regional communities as compared with major regional and metropolitan centres;

(b) the effect of the introduction of Medicare Locals on the provision of medical services in rural areas;

(c) current incentive programs for recruitment and retention of doctors and dentists, particularly in smaller rural communities, including:

(i) their role, structure and effectiveness,

(ii) the appropriateness of the delivery model, and

(iii) whether the application of the current Australian Standard Geographical Classification – Remoteness Areas classification scheme ensures appropriate distribution of funds and delivers intended outcomes; and

(d) any other related matters.

Question agreed to.

MOTIONS

Global Food Security and Women Smallholder Farmers

Senator RHIANNON (New South Wales) (12:46): I seek leave to amend general business notice of motion No. 483 standing in my name for today relating to global food security and women smallholder farmers.

Leave granted.

Senator RHIANNON: I move the motion as amended:

That the Senate—

(a) notes that:

(i) the weekend of 15 October and 16 October 2011 marks both International Day of Rural Women and World Food Day,

(ii) the coming Commonwealth Heads of Government Meeting (CHOGM) in October 2011 and the G20 meeting in early November 2011 both have food security on their agenda,

(iii) currently more than 50 per cent of the world's food is produced by smallholder farmers, the majority of whom are women,

(iv) despite doing the majority of the farming in sub-Saharan Africa women farmers receive only 5 per cent of the training, own just 2 per cent of the land and access only 1 per cent of the credit available for agriculture,

(v) policies to improve agricultural output must be tailored to assist women if they are to be effective, and

(vi) the contribution of women farmers must be recognised and properly supported if we are to achieve food security across the globe; and

(b) calls on the Government to:

(i) ensure that support for women smallholder farmers is part of Australia's contribution to addressing international food security challenges, and

(ii) raise the importance of the role of women smallholder farmers at CHOGM in Perth in October 2011 and at the G20 meeting in Cannes in early November 2011.

Question agreed to.

COMMITTEES

Community Affairs References Committee

Meeting

Senator SIEWERT: I move:

That the Community Affairs References Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 13 October 2011, from 4 pm.

Question agreed to.
BILLS

Environment Protection and Biodiversity Conservation Amendment (Emergency Listings) Bill 2011

First Reading

Senator WATERS: I move:

That the following bill be introduced: A Bill for an Act to amend the Environment Protection and Biodiversity Conservation Act 1999, and for related purposes.

Question agreed to.

Senator WATERS: 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 WATERS (Queensland) (12:48): 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 WATERS: I table an explanatory memorandum. I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

The Environment Protection and Biodiversity Conservation Act (EPBC Act), our national environmental law.

In its response to the independent review of the EPBC Act undertaken by Dr Allan Hawke, the Government agreed in principle to Dr Hawke's Recommendation 16 to insert provisions for emergency listing of threatened species and ecological communities into the EPBC Act. This recognises the fact that the listings process is often slow and species and ecological communities are not protected by the Act until listed, even where their very existence is threatened. The Government's response commits to emergency listings of species and ecological communities where there is a significant and imminent threat.

The urgency to introduce these provisions, rather than to wait for the Government's legislative reform package due sometime next year, is the discovery of two new species (a crab and a shrimp) highly likely to be significantly impacted by Rio Tinto's proposed expansion of its bauxite mine in Weipa, on Queensland's Cape York. This mine is currently undergoing EPBC Act assessment, yet under the current provisions its impacts on these as yet unlisted species cannot be considered by the federal Environment Minister when assessing this proposal.

It would be a travesty to send new species to extinction before they have even been named, and had the chance to be listed as threatened. These species have been found nowhere else on Cape York, let alone the world – they exist only in a single area directly at risk from Rio Tinto's planned bauxite mining expansion and they currently have no federal protection whatsoever. This is simply not good enough in this era of rapid biodiversity decline.

The current example is sadly not occurring in isolation. There are significant environmental information gaps across Australia, particularly for many of our rare and vulnerable species. All too often new species are only discovered through the environmental impact assessment process. For this reason, establishing emergency listings which are able to be considered at all stages of the EPBC Act decision making process is critical to effective national environment protection laws. Precluding the consideration of emergency listed...
species and ecological communities after the controlled action decision is made, as section 158A prescribes, would make a mockery of the emergency listing provisions.

This bill will:

- Insert provisions for emergency listing of threatened species and ecological communities, based on existing emergency heritage listing provisions, and in line with the Government’s commitment to introduce this as part of its EPBC Act reform package expected in 2012.
- Amend section 158A of the Act to make sure species and ecological communities that are emergency listed are afforded the protections of the EPBC Act, by ensuring such listings are considered by the federal Environment Minister in making assessment or approvals decisions under the Act.
- Amend section 391 to ensure the precautionary principle is applied when deciding whether to make an emergency listing of a new species or ecological community, and whether to maintain that listing after the 12 month emergency listing expires.

In the interest of ensuring our most rare and vulnerable species and ecological communities are afforded protection under our national environment law, rather than being wiped out almost on discovery, I urge the Government and opposition to support this bill.

Senator WATERS: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MOTIONS

New Zealand Oil Spill

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (12:49): I move:

That the Senate—

(a) requests that the President convey to the people of New Zealand (Aotearoa) the Senate’s concerns about the oil spill and other consequences of the stranding of the container carrier ship Rena; and

(b) sends its best wishes for a rapid and complete recovery from the oil spill and other consequences of this disaster in such a beautiful region of New Zealand.

Question agreed to.

COMMITTEES

Environment and Communications References Committee

Reference

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (12:49): I move:

That the following matter be referred to the Environment and Communications References Committee for inquiry and report by 30 November 2011:

Mandatory vehicle CO2 emission standards, with particular reference to:

(a) the adequacy of the short and medium term targets currently being considered by the Government;
(b) costs and benefits of mandatory standards;
(c) design questions such as separate targets for different vehicle classes, bonus credits for electric vehicles and methodologies for setting targets for individual manufacturers;
(d) the legal framework;
(e) penalties for non-compliance; and
(f) any other related matters.

Question put.

The Senate divided. [12:54]

(The President—Senator Hogg)

Ays ...................... 10
Noes ...................... 37
Majority ................ 27

AYES

Brown, RJ
Hanson-Young, SC
Milne, C
Siewert, R (teller)
Wright, PL

Di Natale, R
Ludlam, S
Rhiannon, L
Waters, LJ
Xenophon, N
NOES
Abetz, E
Bilyk, CL
Boswell, RLD
Brown, CL (teller)
Cameron, DN
Crossin, P
Farrell, D
Fisher, M
Gallacher, AM
Kroger, H
Madigan, JJ
Mason, B
McKenzie, B
Moore, CM
Parry, S
Scullion, NG
Stephens, U
Thistlethwaite, M
Williams, JR

AYES
Back, CJ
Birmingham, SJ
Boyce, SK
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Furner, ML
Hogg, JJ
Lundy, KA
Marshall, GM
McEwen, A
McLucas, J
Nash, F
Payne, MA
Ryan, SM
Williams, JR

Question negatived.

MOTIONS
Australian Building and Construction Commission

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (12:59): I move:

That the Senate—

(a) recognises the positive contribution to productivity, inflation, gross domestic product and days lost through industrial action of the Australian Building and Construction Commission; and

(b) affirms the need for a tough cop on the beat with power to compel information in order to keep the building and construction industry free of thuggery, intimidation and illegality.

Question put.
The Senate divided. [13:02]

(The President—Senator Hogg)

Ayes...............31
Noes...............35

Majority...............4

AYES
Abetz, E
Adams, J

NOES
Arbib, MV
Bilyk, CL
Bishop, TM
Brown, RJ
Collins, JMA
Crossin, P
Farrell, D
Furner, ML
Hanson-Young, SC
Ludlam, S
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Sherry, NJ
Singh, LM
Sterle, G
Urquhart, AE
Wright, PL

AYES
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Ferravanti-Wells, C
Fisher, M
Johnston, D
Madigan, JJ
McKenzie, B
Parry, S
Ronaldon, M
Scullion, NG

PAIRS
Heffernan, W
Joyce, B
Macdonald, ID

Senator Wong did not vote, to compensate for the vacancy caused by the resignation of Senator Coonan.

Question negatived.
BILLS
Tax Laws Amendment (2011 Measures No. 6) Bill 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Senator CORMANN (Western Australia) (13:06): The coalition does not oppose this bill. The bill makes the following changes to taxation laws. Schedule 1 exempts the outer regional and remote payments made under the Better Start for Children with Disability initiative from income tax. Schedule 2 gives an exemption from fringe benefits tax for transport from an employee's usual place of residence to their usual place of employment where the employee is an Australian resident employed in a remote area overseas under fly-in fly-out arrangements. Schedule 3 updates the deductible gift recipients list. They are part of the general housekeeping in relation to our taxation laws, which the coalition invariably supports. I do not propose to make any further comments in relation to this bill at this point; suffice to say we will not be opposing this bill.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:07): I thank the senators for the contribution they have made to this debate on the Tax Laws Amendment (2011 Measures No. 6) Bill 2011 and I commend this bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

Senator FEENEY: I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Banking Amendment (Covered Bonds) Bill 2011
First Reading
Bill received from the House of Representatives.

Senator FEENEY: I move:
That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:10): I move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.
The speech read as follows—
Today I introduce a bill which goes to the core of the government's agenda to secure our financial system for the future.

Exactly three years ago today, the collapse of Lehman Brothers pushed the global financial system to the very brink of collapse.

The government's swift actions helped Australia avoid recession, and secured the strength and competitive foundations of our banking system.

We have continued to build on the strength of our financial system in the last three years, working with our regulators and industry.

The government has worked closely with industry and our regulators since early last year on a framework for covered bonds in Australia.

We released exposure draft legislation for consultation in March this year, followed by a second round of targeted consultation in July.

There could not be a more appropriate day than today—exactly three years on from Lehman Brothers—for the parliament to now consider this key element of our plan for a strong and sustainable financial system.
Today I will outline the substantial economic benefits flowing from the introduction of covered bonds in Australia.

But first, I will provide an update on just some of the reforms we have already put in place to build up competition in the banking system.

Just nine months ago, I announced new reforms to build a competitive and sustainable banking system to give every Australian a fairer go.

We are introducing three broad streams of reform to empower consumers, support smaller lenders, and secure the flow of credit to our economy.

We have already delivered over half of these reforms, and we are firmly on track to deliver the rest working closely with industry and consumers.

The government has already banned mortgage exit fees from 1 July this year so consumers can now walk down the road and get a better deal.

We have legislated the introduction of a simple, standardised, one-page fact sheet for consumers to compare loans from 1 January next year.

We have passed historic reforms through the parliament to crack down on unfair treatment of Australians with credit cards and save them money.

I also recently announced a new 'tick and flick' service to give Australians the freedom to switch deposit accounts with the stroke of a pen.

The Gillard government has also put in place important measures to help smaller lenders compete with the major banks.

In April this year, I directed the AOFM to boost the government's investment in high-quality, AAA-rated RMBS by a further $4 billion.

The government's now $20 billion investment since late 2008 has been absolutely critical in helping smaller lenders secure cheaper funding.

This important program has allowed smaller Australian lenders to continue offering competitive loans to families and small businesses.

We are also taking action to build a fifth pillar in our banking system from the combined competitive power of our mutual sector.

We have already seen several mutual lenders out there leveraging our reforms to help them use the new term 'mutual bank' in the branding.

In addition, the government has already kicked off its community awareness and education campaign which I announced last December.

We have put credit unions, building societies and our regional and other smaller banks right at the centre of this awareness campaign.

It is all about informing consumers of the many safe and competitive alternatives to the major banks when it comes to loans and deposits.

It is fantastic to see our reforms have helped trigger a new breakout of competition in the banking sector to the benefit of consumers.

We have seen the major banks scrapping their exit fees, offering cash to swipe customers from their competitors and cutting other fees too.

Just recently we have seen them slashing their home loan fixed interest rates and one major bank promising to match its competitors' on price.

The big winner here is the everyday Australian family who now knows the power is in their hands when it comes to shopping for a better deal.

Sustainable funding

Last December, I also announced further reforms to secure the long-term safety and sustainability of Australia's financial system.

These reforms are critical to ensuring our banking sector can keep providing reasonably priced credit to households and small businesses.

I announced measures to develop a deep and liquid corporate bond market to further reduce our reliance on offshore wholesale funding.

We are well advanced in our delivery of these reforms which include trading Commonwealth Government Securities on a securities exchange.

The government is also making strong progress in finalising reforms to reduce red tape for corporate bonds issuance to retail investors.

We will continue to work with corporate issuers and investors to build a deep and liquid Australian corporate bond market.
On top of this, we continue to work on ways to make the RMBS market more sustainable and diverse for smaller lenders in the years to come.

In December, I tasked Treasury to accelerate its work on promoting smaller lender issuance of alternative-style RMBS ‘bullet securities’.

These securities are more like ‘regular bonds’ than traditional RMBS and are therefore more attractive to superannuation fund investors.

The Treasury is making very strong progress in working with the industry and our regulators to develop the market for smaller lender bullet RMBS.

The bill I introduce today is all about taking the next logical step to strengthen the funding options available to our banking system.

The bill makes amendments to the Banking Act to allow Australian banks, credit unions and building societies to issue covered bonds.

This is a critical economic reform to strengthen and diversify the Australian financial system's access to cheaper, more stable and longer term funding in domestic and offshore wholesale capital markets.

Treasury estimates the government's framework will allow Australian institutions to issue some $130 billion of covered bonds in coming years.

Covered bonds will assist our banks in meeting the new Basel III liquidity reforms, which require a transition to longer term sustainable funding.

Of course, a deep and liquid covered bond market will also help to channel Australia's national superannuation savings through the financial system into productive investment in all sectors of our economy.

We have already seen banks from Canada and Norway coming down here to issue covered bonds and take our savings home with them.

It defies logic that our own banks can't issue the same covered bonds themselves to our local superannuation funds for Australian investors.

Allowing our institutions another string in their bow—to compete for funding with banks around the world—is an absolute no-brainer.

Covered bonds are already well established overseas, and were one of the most resilient funding markets during the global financial crisis.

The bill I present today will strengthen the long-term funding capacity of all major and regional banks, credit unions and building societies.

In fact, the bill includes an express framework which allows smaller lenders to pool together and jointly issue covered bonds.

This further builds on the measures I have outlined today which the government has already taken to diversify funding for smaller lenders.

The government's covered bonds framework ensures the absolute security of depositors' savings and protection of taxpayer funds.

Australian depositors will continue to have absolute certainty over their deposits under the Financial Claims Scheme.

On Sunday, I announced a new, permanent cap of $250,000 per person per institution to be introduced from 1 February 2012 to protect the savings held in around 99 per cent of Australian deposit accounts in full.

The scheme was developed over the period leading up to the global financial crisis by our financial regulators.

The government accelerated its introduction to secure confidence after the severe dislocation of global funding markets following the collapse of Lehman Brothers in late 2008.

The timely introduction of the scheme, combined with the wholesale funding guarantee, helped ensure the stability of our banking system at the height of the global financial crisis.

These decisive actions maintained the continued flow of credit—the life blood of any modern economy—to Australian households and business.

Together with both fiscal and monetary policy stimulus, this action saw Australia as virtually the only developed country to avoid recession.

At that time, the government committed to review the settings of the scheme after three years.
Australia's credit unions, building societies and banks are highly capitalised, well-rated and have benefited from years of tough supervision by our world-class regulators.

Our institutions are very soundly managed by international standards, having developed strong practices of responsible lending and risk management.

They are very well funded for the period ahead, having done a lot of heavy lifting to reduce the amount of funds they borrow offshore as they move to more stable, longer-term funding.

The Council of Financial Regulators has advised that the cap should be set at a new, permanent level to reflect the almost unparalleled strength of the Australian banking system.

In the extremely unlikely event of the Scheme being activated, the government would step in and swiftly give depositors their money.

The government would then sell the assets of the institution to recover taxpayers' money and in the extremely unlikely event that there wasn't enough would levy the whole banking system to recover any shortfall.

So Australian household depositors and taxpayers are always protected.

As an additional protection, this bill includes a regulatory cap on the amount of covered bonds an institution can issue.

This regulatory cap ensures that only a small proportion of an institution's assets in Australia are ever used as security for issuing covered bonds.

Specifically, the pool of assets used to secure covered bond issuance can be no greater than eight per cent of an institution's assets in Australia.

This further reduces the likelihood that a levy on the banking industry would ever even be required under the scheme, as the sale of an institution's assets would almost certainly recover taxpayers' funds.

**Conclusion**

The Gillard government is working hard to build a more competitive and sustainable banking system for all Australians.

We worked hard through the global financial crisis to secure our financial system, and preserve the competitive foundations of our banking sector.

In December last year, I announced a further reform package to help build up competition again in the banking system for all Australians.

We have already seen these reforms deliver great results for consumers, with the major banks now having to compete hard for their business.

The challenge now is to ensure that our banks, credit unions and building societies have the capacity to safely lend for the decades to come.

The bill I present today is the next logical step in that process.

**Senator CORMANN** (Western Australia) (13:11): The coalition supports the Banking Amendment (Covered Bonds) Bill 2011. In fact, this legislation implements a suggestion that was made by the coalition as far back as October last year. It was, of course, part of Joe Hockey's nine-point plan. In fact, it was point 8 of the coalition's nine-point banking plan, which was announced on 25 October 2010. It took the government only 12 months to finally act on what should have happened some time ago.

Schedule 1 of the Banking Amendment (Covered Bonds) Bill 2011 makes amendments to the Banking Act 1959 to enable authorised deposit-taking institutions—which includes banks, credit unions, and building societies—to issue covered bonds. This is an initiative to increase financing options for domestic Australian deposit-taking institutions. It will allow them to increase the amount of funding they get from domestic sources and will reduce their reliance on offshore markets for funding.

Covered bonds are likely to be used mainly by the big four banks, although the bill does provide for ADIs to enter into an aggregating entity to issue covered bonds as well. It is unlikely that the smallest
authorised deposit-taking institutions will use this funding facility. Nevertheless, any increase in domestic sources of funding for the financial system as a whole is of course very worthwhile. Covered bonds are bonds issued by a financial institution that is secured by a pool of assets. The value of assets in the covered bond pool must be at least 103 per cent of the value of the covered bonds.

In the event of insolvency, the holder has recourse to the pool of assets underpinning the bonds, and the holders of covered bonds have first rights to the pool of assets covering them ahead of shareholders and ahead of other holders of debt. The rights of other holders of debt are protected in two ways. First, the proportion of Australian assets that can be committed to covered bond pools is limited to eight per cent. Second, the financial claim scheme provides a government guarantee for small depositors, currently up to a limit of $1 million, which will be reduced to $250,000 from February 2012. These protections are crucial, because the introduction of covered bonds is a major departure from one of the core elements of the banking system in Australia, which has been the primacy of the claims of depositors.

As I have mentioned, this is an idea that was promoted by the shadow Treasurer, Joe Hockey, as far back as October last year. It was a very prominent part of the coalition's nine-point banking plan and was copied in Treasurer Swan's announcement of the government's Competitive and Sustainable Banking System plan. While we are disappointed that it took the Treasurer so long to finally act on this, we are pleased that we are now finally dealing with this legislation and commend it to the Senate.

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (13:14): I also rise to contribute to the debate on the Banking Amendment (Covered Bonds) Bill 2011. In the coalition's nine-point banking plan, announced on 25 October 2010, at point No. 8 it was recommended that a debate about whether the banks should be able to issue covered bonds in the same way that other jurisdictions allow their banks to should be commissioned. This was the first time that either major party had publicly declared support for changing a long-held view that covered bonds were not consistent with our banking laws, primarily due to the impact it has on depositor primacy in the event of a bank wind-up—that is: the idea was ours, not the government's. But, as so often happens with this government, it soon followed and adopted our idea, and even had the temerity to try to present it as its own. But here we are, 12 months after the coalition put the idea on the table, and the government is finally seeking to implement it.

As has been outlined by my colleague Senator Cormann, we are, not surprisingly, fully supporting the bill and the outcomes that it seeks to legislate. But I think it is useful to look briefly at the context of the events 12 months ago and the government's approach since. Our nine-point plan was released in the context of considerable public concern about the direction of interest rate changes, particularly rises implemented by the banks independent of the official cash rate. The government was very slow to respond to what were very valid concerns of the public, releasing its *Competitive and Sustainable Banking System* report in mid-December.

In the meantime the Senate, on a motion jointly moved by Senator Williams, Senator Xenophon and me, had moved to set up a comprehensive Senate inquiry looking into the state of competition in the banking industry and inter alia the impact of competition on prices within the banking
industry. I thought it was always interesting that the government's report was released the day before the first major hearing of that inquiry. Having had the benefit of that inquiry and its findings, I acknowledge that the government's report did contain some useful measures—mostly, like the covered bond recommendation, copied from our nine-point plan. But it did not go anywhere near far enough in addressing some fundamental issues and challenges, particularly in the broader funding side of things that the inquiry found were required. Indeed, the inquiry made some 39 recommendations on matters that it considered, if implemented, would collectively serve to increase the level of competitive tension within the banking industry without sacrificing standards or protections for consumers.

One of these was to allow the issuing of covered bonds by Australian prudentially regulated entities. But there were many others, which have not yet been addressed by the government and which in the absence of action mean that Australians continue to enjoy a less competitive banking environment than they might otherwise, and hence likely higher rates and fees than they might otherwise—recommendations that were designed to help address the competitive disadvantage that smaller institutions face in obtaining funds that they can then lend out at a price and availability that enables them to compete on rates and fees with the larger players; and recommendations that would remove some of the legislated taxation disadvantages that make it harder for foreign banks to compete on price with locals, meaning local banks do not have to price as keenly to maintain market share.

Examples include some that could be implemented immediately, like the standardisation of the fee for all borrowers under the wholesale funding guarantee, for the run-out period of those guarantees; or tweaking the terms of which the AOFM can purchase RMBS to allow it the discretion to purchase securities issued by entities with a substantial bank shareholding where it judges this would promote a more competitive market; or even to allow it to consider assets other than those based on home mortgages or securities rated AA or A.

I might mention here that the RMBS market, upon which a lot of the competition from small players in the 1990s and the early 2000s, like Wizard, RAMS and Aussie depended, depended almost entirely on the availability of money that was raised through the RMBS securities market. At this stage it does not look like that market has fully recovered. Although there have been some positive signs over the last six or so months, those signs have not necessarily been followed through. Quite clearly, measures that could be implemented by the government that would improve the attractiveness of the RMBS market in Australia to investors would be well worth while following for the end result of better competition in the Australian financial sector and better prices for consumers.

Other recommendations included requiring the Reserve Bank to publish more of the information it currently holds to show its assessment of the comparative overall cost to the consumer of the various products available from financial institutions, and a range of recommendations designed to lower the burden for consumers and businesses when they switch banks; or even simply allowing mutual financial institutions to call themselves a mutual bank or approved banking institution.

There was a lot contained in that report that would be of benefit to Australian consumers of bank and finance products, yet this government seems to think that, because
it put out a report last December tackling a few minor aspects of what could be done, it has acquitted itself of any obligation it has to consider the issue. I contend that the government needs to do more and that the blueprint contained in the Senate Economics References Committee report into competition within the Australian banking sector is a good place to start.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:20): I thank senators for their contribution and their fulsome support of this important Labor initiative and commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Adams): As no amendments to the bill have been circulated, I shall call the minister to move the third reading, unless any senator requires that the bill be considered in the Committee of the Whole.

Senator FEENEY: I thank the Senate and I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

Customs Amendment (Anti-dumping Measures) Bill 2011

Customs Amendment (Anti-dumping Improvements) Bill 2011

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

Senator COLBECK (Tasmania) (13:21): I rise to indicate that the coalition will be supporting the Customs Amendment (Anti-dumping Measures) Bill 2011, but I would like to make some comments about the process which has got us to this limited stage of reforming this area after effectively three years of inaction before finally announcing the improvements in a press conference in June this year from the government. Prior to getting to that stage the government shelved a Productivity Commission report for about 18 months, until after the 2010 election, and then broke a subsequent promise to announce its changes as part of the 2011 budget. Under the minister's direction, as long ago as mid-2008 there was a commitment that anti-dumping should be the subject of reform. Yet what we have here is really only partial reform and we still do not know what the government's full regime of changes might be in relation to this area. As the coalition sees it, even these limited changes are as a result of pressure from the coalition, Senator Xenophon, who I acknowledge has some interest in this also, and industry associations.

The Customs Amendment (Anti-dumping Improvements) Bill 2011 legislates in four particular areas. It imposes a time limit of 30 days on ministerial decision making, widens the range of factors available for consideration in the determination of material injury, expands the list of subsidies against which Australian industries can apply for countervailing duties and grants affected party and interested party status to a wider range of stakeholders through the Customs Act 1901. These changes are sensible and, as I said, the coalition supports those amendments.

One part of the package that is disappointing, though, is the government's claim that they are increasing the resources to Customs through an increase in staff from 31 to 45 in the trade measures branch, which is the administering authority to Australia's anti-dumping system. The reality is that Customs itself gets no further resources. This is nothing more than a reconfiguration of
resources within Customs, so the overall budget for Customs is in fact being rejigged and there are resources being taken out of other areas of Customs to take up the additional work that is being done in the trade measures branch. The government is not in fact increasing resources to Customs; all it is doing is rejigging the numbers within that portfolio. At a time when Customs is under significant pressure you really wonder why the claim of additional resources is not being matched by real action. So we have got issues with border protection and border control, a promise to increase resources to Customs to deal with anti-dumping, and yet all we have is a recycling of numbers within the Customs portfolio itself and no additional resources in reality as part of this process. It is very important that Customs is adequately resourced. While the additional resources to anti-dumping are obviously welcome, the coalition does not believe that necessarily should be at a cost to other areas of the important Customs portfolio.

The coalition has obviously been quite active on this. Our leader, Tony Abbott, put together a dedicated four-person task force some time ago this year to work through with industry and look at Customs on a broader scale. That followed on from our 2010 election promise when we said we would review Australia's anti-dumping scheme so that it does effectively look after our important manufacturing sector. We have heard the government talking about destroying business models over the recent past and particularly in relation to people smugglers. About the only business model that has been destroyed in Australia in the immediate recent past is the manufacturing industry's business model, where we see a complete haemorrhaging of jobs. I think over 100,000 jobs have been lost since this government came to power and that is a complete tragedy. We see continued pressure on that area.

There is important work being done by the coalition in relation to anti-dumping and, against the will of the Labor Party and the Greens, the coalition also instigated the Select Committee on Australia's Food Processing Sector, one of the terms of reference of which is Australia's anti-dumping regime and its effectiveness in relation to the food processing sector. Manufacturing, as I have just mentioned, is under enormous stress. The food manufacturing sector is in fact Australia's largest manufacturing sector and so the importance of an effective anti-dumping regime to that particular sector of manufacturing is highly important. The coalition remains very active in this space and is not operating in a piecemeal way as the government has done, which is effectively just drip-feeding some amendments to the system with no indication of when it might continue the remainder of its changes.

While we as a coalition obviously support this legislation, these first four elements of the government's regime, we would certainly like to see that process activated much more rapidly. There are no signals coming out of government. It has taken a long time to get to this stage. This is a commitment that goes back to the 2007 election, as I said before, and there has been a series of processes that the government has been through of promise, of delay, promising high but delivering low, which seems to be a feature of the way that this government is operating. In supporting this legislation we would urge the government to continue with this process at a much increased pace.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:28): I thank senators for their
contribution to this debate and I commend the bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Adams): As no amendments to the bills have been circulated, I shall call the minister to move the third reading unless any senator requires that the bills be considered in the Committee of the Whole.

Senator FEENEY: I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

Business Names Registration Bill 2011

Business Names Registration (Transitional and Consequential Provisions) Bill 2011

Business Names Registration (Fees) Bill 2011

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

Senator RYAN (Victoria) (13:30): It is a pleasure to rise to speak upon the Business Names Registration Bill 2011, the Business Names Registration (Transitional and Consequential Provisions) Bill 2011 and the Business Names Registration (Fees) Bill 2011. These bills represent a worthwhile objective, and that is to rationalise an important procedural element for businesses that are active across state borders. There are an increasing number of businesses that perform this way, and this represents a positive attempt. The bills are a combination of several years of activity, including work started under the previous coalition government, to achieve this objective. I also make the point that this is actually a rare attempt at reducing red tape and compliance from a government that has seemingly been relentless in its increasing burdens placed particularly upon small- and medium-sized businesses. So we as a coalition support this bill, but we do have our concerns with it.

The Senate Economics Legislation Committee report highlights a number of these concerns, and I will let my colleague and Deputy Chair of the Economics Legislation Committee, Senator Bushby, speak specifically to a number of the concerns he eloquently outlined in the minority report on these bills, but a couple of the concerns I will highlight now. There is an issue here with respect to the rushed time line for this legislation. We support the legislation. We understand that it needs to be passed now, but it has become apparent that there is in fact a drafting error in the legislation that causes a problem with the operation of the consequential and transitional provisions, which will require another bill to be put to parliament next year to clarify that error. That error is reflective of the rushed nature at the last minute of parts of this legislation.

We will not, however, in any way oppose the bills. We appreciate that there needs to be complementary state legislation and that COAG has agreed to implement that legislation, so we will be supporting the bills' passage. But we point out that that was an entirely avoidable problem that did not need to be presented to people and businesses across Australia.

There is an issue here also for microbusinesses, because microbusinesses have not always had to register an ABN. But we now have strict liability offences about operating a business without a business name. I have my concerns increasingly that we are almost creating a situation where one needs the permission of authorities to operate a small
business, and I do not think that reflects the historical place of small business in Australia. I do not think it represents our economic model. Again, it is something we have some concern with, particularly with the burdens placed upon microbusinesses, but we accept that there needs to be some regulation of business names across state borders in the increasingly national economy.

Also there is some concern about how we are going to deal with names that are very similar. There might be a John Smith Plumbing in Victoria, and I venture to say that there would be a John Smith Plumbing somewhere in Queensland. We do not yet have the details exactly about how all of these are going to be rationalised. We have been told that there are likely to be geographical identifiers attached to the database to enable people to continue to operate under the names that they may have operated under for a long time. That is fine, but we would like more protocols made clear to us about how we are going to deal not only with conflicts about names but also with the situation when people seek to register a business name that may be very similar to another or when a name might contain a term that some would find offensive and that might not be ideal for a business. We have not yet had all the protocols about that outlined to us, so we do not exactly know how it is all going to operate.

That said, amongst a number of other concerns, we are aware that this could lead to substantial cost savings for businesses across Australia—for some of them, at least, who have to register in multiple jurisdictions where the costs are very different. That is a particular benefit for small business. But we are concerned with a number of issues. We are concerned that there has been a drafting error that will require another bill to come before the parliament to fix up a mistake that did not need to be made in the first place, and I am sure that Senator Bushby in his Economics Legislation Committee report outlined a number of others. The coalition will be supporting these bills.

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (13:34): I also rise to speak on the Business Names Registration Bill 2011 and associated bills. The principle behind these bills is excellent. The bills will vastly improve the ease of registration of an alias, under which a legal person can operate a business, by eliminating the need to register in more than one state and, in most cases, will reduce the fee required to pay for that registration—even before taking account of the additional cost of registration in more than one state. This is all good, and my colleague Senator Ryan has more than adequately explained how this will work and its advantages to businesses across the country.

However, like so many good ideas that this government touches, it has inexplicably failed to execute the principles without creating unnecessary and potentially damaging consequences that could easily have been avoided with a little more thought and by actually listening to the results of the consultation that it undertook. These consequences were so apparent that even the government senators on the Senate Economics Legislation Committee inquiry into these bills pointed them out in the majority report—even though, having noted them, they effectively concluded that urgency trumped good drafting and that it was okay to wear a few adverse consequences to get the bills up quickly.

But I disagree with this. My view is that it would not have been hard to iron out the wrinkles in these bills to eliminate the issues and still get them enacted in a timely manner. Indeed, the failure to do so may yet
be the cause of delay. I am aware that the Tasmanian Legislative Council held an inquiry into these bills and found similar issues to those identified by all senators in the Economics Legislation Committee inquiry. However, it went further and concluded that these flaws were sufficiently serious to warrant further consideration. As the bills require state parliaments to enact complementary legislation, this finding by the Tasmanian Legislative Council sends alarm bells about how the states may treat this legislation, given the clear flaws that the bills contain.

There are flaws like the new regime no longer allowing the longstanding practice in most states of allowing non-government entities, such as financial institutions, to access details of the persons behind a business name alias to help them comply with their obligations under the anti-money-laundering act and similar antiterrorism acts. There are issues relating to jurisdictional issues between the Commonwealth and the states and territories relating to clause 40 of the bill. There are potential difficulties relating to the separate processes for registering a business name and a domain name. And there are issues related to the grandfathering of existing business names where identical or very similar names currently exist in different states and the manner in which they would be transferred onto a new single national database. The argument about privacy is of course a furphy. The whole purpose of business name registration is to enable those who have dealings with a business operating under an alias to identify the legal identity behind that alias. As such, the information that is provided as part of the registration process is clearly provided for that purpose when released for the purposes of establishing requirements under the anti-money-laundering act and similar antiterrorism acts.

To argue, as the department did at the hearing of the Senate Economics Legislation Committee, that some information could not be provided because, under federal privacy laws, it could only be released for the purposes for which it was provided is counterintuitive. The purposes for which people seek to use it is for just that reason: to establish the identity behind those aliases.

And, as Senator Ryan mentioned, we have just heard today that there is a further problem with the bills, which was not identified at the hearing, to do with the timing and the dates contained in the Business Names Registration (Transitional and Consequential Provisions) Bill 2011. This will require a further bill to fix it. Despite the fact that Senator Sherry, I think, described it as only a small technical amendment which should not impede the passage of the three bills, it actually makes a substantial difference to the way that business names are treated in a transitional sense and will need to be fixed to solve the problem.

If the government had done what it should have done with this legislation—that is, consulted properly, listened to the consultation—the need for a further bill, even before we have passed this one, to fix the errors that it contains would not have been necessary.

But it reflects the tendency of this government to fail to give due weight to consultation it undertakes. I think that is endemic throughout this government and is of great concern. It is incumbent on this place to ensure that good legislation is passed. That means legislation that not only seeks to implement good public policy, as these bills seek to do, but also is well drafted and which does not unnecessarily introduce issues that will be to the detriment of our nation, or parts of it, or otherwise address
issues arising from its enactment. To then proceed regardless, in my view, is arrogant and incompetent but, in the case of this government, not surprising.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:39): I thank senators for the contribution they have made to this debate on the Business Names Registration Bill 2011 and the two related bills. I commend the bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Back): No amendments to the bills have been circulated. I will call the minister to move the third reading, unless any senator requires the bills to be considered in the Committee of the Whole.

Senator Feeney: I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

National Vocational Education and Training Regulator Amendment Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (13:39): I rise to make some comments on the National Vocational Education and Training Regulator Amendment Bill 2011. This piece of legislation has now been before the parliament in various forms for some time. This bill provides for the establishment of a national regulator for the vocational education and training sector. It sets out the regulatory framework within which the National Vocational Education and Training Regulator, the NVR, will operate.

The NVR will take over the regulatory functions of state regulators in referring states and territories and, in non-referring states, it will have responsibility for registered training organisations which offer training to international students or which also operate in a referring state.

Certainly, the coalition has been broadly supportive in principle of having a national regulator. There are around 4½ thousand registered training organisations across the country and the coalition certainly believes that it is appropriate that we have a national regulator in place. There has been, though, not necessarily consensus as to how this regulator should operate and, in the past, there has been a divergence of views with regard to this amongst the states, in particular in Victoria and Western Australia.

Interestingly, as I travel around communities, particularly regional communities, the level of awareness of the importance of the VET sector is on the increase. There is absolutely no doubt about that. While we heard a lot about higher education in the past, we have not necessarily heard as much about the VET sector. So I think it is entirely appropriate that there is now a greater understanding out there in the community of the benefit and contribution of the VET sector.

I will take a moment to note the instances of collaboration between the VET sector and the higher ed sector which are starting to emerge. I look at areas such as Port Macquarie and others where they are starting to do pathways through the VET sector to the university sector and I, for one, certainly applaud that. If we look at Charles Darwin University—which is in my good colleague Senator Scullion's part of the world—we see that the entire model is a collaborative higher
ed VET model, which is indeed highly appropriate for the instances that we see in the north of Australia. I commend those at Charles Darwin University for the work that they are doing.

With regard to this piece of legislation, the coalition have previously voiced their concerns on record about why we agree to it in principle, that there have been some real difficulties in terms of a lack of cohesion from the separate jurisdictions about the way this regulator will work and about how the regulator will be implemented.

Having said that, over recent times there has been some movement from the states, particularly, as I understand it, from Victoria and Western Australia, which will provide a more cohesive background, if you like, to the regulator being put in place. It is still by no means perfect and, from the coalition's perspective, we would like to see a much more streamlined and cohesive approach to the regulator. There is still the issue of referral powers, and while we think a national approach makes sense we also think the government could have done a better job in ensuring that the path to the implementation of the regulator was done in a more appropriate and streamlined manner. So, while we do have those reservations, as I said at the outset we are supportive in principle of the National VET Regulator and do not oppose the legislation.

Senator RHIANNON (New South Wales) (13:45): The National Vocational Education and Training Regulator Amendment Bill 2011 answers a number of concerns previously expressed by the Greens. It inserts six objects into the act, a basic part of any act and one that stakeholders and the Greens did request should be present. The Greens had also pointed out that, as things stood in the original bill, people using qualifications that had been cancelled without their knowledge would be committing an offence—something that obviously could bring great difficulty to many individuals. Given that such people would already have been victims of shonky training providers whose qualifications had been deemed invalid, it was of course necessary to ensure that individuals would not be committing an offence in using their cancelled qualification unless they knew it had been cancelled.

The Greens are pleased the government has acknowledged and will address this shortcoming and a number of others. Accountability and quality assurance are vital in our VET system, where so much of our future skills training takes place, especially with the estimated future shortage of about 36,000 tradespeople by 2015. That is in only four years. It is an extraordinary number that was set out by the Prime Minister, Julia Gillard, when she spoke to the centre for economic development in February this year.

For over a decade, skill shortages have been recognised as a looming threat to meeting the future needs of our communities and our economy, yet what long-term planning investment have successive governments made? The rise of the private contractor or provider who cannot or will not invest in the full three to four years of apprenticeship training and in the task-specific training that is more and more insisted upon by private industry to save time and money has seen new generations of broadly skilled and fully qualified tradespeople diminish with every passing year. Add to that the factor of the megaminers sucking up the remaining skills base across Australia and collapsing everyday economies around the country and I question what exactly we are doing to ensure that Australia’s communities and economy will be supported down the track.
Who will have the skills to teach the new generations of tradespeople when the current older generation retires along with the rest of the baby boomers? This is a huge challenge that needs to be addressed much more thoroughly by all of us.

The implications of these questions are serious. They illustrate how important a well-planned and supported VET system is and how essential a strong and viable publicly funded TAFE system is. Yet, despite explicit knowledge of this looming crisis, we have federal and state governments diminishing investments in our public TAFE systems by privatising the vocational education and training market, where TAFE must compete against more and more private providers for contested funding.

I do want to put on the record that the Greens recognise there is a role for private VET providers, but that is where TAFE is unable to provide the training. In a price based framework, TAFE cannot compete with the smaller, more nimble private provider who can cherry-pick the cheap-to-run courses such as business training, special personal care and sales reps without the overheads of large community infrastructure and expensive high-tech equipment or a responsibility to permanent staff such as TAFE should and must support. Yes, it is the cheap-to-run courses that TAFE is dependent on to cross-subsidise the more expensive courses, such as the latter stages of apprenticeship training and high-tech digital courses. What will happen not so far down the track when TAFE can no longer afford to run these essential courses?

If the trade-offs here continue, they will result in a really deskilled Australia. We are already seeing this happen in Victoria, where full contestability and a pure demand-driven publicly funded voucher system for diploma and certificate I to IV courses has seen a 110 per cent growth in enrolments in low-cost occupation-specific privately provided courses. At the same time TAFE enrolments grew by just two per cent in the higher cost specialised courses such as health care and trades. The reporting of a surge in publicly funded enrolments in privately provided fitness instructor courses in Victoria to the tune of 1,000 per cent since 2008 should sound very loud warning bells about Australia's willingness to skip down the path of fully contestable funding of VET at the expense of TAFE.

Let us not forget the lessons of New Zealand's doomed pure demand-driven tertiary system, where the polytechnics and private providers grew out of control, with bloated enrolments of students and commensurate unsustainable public costs, questionable qualifications for courses with little public benefit and rising student failure and attrition. Just across the Tasman there is another example of going into the private sector, and when we get the balance wrong the long-term sustainable and viable economy you need to build is damaged.

The Greens have serious concerns about the direction the VET systems are heading in. We are committed to a well-funded, publicly owned TAFE system as the dominant provider of vocational education and training. We are pleased with this bill. It is an area to which I look forward to giving more attention in the future.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:51): The National Vocational Education and Training Regulator Amendment Bill 2011 honours the government's commitment to the Senate on 23 March 2011 to address concerns with the primary legislation that were unable to be addressed at the time of passage due to the nature of the text based referral powers from the New South Wales
government. I thank senators for their contribution to this debate and I commend the bill to the Senate.

Question agreed to
Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Back): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in the Committee of the Whole. If not, I call the minister.

Senator FEENEY: I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Indigenous Affairs Legislation Amendment Bill (No. 2) 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator SCULLION (Northern Territory—Deputy Leader of The Nationals) (13:52): I rise to make the coalition’s contribution on amendments in the Indigenous Affairs Legislation Amendment Bill (No. 2) 2011. This bill contains one schedule that effectively makes three sets of amendments to Indigenous affairs legislation. The first is to change the title of a number of office holders, the second is to ensure that information held by Indigenous Business Australia will be appropriately protected and the third is to remove some references to the availability of review under the Judicial Review Act 1977.

The first set of changes are the changes to job titles. Presently, a number of statutory positions created under the Aboriginal and Torres Strait Islander Act 2005 refer to the term ‘general manager’. These roles are deemed to be better reflected with the title ‘chief executive officer’. This brings it into line with other agencies. While it does not seem particularly important on the face of it, the change in the titles from ‘general manager’ to ‘chief executive officer’ does not involve any changes to remuneration packages associated with the positions, and aligning the position titles with comparable positions in other authorities is expected to assist these boards in attracting suitably qualified applicants.

The second area of amendment deals with the Indigenous Business Australia. Currently, there are secrecy provisions relating to Indigenous Business Australia in section 191 of the act. This has at times prevented disclosure of information to agencies responsible for overseeing Commonwealth administrative practices, such as the Ombudsman and the Privacy Commissioner. It is clearly preventing disclosure when that was not intended. They would have been quite happy, apparently, to have provided that information but were unable to because of these provisions. This amendment will allow for the disclosure of information in limited circumstances and hopefully will indeed also allow further scrutiny by this place.

The last area relates to two discontinued Aboriginal hostel schemes that are unlikely to be reinstated that are currently subject to the normal processes that take place in terms of auditing and compliance procedures, which are not only onerous and unnecessary but expensive. Clearly, this is just a tidying up process. We support those three sets of amendments. We think that they are sensible amendments.

When this bill was originally introduced in the other place, there was in fact a second schedule that involved procedures for making acting or temporary appointments for
the Executive Director of Township Leasing and the Coordinator-General for Remote Indigenous Services. We have advised the government that we oppose this schedule for the reason that we think that both these positions were designed to remain completely separate from those individual agencies. We still remain concerned that both these positions are being incrementally absorbed into FaHCSIA. We think that that independence is absolutely essential in directing some of those very important changes. Rather than having these changes compromised, we believe that these positions must remain appointments by the minister and not delegates of a government department.

The government moved an amendment in the other place to remove schedule 2 of the original bill, which acknowledged and satisfied the opposition's concerns in this regard. That leaves the Indigenous Affairs Legislation Amendment Bill (No. 2) 2011 as it is presented today. I thank the government for supporting the very sensible coalition amendments. The coalition supports the bill as printed.

Senator IAN MACDONALD (Queensland) (13:56): I will come to the provisions of the Indigenous Affairs Legislation Amendment Bill (No. 2) 2011 shortly. Before I do that, I want to say that I continue to despair at the way that this Labor government—the Gillard government—and previous Labor governments treat Indigenous people generally. They seem to me—and the Wild Rivers legislation is a classic example of this—to be saying to Indigenous people: 'You're not as good as we are. You can't operate as we operate. You need to spend your life on welfare, because you can't till your land, you can't look after yourself and you can't create industries as other Australians do.' It always distresses me that that is the case. I have recently driven 3,500 kilometres through north-west and western Queensland and through the lower Gulf of Carpentaria area and in the lower Cape York area. That theme comes through.

I want to tell the Senate about a cattle property called Delta Downs. Nine years ago I was honoured to be able to hand over the deeds and the shares in that company on behalf of the Commonwealth to the local Indigenous group and the Morr Morr Pastoral Company. This is an iconic cattle station up in the Gulf of Carpentaria next door to Karumba. Nine years ago, I was impressed by the property. It had for some time been operated by Indigenous people, although very often with non-Indigenous managers. Going back there just the other day, it was remarkable to see how this property had been improved by Indigenous people, by Indigenous managers, by people relevant to that area. It is a great example of what Indigenous people can do.

Clearly, Acting Deputy President Back—and you particularly would be aware of this—they had concerns about the stupidity of the Gillard government's live cattle ban. It affected their property, as it affected many land owners. It did not affect their property quite as much as others, because they recently bought another property down near Hughenden to which they can send cattle off for fattening. But it did have an impact on them. They and everyone else I spoke to in my travels on the roads around the gulf and lower Cape York were incensed at the way the Gillard government had overnight banned the live cattle trade. What concerned them more than just the banning of the trade was the fact that they just do not know what this government is going to do next. It has taken all confidence out of businesses that operate in those remote parts of Australia.

Debate interrupted.
STATEMENTS

Visit by President of the United States of America

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:00): by leave—I am pleased to inform the Senate that the President of the United States, Mr Barack Obama, has accepted the Prime Minister's invitation to visit Australia over the period 16-17 November 2011.

Senator Ian Macdonald: Are you sure?

Senator CHRIS EVANS: He has accepted the invitation. I can advise that President Obama will address a combined sitting of the parliament on 17 November. The President's visit takes place in the same year that we mark the 60th anniversary of the Australia-United States alliance and the 10th anniversary of the 9-11 attacks. It is also a visit in which we will focus on strengthening our long-held alliance and the future opportunities for Australia and the United States in this Asian century. I am sure members and senators will warmly welcome President Obama to the parliament.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:01): by leave—The coalition welcomes the announcement of this visit by the head of government of our most important friend and ally in the world, the United States.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (14:01): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to the statement of the Australian Council of Social Service that:

Many welfare service providers spend disproportionately on essential goods and services likely to be impacted by a carbon price, notably energy and food.

Is it correct that, as ACOSS has claimed, Labor's carbon tax plan does not even recognise, let alone address, the impact of the carbon tax on the disability, community and welfare sectors?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:02): I am pleased to take a question on carbon pricing on the day after the House of Representatives has supported the government's Clean Energy Future package, a great achievement for this Prime Minister and this government in a minority government. Against the opposition of those opposite—against the scare campaign of those opposite—the Labor Party and the crossbenchers have delivered a reform in the finest traditions of the Labor Party, which is about the future prosperity and wellbeing of the Australian people.

I am asked about the position of ACOSS. I would remind those opposite that the government has worked very closely with stakeholders, including the Australian Council of Social Service, who have welcomed, for example, the government's priority for low-income earners in the assistance package under the clean energy package—a package which increases the pension, increases family tax benefits and increases the tax-free threshold, thereby giving Australians earning up to $80,000 a tax cut, all of which you will remove. You have pledged in blood, so I hear, to remove it, so you should go and tell the pensioners of Australia that you will be ensuring they have lower pensions; you should tell the families of Australia that you will be ensuring that they have lower family tax benefits; and you should tell all Australians earning under $80,000 a year that you want them to pay
more tax whilst you ensure that mining companies pay less. That is fairness and equity according to Tony Abbott: 'Let's slug the pensioners, slug the families and slug low-income earners, but let's let miners off the hook.' So do not come in here—through you, Mr President—(Time expired)

**Senator FIFIELD** (Victoria—Manager of Opposition Business in the Senate) (14:04): Mr President, I ask a supplementary question, and I hope the minister can answer it without any self-congratulatory backslapping. I refer the minister to further statements made by ACOSS that carbon tax related cost increases 'may lead to a reduction in the quantum or quality of services' for low-income, disadvantaged and vulnerable individuals and families. Can the minister guarantee that Labor's carbon tax will not increase costs for service providers in the disability, community and welfare sectors and that service providers will not have to increase their costs to some of Australia's most disadvantaged people?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:06): Areas such as health care, disability services and housing are funded by this government under national SPPs. The funding under those arrangements is ongoing and indexed each year. I would remind those opposite that this government is doubling Commonwealth funding, to around $7.6 billion over 6½ years, for more and better specialist disability services under the National Disability Agreement—things that were never provided under the Howard government in the long years that they were in office. They were not funded then; they were funded by a Labor government. So when those opposite come in here and talk about impacts on services—disability services, health care and the like—they ought to be honest about two things: first, that they never funded these things in government; and, second, that they would impose higher costs—(Time expired)

**Senator FIFIELD** (Victoria—Manager of Opposition Business in the Senate) (14:05): Mr President, I ask a further supplementary question. I note that the minister has not at any stage stated that there will be direct compensation to disability and not-for-profit groups. How can the minister claim that this carbon tax plan is fair when we know it will leave millions of small businesses, millions of households and millions of families worse off and, as highlighted by ACOSS, will even leave disability, volunteer and charitable service providers serving the most vulnerable worse off?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:06): I will take with a grain of salt an assertion by a Liberal senator as to what ACOSS said. In terms of the impact of the carbon price on charities, for example, the fact is that the government has put in place as part of the package the Low Carbon Communities program, which will fund grants for local councils and community organisations to retrofit or upgrade community-use buildings to reduce energy use and enable them to cut energy costs, which is obviously of importance. I also remind those opposite that we will increase the pension, the disability support pension and family tax benefits—all of which increases you will take away. I invite the senator to tell us which of the disability services he will rip away to fill the $70 billion black hole that his economic team has put forward.

**DISTINGUISHED VISITORS**

The PRESIDENT (14:07): I draw to the attention of honourable senators the presence in the chamber of a parliamentary delegation from Malta, led by the Speaker, the Hon.
Michael Frendo, MP. On behalf of all senators, I wish you a warm welcome to Australia and in particular to the Senate. With the concurrence of honourable senators, I ask the Speaker to take a seat on the floor of the Senate.

Honourable senators: Hear, hear!

Hon. Michael Frendo was then seated accordingly.

The President: Whilst I am on my feet, I draw to the attention of honourable senators the presence in the gallery of a distinguished former senator from the state of New South Wales, Sandy Macdonald. On behalf of all senators, I warmly welcome you back to Parliament House and in particular to the Senate chamber.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Senator Pratt (Western Australia) (14:08): My question is to the Minister representing the Prime Minister, Senator Evans. Can the minister advise the Senate how important creating a clean energy future is for our Australian economy?

Senator Chris Evans (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:08): I thank Senator Pratt for her question and make it clear that the government are taking very important steps to move Australia to a clean energy future because we know it is about securing Australia’s economic future. Australia must not be left behind as the rest of the world moves to a clean and renewable energy based economy. The race to create low-emissions economies is on. The time for Australia to make the move is now.

Ninety countries representing 80 per cent of global emissions and 90 per cent of the world’s economy have already pledged to take action on climate change. Globally, more money is now invested in new renewable power than in conventional high-power generation. China is now the largest manufacturer of both solar panels and wind turbines. India has a tax on coal, which is expected to generate more than half a billion dollars annually to fund research into clean energy technologies. The time for action is now. This is clearly the time to plan for a clean energy future. We need to cut pollution, we need to create clean energy jobs and we need to promote clean and renewable energy. Australians get that. They understand that it is important for the future of Australia’s economy.

Under this government, polluters will pay and drive investment in low-emission technologies and renewable sources of energy. We are determined to make this happen. If we do not act, we will put at risk the future of our economy. We will put at risk the jobs of our children. Our competitors will race ahead in investment in low-emission and clean energy technologies, and Australians will miss out on the jobs and the economic opportunities that will come with the transition of our economy to clean energy.

Senator Pratt (Western Australia) (14:10): Mr President, I ask a supplementary question. Can the minister outline to the Senate what new job opportunities will be presented in a clean energy economy?

Senator Chris Evans (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:11): This government’s main priority has been securing job opportunities for Australia, be it throughout the global financial crisis or since then. The fundamental strength of our economy has been confirmed today with the job figures for September, which show the
creation of another 20,000 new jobs—and resulting, pleasingly, in the unemployment rate dropping to 5.2 per cent. It is a really strong result at a time when the global economy is facing significant challenges and people's confidence has been shaken by recent events.

Moving to a clean energy future is all about continuing to create new jobs for Australians and attracting investment in clean energy technology industries. Under a carbon price, we expect to see 1.6 million new jobs created in Australia by 2020. As the economy transitions, new job opportunities will open up across Australia. There will be good, high-paid, high-skilled jobs as a result of that transition to a clean energy future. *(Time expired)*

**Senator PRATT** (Western Australia) *(14:12)*: Mr President, I ask a further supplementary question. Is the minister aware of any risks to developing Australia's clean energy future?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) *(14:12)*: Those who pose a risk to that clean energy future of course are the opposition and those who continue to oppose taking action. As we know, in 2007 then Prime Minister John Howard committed to putting a price on carbon and to taking strong action. He said it was important that the Liberal Party show leadership. He did not say, as Mr Hockey now claims, that somehow we will wait for the rest of the world to move.

Honourable senators interjecting—

**The PRESIDENT:** Order! Senator Cormann and Senator Wong, if you want to have a debate, now is not the time; after question time is clearly the time. I need to hear Senator Evans's response.

**Senator CHRIS EVANS:** Mr Howard said we ought to move regardless of what our trading competitors do. He said we ought to provide a model for other nations to follow, that we ought to provide leadership. That is the sort of leadership the Liberal Party used to have. We encourage the Liberal Party to actually get on board and help achieve a clean energy future in Australia, a policy they once supported and unfortunately have now moved away from. *(Time expired)*

**Carbon Pricing**

**Senator CORMANN** (Western Australia) *(14:13)*: My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer Senator Wong to answers she gave to questions about the carbon tax on Tuesday and Wednesday this week, where she referred to Treasury modelling to support her various assertions. Will the minister confirm that the models used by Treasury for its carbon tax modelling—ABARES' model, the GTEM; and Monash University's model, the MMRF model—and all other relevant parameters, frameworks and assumptions used by Treasury have not been made public to the extent necessary to enable third parties to independently scrutinise that Treasury modelling?

Is the minister aware that, in contrast, when the former coalition government asked the Productivity Commission to assess the National Reform Agenda it ensured that the MMRF model used by the commission was made fully available so that others could independently scrutinise all the modelling scenarios? Why is this government not doing the same?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) *(14:15)*: I thank Senator Cormann for his question, which can best be summarised as
him saying to us, 'You're bad, we're good'. I think that was the whole tenor of the question, which of course I disagree with. So, that has taken the debate a long way forward. It is surprising, a day after the parliament has supported action on climate change—

Senator Mason: It isn't the parliament!

Senator Wong: All right, the House of Representatives—that part of the parliament—has supported action on climate change, has supported pricing pollution, has supported policies which are about jobs, job creation, reducing the risk to our children, and all that those opposite can do is come in and continue to harp about a whole range of details which they often get incorrect. The modelling builds on the modelling which was released in the previous parliament—the largest modelling exercise ever undertaken in Australia's history.

Senator Scullion: Show it to us.

Senator Wong: I invite the senator to go and read it because a lot of information, including assumptions, was provided. That modelling shows that the economy continues to grow, average incomes continue to grow, jobs continue to grow and carbon pollution falls by 160 million tonnes from what it otherwise would have been. These are the facts and they are the facts that Senator Cormann simply cannot bear.

Senator Cormann interjecting—

The President: Senator Cormann, you asked the question. I am trying to listen to the answer.

Senator Wong: He cannot bear the fact that the premier economic advisers to government, whether it is a Labor government or a Liberal government, have said, 'You can price carbon and grow your economy, you can price carbon and increase the number of jobs, you can price carbon and incomes will still grow and you can grow your renewable energy industry and grow clean jobs for the future'. He cannot bear that proposition and all his questions stem from that fact.

Senator Cormann (Western Australia) (14:17): Mr President, I ask a supplementary question. Why is it that eminent Australian economists like Professor Ergas, Professor McKibbin and Dr Fisher, and a range of industry groups—

Opposition senators interjecting—

The President: Order! Order on my right! Senator Cormann is entitled to be heard in silence.

Senator Cormann: Thank you, Mr President. Why is it that all these economists have not been able to get access to the GTEM model and related datasets and specifications used by Treasury in its carbon tax modelling, even though Treasury—

Government senators interjecting—

The President: Order!

Senator Conroy: Henry Ergas went bankrupt!

The President: Order! Senator Conroy!

Senator Boswell: Mr President, on a point of order: this is one of the most important questions that could ever be asked and I cannot hear the question. I ask you to get control of this place.

The President: Senator Boswell, that is not a point of order. You know that it is not a point of order. If I had the cooperation of both sides of this chamber it would be very helpful indeed, Senator Boswell.

Senator Cormann: Why is it that eminent Australian economists like Professor Ergas, Professor McKibbin and Dr Fisher and a range of industry groups have not been able to get access to the GTEM model and
related datasets and specifications used by Treasury in its carbon tax modelling, even though Treasury said in evidence before the Senate Committee on the Scrutiny of New Taxes that access to that model was available through ABARES?

The PRESIDENT: Before I call the minister it will help in the setting of the clock if those on my right are quiet during the asking of the question. I am entitled to hear the question; so is the chamber.

Senator WONG (South Australia—Minister for Finance and Deregulation)
(14:19): The senator talks about eminent economists. There are no economists, eminent or otherwise, who support his policy so he might be better off considering why it is that no economists support his policy? It is probably not a question he wants to answer or think about.

Senator Cormann: Mr President, I raise a point of order in relation to the requirement for the minister to be directly relevant. I asked very specifically why certain information was not available when Treasury, in evidence to a Senate committee, said it was. The minister is giving us a lecture about something that is completely unrelated.

The PRESIDENT: There is no point of order. The minister has 40 seconds remaining.

Senator Cormann: It is unsurprising that the opposition is so sensitive to the fact that no eminent economist or non-eminent economist supports its policy. It is unsurprising that it is embarrassed about the fact that its policy does not add up. It is unsurprising that it is embarrassed about the fact that its policy is predicated on ensuring that the pension increases are wound back. It is unsurprising that the opposition is embarrassed by the fact that its economic team, of which I understand Senator Cormann is a member, has never got their costings right, never got their numbers right and has a $70 billion black hole. We have put out an extraordinary amount of modelling and an extraordinary amount of material. It shows we can grow our economy and cut pollution. (Time expired)

Senator CORMANN (Western Australia)
(14:21): Mr President, I ask a further supplementary question. Given these models used by Treasury for the carbon tax modelling were paid for by the taxpayer, and given those models have not been released to date, will the minister give a guarantee that all of its modelling, including the actual models, datasets and specifications used by the Treasury, will be released before the carbon tax bills are debated by the Senate so that third parties can review and scrutinise them?

Senator WONG (South Australia—Minister for Finance and Deregulation)
(14:22): This government has now released modelling on two occasions. We have updated the modelling. We have been extraordinarily transparent on this issue. I am asked whether or not more information will be received before the bills are dealt with. I make this point about that question: Senator Cormann's motivation in asking it is demonstrated by what his leader has said. No matter what, come hell or high water—written in blood—you are going to oppose this and then you want to repeal it should you ever win government. You are not interested in more information, Senator Cormann, so do not come in here and pretend you are. You never have been. Your side has never been interested in more information: you simply want to oppose. You are an opposition incapable of good public policy debate, you are an opposition addicted to wrecking and you are an opposition which will do anything and everything you can to wreck policies which are in the national interest if you believe it is
in your short-term political interest to do so. That, Senator Cormann, is the truth of it.

Dementia

Senator SIEWERT (Western Australia—Australian Greens Whip) (14.23): My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. Bearing in mind that dementia is currently affecting over one million Australians—including those directly affected and those caring for a person with dementia—is the third most common cause of death, costs this country $6 billion annually and will be the third greatest source of healthcare and residential care expenditure within 20 years, and considering the importance of this issue and the fact that our community services and our health and aged-care services are ill-prepared to face this, why has the government terminated the dementia initiative? Will the government guarantee that the programs funded under this initiative will continue to receive at least the same level of funding that they received under the initiative?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14.24): I thank Senator Siewert for her question about dementia programs. The Australian government is committed to funding the delivery of a range of dementia support activities. This support includes provision of $8.3 billion for the care of people in aged-care homes, 52 per cent of whom have a diagnosis of dementia. The government also funds the Extended Aged Care at Home Dementia packages and respite care to support people in the community and has funded around $30 million in service improvements, including in information provision, counselling services, referral, education and training. The government does take this issue very seriously.

The report into dementia amongst aged-care residents found that the Aged Care Funding Instrument recognises that residents with dementia have greater care needs and that it provides, on average, additional funding of approximately $7,000 per annum per resident to assist with those needs. The government provided funding of $8.5 million to the NHMRC for dementia research, including funding for Dementia Collaborative Research Centres, of which there are three, to undertake dementia research and to translate the outcomes of that research into practice.

Emerging evidence suggests that a healthy lifestyle assists in the prevention of dementia. The Australian government's $872 million investment in healthy living and the establishment of the National Preventive Health Agency are also contributing to better management of lifestyle factors, which may help prevent the onset of dementia. The government welcomes the release of the report Dementia across Australia 2011 to 2050. (Time expired)

Senator SIEWERT (Western Australia—Australian Greens Whip) (14.26): Mr President, I ask a supplementary question. I noticed that the minister, although giving us some figures, did not answer the two questions I asked. The first was: why was the dementia initiative cancelled? The second was: will the government guarantee that the funding available will remain at at least the same level as under the initiative? I repeat those questions. While he is answering those questions, can he also talk about what the government are doing about timely diagnosis, risk reduction and continuing the cutting edge research that is needed if we are
going to address dementia in this country over the next 20 years?

**Senator Ludwig** (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:27): I thank Senator Siewert for her supplementary question. I will deal with research funding, which was part of the supplementary question, before I come back and deal with the issues in the primary question. The government funds three Dementia Collaborative Research Centres to undertake dementia research and to translate the outcomes of that research. The government does so because it is incredibly important to get the facts right and to understand the nature of dementia so that we can undertake some of the work that you described. One of the three centres is focusing on early detection and prevention.

Evidence shows that the risk factors for dementia are similar to those for other chronic diseases, such as heart disease and stroke. That is why I indicated earlier, in my answer to the primary question about funding— *(Time expired)*

**Senator Siewert** (Western Australia—Australian Greens Whip) (14:28): Mr President, I ask a further supplementary question. The minister referred in his answer to the Aged Care Funding Instrument and to work in aged care. One of the issues raised by the community is the fact that the Productivity Commission report, *Caring for older Australians*, did not make many recommendations about, or greatly touch on, dementia. There is concern in the community about that. When the Minister for Mental Health and Ageing is undertaking his consultation on this issue, is he talking to people specifically about the issues of dementia and residential aged care?

**Senator Ludwig** (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:29): I thank Senator Siewert for her further supplementary question dealing with aged care. As an indication of the direction we are heading in this area, an additional 17,916 residential care and 2,000 transitional care places have been allocated nationally since we were elected in 2007. The issue of dementia is one of those areas that, as I understand it, is also included within that work. As we age and as we require additional places for aged care, if you look at the statistics around Alzheimer’s and dementia, it is an issue that will have to be managed in aged-care facilities. I will take the funding part of the question on notice to make sure we can provide a more detailed response. *(Time expired)*

**Australian Defence Force: Fuel and Carbon Costs**

**Senator Johnston** (Western Australia) (14:30): My question is to the Minister representing the Minister for Defence, Senator Evans. Can the minister confirm to the Senate the costs incurred by the Australian Defence Force for fuel in 2009-10 to generate energy for the propulsion of aircraft, ships and large pieces of ADF equipment?

**Senator Chris Evans** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:30): I thank the senator for the question. As I understand it, he is asking me to give him the cost of the fuel used across the defence forces. I think it will come as no surprise to the Senate—and I suspect this is a set-up for a supplementary—that I do not have that answer at my fingertips. I am sure
that if I were the Minister for Defence and not just representing him I would have had that information at my fingertips, but as it is I do not. I will have to assure the senator that I will take it on notice and make the appropriate inquiries. I suggest that questions of such detail would probably be best asked at estimates. I am sure Senator Johnston will spend some time at estimates pursuing answers of the defence minister and the department. Clearly, as a representing minister I do not have access to that sort of detail at question time, but I will certainly do what I can to get an answer for the senator as soon as possible. I suspect that will not be until after parliament rises today, and therefore he will get it when he pursues the issue at Senate estimates sometime next week.

Senator JOHNSTON (Western Australia) (14:31): Mr President, I ask a supplementary question. I ask the minister whether he knows how many tonnes of carbon were emitted by the Australian Defence Force in its generation of energy in 2009-10.

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:32): Again, I cannot give the senator the detail that he seeks. I can say that Defence is considering the potential implications of the introduction of a carbon price on its activities. Noting the widespread nature of goods purchased by Defence, it would be reasonable to forecast the impact on Defence to be broadly equivalent to that of the wider community, namely, about 0.7 per cent. While looking at the question and its implications, Defence is also aggressively looking to reduce its carbon emissions. It has committed to reducing emissions to the extent practical, particularly in non-operational and support activities. It supports the use of renewable energies through its purchase of green energy. As part of its electricity agreements, it currently purchases 10 per cent green energy. That is the information I can help the senator with. If there is more I can get for him I will provide that. (Time expired)

Senator JOHNSTON (Western Australia) (14:33): Mr President, for my second supplementary question, can the minister guarantee that the Australian Defence Force will be exempt from paying the carbon tax on its carbon emissions of 1.7 million tonnes per annum, which is 68 times the government's tonnage threshold for the carbon tax?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:33): As I indicated in my responses to the primary question and the first supplementary, I do not have briefing on the level of emissions Defence is responsible for, nor the amount of fuel used et cetera, but I will get what information I can. As I say, I suspect it will have to be pursued at Senate estimates next week. What I can say, and what is important to put on record, is that defence operations are funded on the basis of no win, no loss, so there will be no impact on Defence's actual operations. The actual costs of operations are funded on a no win, no loss basis. I think the senator well knew that he would not get the sort of detail he asked for until Senate estimates or later. We will do our best, but I suggest that if he wants to use question time for that he got the answer that he thought he would get.

Carbon Farming Initiative

Senator GALLACHER (South Australia) (14:34): My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. Can the minister...
please update the Senate on the work the Gillard government is doing to support farmers to participate in domestic and global carbon markets?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:35): I thank Senator Gallacher for his question and his interest in agriculture, unlike those opposite. The Gillard government Carbon Farming Initiative is in place and underway. It is good news for farmers and other landholders across rural and regional Australia. It is delivering real differences in rural communities, who know that the threat of climate change is real for Australian agriculture. It will open up opportunities for farmers to create new streams of revenue while at the same time reducing their own and the nation's carbon emissions.

Across the country, regional Landcare facilitators have been engaged in training which will equip them to go into regional committees and deliver the CFI. The facilitators are training to gain the tools they can use to communicate the opportunities under the CFI to farmers and land managers. The facilitators will soon commence their work with landholders and farmers to identify opportunities for a clean energy future. The regional Landcare facilitators will use their network to engage with the farming community to provide information to farmers in their regions on how they can benefit under the initiative.

Some of the possible carbon farming projects cover a wide range of activities right across the landscape, including manure management, fertiliser management, reduced livestock emissions, soil, carbon and reafforestation. Many of these projects will have multiple benefits for farmers, not only generating income but improving the health and productivity of their land.

Opposition senators interjecting—

Senator LUDWIG: It is unfortunate that those opposite seem to be interjecting in complaint when they could be encouraging farmers and landholders to engage in a clean energy future, to engage in how they can assist and how they can— (Time expired)

Senator GALLACHER (South Australia) (14:37): Mr President, I ask a supplementary question. Can the minister please outline to the Senate the benefits for farmers under the Carbon Farming Initiative?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:37): I thank Senator Gallacher for his supplementary question. As I have already indicated, the Carbon Farming Initiative will deliver real benefits to farmers. Senators—on this side, at least; maybe not on that side—will be interested to know that the National Farmers Federation has expressed its support for the Carbon Farming Initiative. The NFF President, Mr Jock Laurie, has said:

The NFF has been broadly supportive of the concept and intent of the CFI from the outset as positive recognition of the major role agriculture can play in mitigating carbon emissions through on-farm management.

The NFF went on to say:

... with a continued focus on productivity-based research and the development of methodologies underpinning abatement projects, we hope that the CFI can mature to draw a meaningful contribution to Australia's carbon mitigation effort.
Those in the rural and regional areas are on board. Those opposite are still stuck in the past. (Time expired)

Senator GALLACHER (South Australia) (14:38): Mr President, I ask a further supplementary question. Can the minister please inform the Senate about any risks posed to the Carbon Farming Initiative or any similar initiatives?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:38): I thank Senator Gallacher for his second supplementary question. The Gillard government is deeply committed to taking action on climate change and providing opportunities to farmers. The passing of the Carbon Farming Initiative also demonstrates that the government is getting on with the job of tackling climate change, looking to a clean energy future. The challenge for those opposite will be to put aside, in the national interest, their repetitive negativity and join in the process. The Gillard government supports and will continue to support farmers and landholders. Those opposite seem to be stuck in only saying no, no and more no and just paying lip-service to farmers. The Liberals and Nationals are content to ignore the potential benefits of the Carbon Farming Initiative to farmers and land users. As they ignore the benefits, they also ignore the science and they also do not want to deal with clean energy—(Time expired)

Clean Energy Finance Corporation

Senator McKENZIE (Victoria) (14:39): My question is to the minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Will the minister guarantee that not one taxpayer dollar will be lost in the investment the government makes under its $10 billion Clean Energy Finance Corporation?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:40): I thank the senator for her question. The Clean Energy Finance Corporation is obviously an important aspect of the clean energy package that the government has put forward. I was pleased yesterday to see the announcement that the inaugural chair of the corporation is Ms Jillian Broadbent, who would be known to senators as a member of the board of the Reserve Bank, a director on the boards of Woolworths and the Australian Stock Exchange and previously a director of Woodside, Coca-Cola and Qantas.

The government, through the Treasurer, has asked Ms Broadbent to conduct a review of the investment mandate of the corporation and its governance structures, because we are of the view that it is important that these structures meet the highest standards of corporate governance practice. We have also appointed Mr David Paradice and Mr Ian Moore to assist Ms Broadbent in establishing the new body. Mr Paradice has over 20 years experience in funds management and manages a $6.6 billion investment fund. Mr Moore is an actuary with some 20 years of actuarial experience and an expert in risk and return profiles and debt and equity financing.

This is an extremely impressive team and one that reflects the priority the government assigns to ensuring that the Clean Energy Finance Corporation structures and processes are robust. We propose to pass legislation for the corporation in the first half of 2012. I indicate very clearly to the senator that we are working very closely with experts and people of significant standing in the private sector to ensure this corporation works effectively and manages taxpayers' funds most effectively.
Senator McKENZIE (Victoria) (14:42): Mr President, I ask a supplementary question. I refer the minister to the US House of Representatives Committee on Energy and Commerce memorandum which noted that the Department of Energy and the Office of Management and Budget did not take adequate steps to protect the taxpayer dollar. What changes has the government made to its Clean Energy Finance Corporation legislation or supporting regulations to better protect taxpayers’ money?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:42): The key here is getting the personnel, the investment mandate and the governance structures right. I have referred to the process associated with the governance structures. The investment mandate will set out criteria that the board should apply in choosing which investments to make and which projects to support. This will obviously need to strike a balance between encouraging investment in riskier projects and ensuring there is a return to taxpayers at the end of the day. That is why it is important that the chair, Ms Broadbent, be given the time and the resources to conduct extensive consultations and report to government.

In relation to the US experience, I am sure that members of the board will have regard to that. I again make the point that the corporation is independent of government.

(Time expired)

Senator McKENZIE (Victoria) (14:43): Mr President, I ask a further supplementary question. I refer the minister to a question on notice that Treasury has provided to the Senate Select Committee on Scrutiny of New Taxes. The Treasury confirmed that a portion of the $944 million budget expense of the Clean Energy Finance Corporation relates to the allowance that is made for defaults. As such, can the minister now inform the Senate precisely how much the government has allowed for defaults under its Clean Energy Finance Corporation plan?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:44): First, I would make the point that the government is establishing this corporation as a body independent of government, to be run by a board of private sector experts. I think that imperative is demonstrated by the personnel whom we have appointed to this point. Investment decisions will be based on a case-by-case analysis of candidate projects, at arm's length from government. The government will obviously be informed by its experience with bodies such as EFIC, which is the Export Finance and Insurance Corporation. The fiscal balance cost reflects the accounting approach associated with such bodies, and I think that is the figure to which you refer. It takes account of administrative costs, expenses associated with concessional loans as well as a conservative allowance made for defaults. Treasury does expect that taxpayers will recoup their funds—(Time expired)

Airports

Senator XENOPHON (South Australia) (14:45): My question is to the Minister representing the Assistant Treasurer, Senator Sherry. In February this year the ACCC found that airports drive away competition from other parking venues and bus operators by imposing excessive access levies and controls on the available space for those operators. I note that Australia has some of the highest on-airport car park fees in the world. But in August the Productivity Commission's draft report on economic regulation for airport services said:

Access charges paid by competitors to on-airport car parking are not so high as to impede competition…
Does the government side with the ACCC or the Productivity Commission when it comes to competition at airports, and does it believe the ACCC currently has sufficient powers to deal with excessive airport charges?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:46): Thank you, Senator Xenophon, for the question. The Gillard government has asked the Productivity Commission to investigate airport pricing, investment and services as part of a major public inquiry into the economic regulation of major Australian airports. Having established an inquiry, it is important that I do not pre-empt the outcome of that inquiry by going to a specific response on at least some of the issues that Senator Xenophon has raised.

As far as the ACCC submission goes, there is no doubt it will form a significant part of the Productivity Commission’s deliberations. I have no doubt about that—the ACCC is a highly authoritative and knowledgeable organisation in the area of competition. It is important to note that, whatever the outcome of the PC’s reviews, there are already measures in place to deal with market power issues in airports and other sectors of the economy. For example, section 46 of the Competition and Consumer Act 2010 prohibits the misuse of market power. In 2006 the Productivity Commission conducted a review of the regulatory arrangements for pricing airport services, and that review examined the price monitoring regime that had replaced the price capping—

Senator Conroy: Max Moore-Wilton had the fix put in. You might remember that, Nick. Oh, and then he went and got a job there.

Senator Fifield: Stephen, is there no-one you won’t slur?

The PRESIDENT: Order! When there is silence on both sides, we will proceed. Senator Xenophon is entitled to hear the answer and be able to listen to it without the noise.

Senator SHERRY: I did not think I was being that provocative, frankly, until Senator Conroy started interjecting on me. I am just outraged at the misbehaviour that we are seeing at times in this chamber!

Senator Cormann: He's still upset about Collingwood.

Senator SHERRY: Well, I'm a Geelong fan. It is no wonder he is upset about Collingwood. (Time expired)

The PRESIDENT: Excuse me, we are not discussing football.

Senator XENOPHON (South Australia) (14:49): Mr President, I ask a supplementary question. We are talking about $15, $20 or $30 an hour that consumers are being slugged. Does the government support the ACCC submission to the just released draft Productivity Commission report where it argues that 'more monitoring and more inquiries will not constrain the exercise of airports' market power and does not provide an effective ongoing solution'? Does it support the ACCC's proposal for a deemed declaration regime for aeronautical services under part IIIA of the Competition and Consumer Act, as well as mandatory access undertakings for services such as car parking?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:49): Senator Xenophon, I certainly do understand your concern at the level of the charges—$15 to $20 an hour or
more. I appreciate the concern of consumers about this issue. By way of illustration, I fly in and out of Devonport Airport. I know that is across the other side of Bass Strait, but it does illustrate the point. At Devonport Airport you can park for $1 forever—there is no limit. So I think that illustrates the comparative—

Senator Colbeck: Shhh!

Senator SHERRY: I am being told not to disclose the secret. Sorry, Senator Colbeck. As a senator from Devonport, it has been one of the less advertised advantages of flying in and out of Devonport Airport. But I think it does illustrate the comparative charge rate when you can have $15 to $20 an hour in Melbourne and $1 forever, for weeks—

(Time expired)

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:51): I think I have already conceded. I can understand the concern of consumers at that level of pricing at Melbourne and Sydney. I take your figures as being accurate in terms of the quantum of profitability from car parking at those two airports, particularly when I compare it to what occurs in Devonport—albeit Devonport's is a slightly more modest airport than Melbourne's or Sydney's. However, it is not for me to pre-empt the outcome—

Senator Abetz: Only fractionally.

Senator SHERRY: Fractionally, yes, but a wonderful airport, a wonderful part of the world that I would encourage people to visit. Come through Burnie, Wynyard or Devonport airports—a wonderful part of the world. But, to come back, as I have said, there is concern. That is why we have established the inquiry. That is why we have asked the Productivity Commission—

(Time expired)

Asylum Seekers

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:52): My question is to the Leader of the Government in the Senate. Will the government pursue its Migration Legislation Amendment (Offshore Processing and Other Measures) Bill to a vote in the other place today?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:52): Thank you—

Senator Cormann interjecting—

Senator CHRIS EVANS: Come on, 'Matedious'. We have got until Thursday. We have heard enough from you this week.

The PRESIDENT: Order, Senator Evans! You need to refer to senators by their correct title.

Senator CHRIS EVANS: As Leader of the Government in the Senate I have many and varied responsibilities, and that includes working with the Manager of Government Business in the Senate, Senator Ludwig, in the management of this chamber and the business of the chamber. I congratulate him on the great job he did yesterday in ensuring the proper management of the chamber.

One of the things I am grateful for is that I am not responsible for management of the House of Representatives. As to how they
have organised their business today, I am afraid I am not in a position to advise you. Unlike many others, I do not tune in to the House of Representatives television coverage all that much. I focus much more intently on the important role that the Senate plays. I find the debate to be more interesting and stimulating and the contributions to be of a much higher order. So I cannot assist the senator with an update on what is occurring with the management of business in the House of Representatives. But, if he is interested, I will see if I can get Minister Albanese to give him a call or to inform the Manager of Opposition Business, Christopher Pyne. If he seriously wants me to find out for him, I am happy to. But, as he would understand, I am not responsible for managing the business in the House of Representatives.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:54): Mr President, I ask a supplementary question. Given the government's incapacity to commit, can the minister advise what the government's current border protection policy is? Is it: to rewind further the proven Howard solution; the East Timor solution; the Malaysian solution; or none of the above?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:55): The government remains committed to a fair and orderly immigration system. That includes the management of unauthorised arrivals. It has been this government's very strong intention to try to get an arrangement in place with Malaysia which allows for the return of unauthorised boat arrivals to Malaysia for processing there. The agreement we struck with the Malaysian government was, we thought, the best way of discouraging people who were seeking asylum in a country of first asylum from seeking to move again. We sought to negotiate that arrangement with Malaysia within the broader framework of the Bali process and the regional responses which we know are essential to finding long-term solutions to movement within the region.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:56): Mr President, I ask a further supplementary question. Given one of the fundamental tasks of any government is to ensure border security for its nation, what is the government's plan to provide border protection for Australia?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:56): We as a government have increased the resources available to border protection agencies and take the protection of our borders very seriously. That is why any unauthorised arrivals are intercepted and detained by our border protection services. They have been very successful at providing that service.

We also understand that, in terms of unauthorised movement through the region, we need to work with our neighbours. I am pleased to say that the minister informed me yesterday—I had not seen press coverage of it—that the Indonesian government recently successfully prosecuted an Indonesian national for the new offence of people smuggling in that country. That is a really encouraging development. They passed legislation making people smuggling unlawful and they have had a successful prosecution of an Indonesian national. That is a very important development in the ongoing regional response—(Time expired)
Prime Minister's Prizes for Science

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (14:58): My question is to the Minister for Innovation, Industry, Science And Research, Senator Carr. Can the minister inform the Senate of the significance of the outcomes of the Prime Minister's Prizes for Science awarded last night?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:58): It is a great pleasure to recognise in this place the outstanding people we honoured last night in the Prime Minister's science prizes. These are the people who are very much the nation builders of the 21st century: Professor David Solomon and Ezio Rizzardo for reinventing the science of polymers; Professor Min Chen for finding the first new form of chlorophyll in 67 years; Professor Stuart Wyithe for shaping the agenda for the next generation of telescopes; and Dr Jane Wright and Mrs Brooke Topelberg for showing young people why those discoveries matter. We acknowledge Professor Brian Schmidt, Australia's newest Nobel Prize laureate.

Senator Ian Macdonald interjecting—

Senator CARR: Here we hear from the knuckle draggers, who cannot even handle acknowledgment of Australia's great scientific talent. It is too much for them to give due credit to a great Australian and Nobel Prize laureate. If you want to carry on like that, Senator Macdonald, you ought to be ashamed of yourself.

These people are a testament to the courage, creativity and capabilities of Australian researchers. This is a government that is very proud to back their ambition. I have called this our great compact with our research community. This is where we back them with the very best kit this country can afford and we ask them in turn to give us the wherewithal to help our people achieve the great ambitions that this nation is proud of. We want them to help us cure the sick, feed the hungry and save the planet. That is what they are up for and that is what they are capable of. It is a pity you do not come to the party on that issue.

Senator Brandis interjecting—

Senator CARR: Lord Brandis, it is a pity you do not have more respect for the great scientific brains of this country. It is a pity you do not have more appreciation. (Time expired)

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (15:00): Mr President, I ask a supplementary question. Can the minister respond to the fact that several prize recipients were born and raised overseas, including our new Nobel laureate?

Senator CARR: I regard this as a fact that ought to be celebrated. Scientists like Professor Schmidt, who was raised in Alaska and is now an Australian citizen, prove that Australia can attract and retain great scientific talent of the very highest calibre. He undertook work that could only ever be done in Australia and he is a testament to the infrastructure, the collaborations and the opportunities that we offer the global scientific community in this country. This is at the heart of our vision for Australian research, because research is very much a global business. With less than half a per cent of the world's population, we produce some three per cent of the world's new research. That is a contribution that we leverage so we are able to access the other 97 per cent and Australian scientists can stay very much at the forefront of progress. That is where we must remain if we are to bring...
the benefits of new technologies to Australia.  

(Time expired)

Senator CHRIS EVANS: Mr President, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Carbon Pricing

Senator ARBIB (New South Wales—Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness) (15:03): On 12 October Senator Fifield asked me a question about disability enterprises and the carbon price. I seek leave to incorporate additional information in response to the senator's question in my capacity representing the Minister for Families, Housing, Community Services and Indigenous Affairs.

Leave granted.

The answer read as follows—

Further answer to the Question without Notice from Senator Fifield to Senator Arbib, representing Minister Macklin: Australian Disability Enterprises and the carbon price

Australian Disability Enterprises are not-for-profit community organisations that provide employment opportunities in competitive business operations for people with moderate to severe disability.

The Low Carbon Communities program is an important part of the Government's plan for a Clean Energy Future.

It supports community organisations like Australian Disability Enterprises to understand and improve their energy efficiency.

The Low Carbon Communities initiative includes:

- The Low Income Energy Efficiency Program, which will provide grants to consortia of community, government and energy organisations to trial ways of improving energy efficiency in low income households; and
- The Community Energy Efficiency Program, which will provide grants to help community organisations such as Australian Disability Enterprises, and local councils, undertake energy efficiency upgrades and retrofits to community-use and council buildings and facilities;

Through this year's Budget, the Government also provided an extra $6.67 million in extra funding to ADEs for 2011-12 — a 3.3 per cent increase for the sector. This included:

- $4.13 million for indexation
- $2.04m to provide extra support to people with disability working in Australian Disability Enterprises; and
- $0.5m for capital funding.

Senator McLucas was pleased to call for applications for the capital fund early last month. Australian Disability Enterprises can apply for grants up to $20,000 from this fund for capital improvements that enhance their business viability.

Most workers in Australian Disability Enterprises are also receiving the Disability Support Pension. Through this, they will be eligible for support under the Household Assistance Package.

Australians receiving Disability Support Pension will receive assistance equivalent to a 1.7 per cent increase in the maximum rate of the pension.

This means a Disability Support Pensioner on the single rate will receive $338 per year in carbon price assistance and a Disability Support Pension recipient who is the member of a couple will receive $255 per year extra.

This assistance will more than offset the average expected carbon price impact on their cost of living (a modest 0.7 per cent increase to the CPI — less than one cent for every dollar spent).

- Disability Support Pension recipients will receive part of their first year's carbon price assistance through a lump sum advance payment paid between May and the end of
June 2012 of $250 for a single pensioner and $190 for each eligible member of a pensioner couple.

- This Clean Energy Advance will be paid before the carbon price begins, to make sure pensioners have extra money in their pockets to help meet price impacts.
- This payment will cover pensioners until the first instalment of the new clean energy supplement begins to be paid or begins to accrue in March 2013.
- Households will have choices about how to adjust to the increase in the cost of living resulting from the carbon price for example, putting the advance towards a more energy efficient appliance.
- These payments will be automatic and people won't need to lodge a special application.

The Government understands the financial pressures on people with disability and their carers.

That is why we have delivered historic increases to the Disability Support Pension and Carer Payment ($148 per fortnight for singles and $146 per fortnight for couples combined), improved indexation to both of these payments, and introduced a new $600 annual Carer Supplement.

In shaping the Carbon Price Household Assistance, we have ensured that assistance is provided to low and middle income households and the community organisations that support them.

The Australian Government will continue to work with Australian Disability Enterprises to help them continue their good work with Australians with disability.

We are working with disability advocates and Australian Disability Enterprises to develop a ten year Vision for supported employment.

This will work toward improving access for people with disability who need supported employment, improve the experiences of people with disability in supported employment, and strengthening Australian Disability Enterprises as progressive and sustainable organisations providing inclusive supported employment.

ANSWERS TO QUESTIONS ON NOTICE

Question Nos 464 and 465

Senator BOYCE (Queensland) (15:03): Pursuant to standing order 74(5), I ask the Minister representing the Minister for Health and Ageing, Minister Ludwig, for an explanation as to why answers have not been provided to questions on notice Nos 464 and 465 asked at the last estimates regarding superclinics.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (15:04): I thank Senator Boyce for raising this issue. I will try to be brief in this respect. I am advised that the number of Senate estimates questions on notice for the Health and Ageing portfolio has increased very significantly, from 190 roughly in 2008-09 to 567 in 2011-12, which is approximately a 198 per cent increase. It is not providing an excuse but an explanation as to the challenge. The health portfolio has tabled answers to almost all of the estimates questions on notice for the Health and Ageing portfolio has increased very significantly, from 190 roughly in 2008-09 to 567 in 2011-12, which is approximately a 198 per cent increase. It is not providing an excuse but an explanation as to the challenge. The health portfolio has tabled answers to almost all of the estimates questions on notice, something in the order of 99.5 per cent. The health portfolio has been very diligent in trying to manage and get out all of the answers to estimates questions. I am advised the three remaining questions involve verifying significant amounts of information. The government understands the need to meet those deadlines. In this instance, it has not. Although that explanation may not meet your expectations fully, we are working very diligently to meet the expectation of providing that information. The government will table the answers to these questions as soon as it is able to do so. I do not have a specific date, but we do have estimates on next week. I think that will be the second
time you will be able to bring this to the attention of the health portfolio.

**Senator Fierravanti-Wells:** We are in estimates next week, Joe.

**Senator Ludwig:** I do recognise that you are in estimates next week. I am advised that the government is working very diligently to get the information out. 99.5 per cent of them have been answered. I have indicated that the amount of information involved in dealing with the questions is significant and they will be tabled as soon as practicable.

**Senator Boyce** (Queensland) (15:06): I move:

That the Senate take note of the explanation. It is quite fascinating, isn't it: there has been a huge increase in the number of questions up to 567; three remain unanswered; and two of those are about the diabolical mess that the superclinics are currently in. The questions are based on a table that was developed by Senator Fierravanti-Wells about 12 months ago, which the department in fact thanked her for because it simplified their task of telling us how the progress was going on the development of the superclinics.

*Senator Fierravanti-Wells interjecting—*

**Senator Boyce:** Yes, Senator Fierravanti-Wells, I was about to point out that in fact the answer is not about progress; it is about complete lack of progress. In some instances it is about a complete debacle. My office has tried the best it could to give the minister the opportunity to provide the answers to these questions. We have contacted Minister Roxon's office three times in the last two days. We were afterwards advised that the answers to the questions were not with the department—they were in the minister's office. I would assume that by the time they get to the minister's office the facts are there to be seen. It is not a matter of the government having to look for the data to do it; it is waiting in Minister Roxon's office for the minister to work out how to spin her way out of the appalling situation that the data will present, when and if we get it. Minister Ludwig is perfectly aware that next week is Senate estimates. Yes, we will be happy to see this information any time, but it is very hard not to draw the conclusion that this material is being deliberately held up in the minister's office in an attempt to stop the opposition querying, as closely as possible, the complete misspend of government moneys on superclinics.

Let us just have a look at the pathetic record that they have. We have the $5 million Northern Territory superclinic scrapped. It was scrapped—the one for Darwin—because they could not find anybody who wanted to run it. Minister Roxon has the immense hide to suggest that it is somehow the problem of the member for Solomon, Mrs Natasha Griggs. 'She should have given wider support to the project,' is what the minister is trying to say. Of course, the fact that no-one applied was not the minister's fault, was it? It is yet another example of the bizarre and politically motivated way that this government has gone about the rollout of superclinics ever since they were initially developed.

Let us look at the wonderful Redcliffe superclinic. I was pleased at the last Senate estimates to ask when that would be completed. It was May at the time and the answer was midyear. So I said, 'Do you think perhaps by June 30?' People were looking as though they were going to agree with that until I produced a photo of some scaffolding—that was what the Redcliffe superclinic looked like three weeks before it was due to open. Then suddenly 'midyear' became 'by the end of August' according to the very elastic datelines set by this government and by Ms Roxon. Suddenly,
end of August was when the Redcliffe superclinic would be finished.

You may not be surprised to know, Mr Deputy President, that the Redcliffe superclinic is still not finished. It has in fact been the subject of potential court action. Work has stopped. The Queensland state health minister has not only refused to provide a $3½ million loan that his own Treasury said would be okay to provide to finish the work there, he has impugned the reputations of members of the foundation and the CEO. The local state Labor member—who is the patron of the foundation—has gone into hiding and refused to come out in support of the foundation. The state health minister even had the nerve to refer this matter to the CMC—the corruption commission in Queensland—which found within minutes that there was no case to answer; there was no corruption in the area.

What we have in fact is a ridiculous game of argy-bargy going on between Minister Roxon and the Queensland state government on the topic of the Redcliffe superclinic. Yet, just after the last federal election, there we had the Prime Minister, Ms Gillard, the Minister for Health and Ageing, Nicola Roxon, the local member for Petrie, Yvette D’Ath, and the Queensland state Treasurer, Andrew Fraser, all parading around in Redcliffe with the big photo opportunity for the $20 million Redcliffe superclinic that would have been opened in June except that this government cannot sort out how to get a $3½ million loan approved or how to get it through. And the list goes on and on. In Tasmania, after a huge amount of work by Tasmanian senators and members, the government has finally admitted that one is not going to open there either. That was after they opened a brand new, wonderful superclinic in Hobart that had three GPs. It replaced a normal GP’s practice that had three GPs. People were left wondering what was super about this clinic except the huge waste of money—the super waste of money—that went on turning a private GP’s clinic into a different sort of private clinic with huge inputs of government funding along the way.

If GP superclinics are going to be the great panacea that this government claims they will be, why are they not where they were planned to go? I cannot even say where they are because most of them are not anywhere. The vast majority of them have not happened. If they are happening, they are well behind time or subject to potential litigation. So why are they not where they should be? It is because, if you look at a map, where they were positioned had absolutely nothing to do with need for medical services.

**Senator Pratt:** Try telling that to the people of Wanneroo.

**Senator BOYCE:** You look at the map and look at where they are electorally positioned, Senator Pratt, and you will see that I am right. There is not one superclinic planned between Brisbane and Gladstone.

**Senator Pratt:** Try telling that to the people of Perth.

**Senator BOYCE:** Well, I do not know that the people of Gympie who do not have medical assistance are very worried.

**The DEPUTY PRESIDENT:** Order, Senator Boyce and Senator Pratt! Senator Boyce, could you direct your remarks to the chair and not across the chamber.

**Senator BOYCE:** I beg your pardon, Mr Deputy President. I do not think that people between Gladstone and Brisbane, who have one of the lowest ratios of medicos to patients in the country, would be particularly interested in the story of Perth. It would be
good, I am sure, if there were one success story out of these superclinics, but I doubt it.

We get to the bottom of the real ideology behind this when we find out that, whilst the department of health is intending to evaluate the superclinics, they are not going to evaluate the effect of superclinics on local private practices. Quite frankly, this government does not want to know. This is part of trying to socialise medicine and to do so in areas where they think they will get their biggest vote for their buck—with nothing whatsoever to do with success.

I am appalled that the minister is holding up the answers to these questions in the way that she is. I can understand that she feels the need to, but her slipping and sliding and spinning and hiding caused this problem in the first place. If she came out and honestly told us what the issues were and what, if anything, she was going to do to fix them, we would not be in the situation that we are currently in. I would like to ask the Minister representing the Minister for Health and Ageing to do his very best to ensure that we get prompt answers to those questions so that the matters can be pursued and so that taxpayers' money can be accounted for properly.

Senator FIERRAVANTI-WELLS (New South Wales) (15:16): I too rise to speak on the response given by the Minister representing the Minister for Health and Ageing. This is just another example of the debacle that has become health in this country. Minister Roxon has to rank amongst the most incompetent in the line of incompetent government ministers in the Gillard government. Not one day goes past without some problem occurring in this portfolio. What Senator Boyce said in relation to the GP superclinics typifies just how appallingly this woman has run that portfolio.

The problems that we are seeing with the Redcliffe GP superclinic are only the tip of the iceberg. It is very clear that at some point in time the Commonwealth knew that there was a major problem with the Redcliffe GP superclinic. My question to the government is: how long have you known and what have you been covering up in relation to the Redcliffe superclinic? You now know that the proverbial is going to hit the fan and you are taking as long as you can to keep it out of the public arena. That is what this is all about. This is about Minister Roxon not wanting to give out important information in relation to superclinics because she knows that we are now going to start, as Senator Boyce correctly said, examining the fine print, examining the detail, of not just Redcliffe but Sorell, Darwin and all the other debacles of this whole superclinic fiasco.

This table has been routinely provided. Indeed, I was the one that originally drew up the table which gave us a status of GP superclinics. The last one that we have is dated 19 May. The procedure that we have adopted is that, to facilitate the progress of questioning in the community affairs committee and to save the time of the committee, the department has provided us with an update on a routine basis. However, this time, it is the very question that is still outstanding. It is the very question about which Minister Ludwig says, yes, he is conscious of the fact that estimates are on next week and he is conscious of the fact that we need this answer. The point is that it has been sitting on the minister's desk. I would like to know how long it has been sitting on the minister's desk. Why has this not been released to us?

GP superclinics were the great part of the so-called health reform, all tied up with Kevin Rudd and Nicola Roxon running around the countryside in their hospital attire, looking like they were actually doing
something to do with hospitals. Might I add
as an aside, so much for the 3,000 or so new
hospital beds that they promised around the
countryside. In New South Wales we have
only had 11 extra beds. So much for the
thousands that they promised but have not
delivered.

The philosophy behind the GP
superclinics is what really underlies this
government's philosophy in relation to
primary care—that is, that shift away from
the family doctor. We will shove everybody
in, like the national health system, which of
course has hardly been a success in other
countries—

Senator Polley interjecting—

Senator FIERRAVANTI-WELLS:
Yes, we have, Senator Polley. If you had
been actually listening in these committees,
where you sit for hours and hours, you would
have heard some of the evidence that has
been given by various people. Evidence has
shown that some of the programs that this
government is running are a deliberate
attempt by this government to drive a wedge
through private health and, most importantly,
primary care and choice of doctor.

We were going to have about 29 or 30 GP
superclinics. How many are actually up and
running? Only a handful. But if you go onto
the website of the Department of Health and
Ageing you will see these little maps with
dots everywhere. They are trying,
duplicitously, to imply that this is where
these superclinics are—all over the
countryside. In fact, they are not. If you look
at the various proposed superclinic sites, you
will see that the majority of them—which it
was promised would be delivered long
before now—are all behind in terms of both
their establishment and the nature of the
services they are supposed to be delivering.

Redcliffe, for example, which Senator
Boyce talked about, is going to demonstrate
where the whole thing is going to unravel.
Let me remind the Senate that most of the
contracts that are given to these superclinics
are for 20 years and that they are given to
organisations, for the purchase of buildings
or other facilities, from which the
Commonwealth will not get back the
resources. In effect, the government is
subsidising organisations to make these
purchases, often in circumstances where they
are displacing established private GP
services in the area.

To the minister I say that today's example
and today's response to these questions is
simply not satisfactory. It is very clear that
the minister is hiding behind the delay. She
knows that the detail of the Commonwealth's
relationship with the Redcliffe Hospital
Foundation, the various project plans, the
budget, the financing requirements and the
costs that were required by the various
funding agreements, will demonstrate that
the Commonwealth has not undertaken the
appropriate scrutiny and the appropriate
examination of this GP superclinic. It will
demonstrate that the Commonwealth has not
been keeping proper governance over this
project.

This is the one that is now in the spotlight,
but my question to the government is: if this
is the problem with the Redcliffe superclinic,
are delays with other superclinics—of which
we do not yet know the details—for the same
reasons? Those reasons being the lack of
proper governance and what appears to be
the lack of proper scrutiny by the
Commonwealth. Minister, can I have your
assurance that we are not going to get this
answer at 9 am on Wednesday, when we are
due to commence estimates? That would be
the ultimate travesty but it is what I would
expect of this government, because it is very
clear that this government will resort to
whatever means are necessary to keep proper
information away from the Australian public.
Question agreed to.

STATEMENTS

Customs Amendment (Anti-dumping) Legislation

Senator XENOPHON (South Australia) (15:26): I seek leave to make a short statement.

Leave granted.

Senator XENOPHON: Unfortunately I was constrained from getting to the chamber in time during the earlier debate on the Customs Amendment (Anti-dumping Measures) Bill 2011 and the Customs Amendment (Anti-dumping Improvements) Bill 2011. As such, I seek leave to incorporate my second reading debate speech into Hansard.

Leave granted.

The speech read as follows—

A couple of years ago I was at a public meeting at the shores of Lake Alexandrina, near the mouth of the Murray. The meeting was about the looming environmental and social disaster through the lack of water flowing into the Lower Lakes.

Darren O'Halloran, travelled 160 kilometres that morning to talk to me about another looming disaster in his home town of Millicent in the south east of South Australia.

This looming disaster however was not environmental, it was in fact completely man-made, and it related to Darren's fears as a worker at the Kimberly-Clark mills in the south east.

His complaint wasn't with the company that he regards as a good employer, but with the fact that his employment was on the line because of dumped goods from Indonesia and China.

After asking a series of questions through the Senate estimates process and in the parliament, it has become clear to me how unfair current dumping rules are, how difficult and expensive they are for Australian manufacturers to access, and how, what is supposed to be a 'level playing field', is anything but.

Since hearing about the case involving South Australian tissue paper producer Kimberly-Clark and dumped goods from China and Indonesia, I have not only learned more about international trade rules, I have become more and more frustrated with them.

And that is what led me to introduce a private senator's bill—the Customs Amendment (Anti-dumping) Bill earlier this year.

I should state at the outset that I am pleased with the discussions I and my office have had with the government on my proposals, and that it has since announced it will make a series of improvements to the dumping regime, including through the measures in this bill being debated today.

In the case of Kimberly-Clark, the government imposed dumping duties on Chinese and Indonesian tissue products in 2008 after investigations found that Chinese products were being sold at 2 to 25 per cent below the cost in its domestic market, while Indonesian toilet paper was found to have been dumped at 33 to 45 per cent below value.

But, this decision was overruled in 2009 following a review by the Trade Measures Branch of Customs which determined that there was, quote, 'no material injury' to Australian manufacturing as a result of these dumped imports.

The TMRO had determined that even though dumping had been proven and even though Kimberly-Clark had suffered injury, the two were not linked.

If you ask me, this case highlighted key concerns about a lack of access, and an absence of fair consideration for the impact on Australian manufacturers, when it comes to fighting dumped goods.

And then there is the case of CSR Viridian which instigated an anti-dumping case in 2010 for clear float glass against imports from China, Indonesia and Thailand.

CSR Viridian had to spend around $300,000 conducting preliminary investigations prior to launching their application with Customs, whose investigation found that goods were being dumped from China between 11 and 26 per cent
below the cost in the domestic market, from Indonesia at 3.3 to 22 per cent below cost and from Thailand at 3.5 to 12 per cent below cost.

But, the investigation was terminated because material injury to Viridian could not be confirmed.

The processes these two companies faced—and I dare say they aren't alone in their frustrations—I believe is unfair.

Whether it's the application process, the review or appeals process, it seems it is the Australian companies on the back foot when it comes to dumping.

Free trade is a good thing, don't get me wrong. But it shouldn't be 'free for all' trade. And from all reports, that's how we're perceived by other countries.

The 'Free Trade Taliban', they call Australia, because of our fundamentalist approach free trade. Instead, I believe we should be fighting tooth and nail in support of our domestic manufacturers, not leaving loopholes open for overseas companies to continue to dump goods into our markets.

Today's bill is the first of three bills the government will introduce to improve Australia's dumping regime. It will extend the definition of 'interested parties' to include representative bodies and trade unions, and will expand the economic factors the Minister must consider to include impact on jobs and impact on capital investment.

These are two of the issues I raised in my bill, and I welcome these changes.

I also welcome the government's announcement that it will provide additional funding to increase the resources available not only to the office of the TMRO but for a position to assist small to medium sized businesses with dumping claims.

The government has also announced it will consult with industry stakeholders to improve its protocols when it comes to accessing independent experts for investigations, accepting new information, reducing the timeframe of investigation periods and changes to the review process.

These are also matters I raised in my private senator's bill and will significantly improve the status quo. Having said this, I believe we can go further.

I want to take this opportunity to raise three key issues which the government does not support because it says they are not compliant with the WTO.

The first one is to reverse the onus of proof; allowing Customs to approach the overseas company selling goods in the Australian market and require evidence that they are not dumping and, should the overseas company be uncooperative, to assume that dumping is occurring.

I believe such an amendment would save considerable time and cost and would allow Customs investigations to be completed in a timely manner, before significant damage to the domestic industry is caused.

Why is it that Australian companies have to spend hundreds of thousands of dollars to gather evidence of dumping, when it should be the requirement of the person trying to export their goods into Australia to prove they are not dumping?

The second key issue relates to the Kimberly-Clark and CSR Viridian cases, where even though dumping had been proven and material injury had been proven that the two were not considered to be linked. If goods are being dumped, you have to assume that domestic manufacturers are going to be affected.

Finally, the third key issue is the delay in applying preliminary affirmative determinations.

After all, by the time a company discovers goods are being dumped, spends months gathering evidence that dumping is occurring, presents it to Customs which then waits 60 days before it provides a preliminary assessment and applies preliminary affirmative determinations, the damage that has been caused could already be significant.

We need to do everything we can to support Australian manufacturers. It is that simple.

And for the government to say we can't 'because the WTO says so', I do not think is good enough.
The WTO's rules on anti-dumping were finalised in 1994. That is a long time ago. Perhaps it is time we question some parts of the agreement rather than take them as is.

The dumping of goods destroys domestic markets. It is basic economics.

There is a need for Australia's anti-dumping framework to be substantially overhauled and I welcome the measures the Government has announced it will make in coming months through legislative changes and through changes internally within Customs.

I support this bill and I look forward to debating the subsequent bills the Government will introduce to improve Australia's anti-dumping regime.

But I foreshadow now that I will push for those three key issues I have raised with regards to reversing the onus of proof, the application of duties where dumping and material injury have been proven and the ability for preliminary duties to be applied from the outset.

ANSWERS TO QUESTIONS ON NOTICE
Question No. 1,104

Senator CORMANN (Western Australia) (15:27): Pursuant to standing order 74(5), I ask Minister Carr, in his capacity as Minister representing the Minister for Immigration: why has no answer has been forthcoming in response to question No. 1,104 regarding the riots on Christmas Island in March 2011?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (15:27): I thank Senator Cormann for his question, and I thank him for providing notice of this inquiry. I have the following information from the minister:

The question posed by the senator seeks information on persons who were involved in the riots on Christmas Island in March of 2011. The question is now six days overdue.

I can assure the Senate that the department is committed to providing Senator Cormann with an accurate and complete response to this question and all its relevant subparts. In order to address all the issues raised by Senator Cormann's questions and subparts, the department has been required to consult extensively with all those agencies and organisations who were involved in this particular incident. In particular, the department has had extensive consultations with the government's contracted detention service provider, Serco, whose input obviously is vital to ensuring that the senator does receive a comprehensive and accurate answer.

In addition, the department has advised me that they are consulting with the Australian Federal Police, who, I am sure the Senator would be aware, were involved in the investigation and the subsequent compilation of the briefs of evidence for consideration by the Commonwealth Director of Public Prosecutions. As this matter is still before the courts, the Commonwealth Director of Public Prosecutions was also consulted in relation to the current court proceedings which are on foot in relation to the 22 that have been accused and whether or not there have been any developments on each individual case.

Bearing all these factors in mind, the department has had a significant amount of work involved in obtaining all the relevant information from all the various parties involved. I am advised that, nonetheless, the department is fully committed to provide an answer to the senator's question as soon as possible.

Senator CORMANN (Western Australia) (15:29): I move:

That the Senate take note of the explanation.

I will not hold the Senate up for long, you will be pleased to know, Mr Deputy President. I will just observe, though, that this is a very important issue and that the answers to these questions are overdue. While we appreciate getting accurate and comprehensive answers, we also want to have answers in a timely fashion that help us in this chamber to participate in a timely fashion in the debates as they happen.

I remind the Senate that back in March 2011 the Australian Federal Police had to use tear gas and shoot beanbag rounds during
violent clashes with protesters at the Christmas Island detention centre; that 200 protesters rushed at a police line, throwing rocks at officers after they were called to the centre about 8.15 pm; that the Minister for Immigration and Citizenship, Chris Bowen, had to send an extra 70 staff; and that the Christmas Island fire brigade, who were called to respond, were not able to go in because of safety concerns. Very simply, there were some questions that I had in my capacity as a senator for Western Australia after some constituents had raised this issue with me. The first was: how many people were identified—which I think should by now have been able to be done quite easily—as having been involved in organising or participating in those riots back in March 2011? I think that the department should have that information at its fingertips. I wanted to know how many of the people that had been identified as either organisers or participants had actually been arrested and how many had been charged, and I wanted to know—on behalf of the people of Western Australia, where many constituents have raised this issue with me—how many of them have since been accepted as asylum seekers or been rejected as asylum seekers.

These are pretty straightforward questions, and it should not take the department or the Gillard government—if the Gillard government is committed to appropriate levels of transparency—this long to provide this very simple and readily available information. I can only assume that the Gillard government again has something to hide and that it wants to delay release of this information and time it. Probably they will release it at five o'clock in the afternoon on the Friday before Christmas or something like that so that there is minimum scrutiny. Certainly it would not want this sort of information to be part of the current debate about the absolute fiasco that is the border protection policy of the Gillard government.

We have had the former minister for porous borders, or minister for immigration, Senator Evans, today not being able to answer a question from Senator Abetz. Of course, this government is ducking and weaving. It does not know where to go. It is trying to hide information. It is embarrassed by the absolutely devastating impact that the dismantling of the Howard government's solution to the border protection challenges in the late 1990s and early 2000s has created. Of course, here they are at it again. We were promised a new era of openness and transparency, yet what we have again and again is the most secretive government in the history of the Commonwealth, and the government will stand condemned for it.

Question agreed to.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Australian Defence Force: Fuel and Carbon Costs

Senator JOHNSTON (Western Australia) (15:33): I move:

That the Senate take note of the answer given by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations (Senator Evans) to a question without notice asked by Senator Johnston today relating to a proposed carbon tax and the Australian Defence Force fuel costs.

In so doing, I want to highlight that the Australian Defence Force in 2009-10 spent about $290 million on fuel and emitted about 1.7 million tonnes of carbon. The complete fraud of this carbon tax is highlighted by the fact that this government does not even know of that figure, which is 68 times the 25,000-tonne threshold. The government has no policy and is completely oblivious to the numbers that I have just mentioned.
This carbon tax is the greatest betrayal of Australians in our political history. It emanates from a lie, and we all know the words off by heart. Both the Prime Minister and the Treasurer of the Gillard government said that there would be no carbon tax. It was an unqualified promise. It was unequivocal. It was the clearest promise, compact and contract with the Australian voting public that one could ever wish to remember. The question that flows from that promise is: why did she say we would not do it? Why did she say, ‘No, no, no, we are not having a carbon tax’? Could it be because it will remove from the Australian economy $9 billion every year? Could it be because everybody—rain, hail or shine; pensioner, new home buyer or student—will get a 10 per cent hike in their electricity bill in the very first year alone? Could it be because there is a nine per cent hike in everybody’s gas bill? Could it be because higher marginal tax rates and low- and middle-income earners will be hit for six and there will be a $4.3 billion hit on the budget bottom line? Could it be because the trillion-dollar cost to the economy over the coming decades will send hundreds of billions of hard-won Australian dollars overseas in the pursuit of these crazy carbon credits and $3.5 billion will be spent each year on foreign carbon credits whilst this government pursues, in line with all of its failed policies, this crazy policy?

Small business will be hit for six. Electricity utilities in each state, and particularly the manufacturing heartland of our country in Victoria, will be hit for six. The mining industry will be not only ravaged and savaged in Western Australia and Queensland by this deceptive and lazy government with a mining tax but also copping it in the neck with a carbon tax. As I have said, manufacturing industry will be completely annihilated by this tax, and I have not even begun to talk about the long-term cost of living for ordinary Australians. But they do not care.

In Western Australia, in 2015 the owner of every truck over 4.5 tonnes is going to have pay up the carbon tax. In a state the size and dimension of ours, this is a cyprine capsule for our economy. It is an absolute shocking disgrace that this government stands up and says, ‘This is in the national interest.’ This is a government that is bringing us the NBN at $50 billion with no cost-benefit analysis. It is going to be late and it is probably going to cost double that. This is a government that has given us school halls and pink batts. Of course, we are repairing the damage from the mismanagement and the negligence of the pink batts program to the tune of a billion dollars. This is a government that says that a carbon tax will be in the national interest. And who can forget the stirring performances of the citizens assembly, the cash-for-clunkers scheme and the digital set-top boxes that you could buy at Harvey Norman? This is the most incompetent government we have ever been saddled with. This tax will be forever writ large on the tombstone of this government when we finally and surely get rid of it. (Time expired)

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (15:38): Could it be that those opposite, including Senator Johnston, are just sceptics? They come into this chamber and ask questions about the legislation that was passed in the other place yesterday—legislation that is going to take the Australian economy forward; legislation that is going to build jobs for the future in the clean energy sector; legislation that is going to ensure we have a clean energy future that is going to protect the environment for our children, our children’s children and future generations. We will have the opportunity to debate this legislation when it comes before the Senate.
I take note of Senator Johnston's contribution, which was wide-ranging, but I cannot miss the opportunity to respond to one comment about the BER—an argument often made by so many on that side. I love talking about the school halls. I love talking about the new libraries. I love talking about the new classrooms and the new early childhood education centres. If you came to Tasmania and visited the number of schools that I have and attended the number of openings of these wonderful new facilities that I have, you will not find one school principal, one school teacher or one parent who will say: 'We want the government to take away this money. We do not want the new classrooms. We do not want or need the new libraries. We do not want or need the new school assembly halls.' Many of the schools in my home state have not been able to meet as a school in a covered area.

Let me return to what I think Senator Johnston's contribution was targeted at—that is, carbon pricing. On this side, we know that it does not matter what legislation was passed in the other place yesterday, those sceptics opposite and even those who are believers and those who supported John Howard when he was Prime Minister will vote against this legislation when it comes into the Senate next month. They will vote against it because they are in the mode of opposing anything that is good for this economy and good for this country.

I want to congratulate the Prime Minister for the leadership that she has shown in a very difficult circumstance. As those opposite keep reminding us, we are in a minority government. Prime Minister Gillard has been able to negotiate this legislation through the other place and have these 18 bills passed. I am looking forward to the debate when it comes before us here in this chamber.

Let us not forget that it is Tony Abbott who has no policies for the future. The community are understanding that. But he does have one policy—that is, oppose, oppose and oppose, and to act like a two-year-old by saying, 'No, no, no.' That is what those opposite are doing in this debate on the carbon price. On this side, we have acknowledged that there will be a need to compensate those in our community who are most vulnerable. That is why we have committed to providing an increase in pensions and other allowances. That is why we are providing tax cuts. That is why we are providing the increases to family payments. But those opposite have said through their leader that they will roll back this legislation and they will take away those increases and tax cuts from families and workers who need them.

We are looking forward. We are a party of reform. We have set the agenda and we are going to see this through. I am very proud of the fact that this Labor government are tackling the hard decisions. We are the ones who are taking on climate change. We are not doing what those opposite wanted us to do when the global financial crisis hit and that was to put our heads in the sand, sit back and wait to see what happened. We cannot afford to do that. We have to catch up with the other countries. We have to catch up with what is happening in Europe. We have to catch up with what is happening in India and China. We have to show that leadership. On this side of the chamber, we have the fortitude to ensure that this sort of legislation is passed through this chamber. (Time expired)

Senator EGGLESTON (Western Australia) (15:43): Senator Polley began by saying that people on this side of the chamber are just sceptics. Having listened very carefully to what she said, I can only wonder at the lack of information and
understanding on display by those on the other side of the chamber about the impact the carbon tax will have on the Australian economy, about the cost of living for average Australians and about the impact on jobs for those people who might otherwise vote for Senator Polley. Senator Polley demonstrated no awareness of any of those impacts. Given the fact that this matter has been debated not only over the last year or so but also in several Senate committees prior to the last election, I think it is a very sad reflection if Senator Polley is typical of the level of understanding among ALP members and senators of the impact that the carbon tax will have. This taking note of answers is very largely about the impact on the defence forces. Of course, the defence forces are part of the Australian economy and they have a lot of suppliers who are not military people but, nevertheless, are suppliers to the military and so should be considered part of the military establishment. Just like any other members of the community, the people who are suppliers to our military forces will be very adversely affected by a carbon tax if it is brought in. There is no doubt whatsoever that the cost of fuel will rise, and that will mean the cost of consumer goods will rise. Other goods delivered to any military establishment in Australia will reflect that increased cost of transport. The cost of electricity will rise and that will mean that the cost of producing goods, making things and packaging food, for example, will rise. In a general way, the military will bear at least some, if not a lot, of the increased costs impacted on the community by the carbon tax.

There are other ways also that the defence forces will be affected. I spend a lot of time in the north-west of Western Australia where they are very concerned about things like border security. Now there is going to be an increase in the cost of fuel, and I presume that will have an adverse impact on the capacity of the Navy to mount coastal surveillance patrols by ship and of the Air Force to run the coastal surveillance flights that it operates around the northern coast every day of the week. It is not only close coastal surveillance that is involved when our armed forces are seeking to stop people who are smuggling drugs and to detect illegal immigrants; the RAAF also carries out surveillance around the Australian coastline and a long way out to sea every day of the week. The cost of those very long flights will go up. As the cost of those things goes up, it is possible that there will be some restriction of them, and that, undoubtedly, will affect the border security of Australia.

With Australia's security, we also have to look in a broad and general way to the strength of our economy. If our economy is weakened so our military capacity will be weakened. There is absolutely no doubt whatsoever that the imposition of a carbon tax, followed in a nightmare fashion in 2015, we are told, by an emissions trading scheme, is going to substantially adversely affect the Australian economy. It is going to cost a lot of jobs, it is going to reduce our international competitiveness and, overall, it is going to mean that this country has less capacity to spend on the defence of our borders. (Time expired)

Senator PRATT (Western Australia) (15:48): For this nation to move forward, we have to be a modern and competitive economy. We cannot just live in the past and be dedicated to the old ways. We know that a fundamental plank of that is moving towards a clean energy economy. This nation cannot countenance any future other than that. All
credible analysis shows that we can make significant cuts in pollution while our economy continues to grow strongly. This is the path we need to be on.

Senator Eggleston made reference, as did a question in question time, to our defence forces. We cannot resile from the fact that the carbon price is a price that is borne around the economy so that it can have the effect of encouraging people to make energy savings. It is pure and simple. It is an emissions trading scheme and it is a philosophy that many of those opposite have supported. It is an economic principle that many of those opposite have supported. Senator Eggleston referred to the notion that pricing carbon will somehow affect our national security. Those opposite have, frankly, made up a great many things in relation to the carbon price but I feel that I have heard it all now with the notion that pricing carbon will somehow pose some kind of risk to our national security.

It is typical of the kind of scaremongering that we have had from those opposite and the kind of wrecking attitude that we have had from the Leader of the Opposition, who really is just interested in playing politics. We know that every living Liberal leader has supported a price on carbon. The Leader of the Opposition, Mr Abbott, has supported a price on carbon. Over half of the Liberal MPs have made expressions of support for a carbon price. Mr Abbott can admit to families and pensioners of this nation that he is planning to claw back money from their pockets, or he can admit that he is not going to roll back the carbon price. It can be one or the other, but he cannot do both.

Mr Abbott should admit what everybody knows—that it is a very difficult task, and I think an impossible one, to roll back a price on carbon. And that is a fortunate thing, too, because all credible analysis shows that we can cut pollution and have our economy grow. But, if we do not do this, we will be stuck in the old ways and we will be doing a great disservice to our economy. We must modernise it. I think failing to price carbon is a form of protectionism. That is because we know that, in order to address climate change—if you believe that climate change is real—the world must cut its emissions. That will require economic and industrial change right around the globe.

If Australia leaves itself behind in those changes, we will be left behind economically as well. But we know that, with a carbon price, the economy will continue to grow, with an average growth in GNI per capita of 1.1 per cent per year; average incomes will continue to grow, rising by more than $8,000 per person by 2020 in real terms; and the number of jobs will continue to grow, with 1.6 million additional jobs by 2020. The evidence in support of pricing carbon just continues to build and build. I have heard no credible evidence to the contrary. The policy of those opposite is simply to pay polluters. It will inevitably lead to higher prices, more spending and higher taxes. (Time expired)

Senator FAWCETT (South Australia) (15:53): I rise to take note of the answer from Senator Evans. He was asked whether the ADF would be expected to pay, or be exempted from, the carbon tax in terms of its use of energy. Senator Johnston mentioned the 1.7 million tonnes of pollution per year in 2009-10 and the fact that that is 68 times over the threshold. What was Senator Evans's response? He had had no brief; that is fair enough. He had no knowledge; that is fair enough. The important thing to recognise is that, like many of their other policies, there will be no accountability from this government for the unintended consequences that flow from their policies.
I see Senator Wong making a face, but let us look at the BER. Nobody complains about school halls; we celebrate the fact that the community has good infrastructure. But nobody should celebrate the fact that there has been over $3 billion of waste because of poor implementation of policy and unintended consequences. Another example is pink batts—it was a great concept, but what were the unintended consequences? Not only waste and corruption—in this case it actually caused death. Unintended consequences can be really serious. Then we have border protection. There has been a lot of talk about the change from three boats in the last year of the Howard government to something in the 200s since then, but what is really important is not the number of boats but the number that did not arrive. Nobody actually knows the true number, but, even by the Labor Party’s own estimates, probably over 400 people have drowned. That is a dreadful unintended consequence of policy. In the area of national security, the response to the Black review showed a dreadful lack of understanding by this government of how their response to that review of just adding more layers of bureaucratic oversight to defence will actually decrease accountability and effective outcomes—the very things that they have been talking about—as opposed to achieving them.

Now we have the carbon tax. Here we are in the Senate—it has been passed over from the House of Representatives—with the opportunity to save Australia from the unintended consequences which will flow from yet another government policy. The question related to defence and Senator Evans had one bit of knowledge—that additional funding is provided in operations so there is no win and no loss for defence. In terms of something fairly straightforward, such as fuel operating costs, that is true. But defence capability is not just about platforms; defence capability also includes our defence industry, which is a vital part of our ability to maintain, to repair and to improve our equipment for use both during peacetime emergency responses and during operations.

We need to have a defence capability onshore and ministers from their own side—Minister Combet, Minister Carr, Minister Clare—have talked about the important role, the vital role, the defence industry plays. They have also noted, importantly, that defence industries are only sustainable, in many cases, when they can link into a global supply chain. What is interesting is that Senator Carr said at the Paris Air Show: Australia has undoubtedly earned its place amongst the leaders of the global aerospace industry, with a reputation for cost-competitive, market-leading solutions.

The magazine *SA Defence Business*—the defence industry puts over $2 billion into South Australia’s economy—says that all businesses in the defence industry must be globally competitive.

What do commentators say? What do experts in the field say about this carbon tax? Frontier Economics has identified that Australian industry will be unique in having to compete in the international market while burdened by the carbon tax. So we have identified that our defence capability needs industry; that our industry needs to be in the global supply chain to be sustainable; that, to be in the global supply chain, our industry has to be cost competitive; and that experts such as Frontier Economics are clearly identifying that these sorts of things will make our industry uncompetitive. Clearly, then, one of the unintended consequences of this policy from this government is that we are putting our defence industry, and therefore our defence capability, at risk—as well as the livelihoods of many people in states such as South Australia which rely to a
large extent on the defence industry. Senator Wong, as a representative of that state, should be ashamed that she is not standing up for the workers in the defence industry and for our defence capability.

Question agreed to.

MINISTERIAL STATEMENTS

Anzac Centenary Advisory Board

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:58): I table a ministerial statement relating to the appointment of members to the Anzac Centenary Advisory Board.

Global Financial Crisis

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:58): I table a ministerial statement relating to the global financial crisis three years on.

Anzac Centenary Advisory Board

Senator RONALDSON (Victoria) (15:59): by leave—I move:

That the Senate take note of the document.

I rise today to take note of the ministerial statement given in the other place yesterday by the Minister for Veterans Affairs and Minister Assisting the Prime Minister on the Centenary of Anzac, Warren Snowdon. I also note that my colleague in the other place, Stuart Robert, the shadow minister for defence, science, technology and personnel, provided a detailed response on the coalition's behalf. In my capacity as shadow minister assisting the Leader of the Opposition on the centenary of Anzac I rise today to take note of the minister's statement and remind the Senate of the government's ongoing failure to establish a budget and funding program to sit alongside the centenary commemoration period.

In February this year the Prime Minister and Minister Snowdon received a blueprint to deliver a centenary of Anzac commemorative program. This blueprint was prepared by the National Commission on the Commemoration of the Anzac Centenary. The commission comprised former prime ministers Bob Hawke and the Malcolm Fraser, the president of the RSL, Rear Admiral Ken Doolan, cartoonist Warren Brown, recently retired Major Matina Jewell and war widow Kylie Russell. The commission received more than 1,000 ideas for consideration from more than 600 individual submissions. The commission recommended the Anzac Centenary Advisory Board be established and now, some eight months later, the government has finally seen fit to establish a board and appoint its members. The appointment in July of former CDF Air Chief Marshal Angus Houston AC, AFC, retired, as the inaugural chair was warmly welcomed by the coalition, but for more than three months ACM Houston was hamstrung by ongoing delays in appointing the rest of the board. Both the board and the centenary of Anzac commemorations have full bipartisan support.

I note that the board that the minister has announced comprises four ex officio officeholders, including the Secretary of the Department of Veterans Affairs, the Vice Chief of the Defence Force, the President of the RSL of Australia and the High Commissioner of New Zealand. I am very pleased to see the involvement of the High Commissioner in what are the most significant commemorations for our two countries. Five of the 20 board members have experience in the Australian Defence Force and/or represent ex-service organisations. However, I restate the coalition's concern that the Australian War Memorial—forgotten by the Gillard-Brown Labor government early this year when its funding was slashed, before pressure from...
the community and the coalition restored it—has been forgotten again and left out in an official capacity on the board. This is regrettable, and the government should have ensured that the Australian War Memorial—the home, as it is, of Australia's national commemoration, remembrance and reflection—was afforded its due place on the Anzac Centenary Advisory Board.

I now wish to draw the Senate's attention to the plight of projects across Australia which are now solely reliant on the minister finally determining a budget for the centenary of Anzac, now just three short years away. The first project to come to my attention was the Anzac Interpretive Centre in Albany, Western Australia. I want to place on record the magnificent support for this project from Senator Judith Adams, the patron senator for the great southern part of the state, and the work of the Liberal candidate for O'Connor, Rick Wilson, who supports Albany's pre-eminent position in the centenary of Anzac commemorations.

I have now visited Albany twice; first in November last year and more recently in late July, when I spoke with the veteran business community about preparations for the centenary commemorations. In late July my well publicised visit coincided with the minister making a flying visit to announce $250,000 for a scoping study to determine the final cost to the government for the interpretive centre. To date this money has not made its way to the local community. About 10 days ago there was significant local community pressure and press expressing concern about the delay in payment of the scoping study money. I understand that as a result of that it may well be that the Western Australian RSL have received documentation, which they have returned. It should not have taken local community pressure to ensure the delivery of the funding agreement.

The Anzac Interpretive Centre is the first of many projects planned for the Centenary of Anzac. A failure to get this right could jeopardise the entire period of commemoration and mire it in controversy similar to other government programs like the pink batts and the school halls programs. After all, this government's past behaviour and poor practices are the best guide to what its future performance could be like.

Close to my own heart is the nationally recognised Shrine of Remembrance in Melbourne. It requires many millions of dollars for refurbishment and safety upgrades ahead of the centenary, and I understand requests have been made to the government for funding, albeit with no response. At a local level, veteran and ex-service organisations and community groups are thinking about ways to commemorate local service and sacrifice but are flying blind in the face of no guidance or direction from the government. Without any funding certainty community organisations are between a rock and a hard place when deciding how to best conduct local commemorations. After all, it was the extraordinary deeds of ordinary men and women from every corner of this nation, from the big cities and, more importantly, the small towns, which determined the course of the war and defined the Anzac legacy that we commemorate today.

These decisions must be taken now. I hope the size of the Anzac Centenary Advisory Board does not slow down the pace of decision making. Setting a strategic direction will be pivotal to the success of their mission. I congratulate them on their appointment to what is a significant board of Australians. They are charged with enormous responsibility. The commemoration of the centenary of the Anzac landing will be the most defining moment in our nation's history and for the first generation of the 21st century. If we get this right we can
ensure that the commemoration of these significant moments in our nation's history will never be forgotten. Our legacy must be in the hearts and minds of future generations of Australians. They will remember, reflect and commemorate the service and sacrifice of those who defend our values in times of war and peace, ensuring that they—and we—vow never to forget. It is not my role to direct the board as to what recommendations they should make, but they could do a lot worse than repeat the actions and the programs put in place by the former ALP Minister for Veterans' Affairs Con Sciacca.

Many of us were here during the Australia Remembers program. I most certainly was. I was the member for Ballarat in the other place. Minister Sciacca left a great legacy to this country. I have publicly congratulated and thanked him before, and I do so again today. Minister Sciacca drove what I thought was a magnificent locally based commemorative program, where right across this country, from the smallest towns up, there was the opportunity to participate in the Australia Remembers program. I hope that this will be repeated.

I have offered the current minister my full and bipartisan support to make this centenary of Anzac work. It can have no less than bipartisan support, but with that of course comes the responsibility to ensure that the opposition is actively engaged in decision making and that we are consulted in relation to what programs the government intends to put in place. I have great confidence that Angus Houston will lead this board with great dignity and with very substantial outcomes. His appointment came with the strong blessing of the opposition. The board is tasked with a massive responsibility, and I am confident that they will do it the justice it deserves.

Question agreed to.
The Committee's recommendations are directed to ACARA and MCEECDYA. As ACARA's work is directed by MCEECDYA, all recommendations need to be considered by MCEECDYA which may then direct changes to ACARA's work plan or Charter as required.

The Australian Government has consulted with ACARA and state and territory governments in developing its response to the report, and their comments have been incorporated in this response.

It should be noted that work is already being progressed in a range of areas related to Recommendations 3, 4, 5, 7, 8, 10, 11 and 12. Since the establishment of the Inquiry a working party of stakeholders has met and recommended to ACARA a number of changes to the My School website. Many of the concerns raised in the submissions to the Inquiry have been addressed in My School 2.0 by broadening the range of information provided and increasing levels of user choice.

The Australian Government response to each recommendation in the report is provided below.

**Recommendation 1**

The committee majority recommends that ACARA and MCEECDYA explore and report publicly on ways in which to use below-average NAPLAN test results as a trigger for immediate assistance aimed at helping individual schools and students perform at appropriate levels.

**Australian Government Response**

The Australian Government notes this recommendation.

Decisions on the provision of assistance at school and student level are generally made at state and territory level. Through the National Education Agreement and the National Partnerships, announced by MCEECDYA in 2008, the Australian Government provides funding to states and territories so that government and non-government schools can deliver an education that provides all young people with the skills to participate actively in our society and support students to achieve their potential.

In May 2008 the Council of Australian Governments agreed that students who have not achieved the national minimum standards for literacy and numeracy "need and will receive focussed intervention and support to help them achieve the skills they require to continue in schooling".

All state and territory government and non-government education authorities in Australia have developed means to evaluate and assess system and school performance. Student outcomes, including student level NAPLAN results, already inform state and territory school planning and improvement practices. At the school level, NAPLAN provides a wealth of information to support teachers to identify and analyse areas for improvement as well as strengths in student performance.

School level data as reported on the My School website provide valuable information that enables governments to identify and respond to areas of need. State and territory governments have access to these data within the same year that students sit the tests. This information can be used to target funding to where it is most needed.

Support for schools not performing at appropriate levels is also provided through improved teaching methods and planning that do not require additional monetary investment.

The Australian Government has delivered unprecedented levels of investment in Australian schools, more than doubling the level of funding provided to schools in the last funding period. In total the Australian Government has committed to provide a record $64.9 billion for schools from 2009 to 2012.

This includes additional funding under the three Smarter Schools National Partnerships: the National Partnership for Teacher Quality - $550 million over five years (2008-2009 to 2011-2013); the National Partnership for Low Socio-Economic Status School Communities - $1.5 billion over seven years (2008-2009 to 2014-2015); and the National Partnership for Literacy and Numeracy - $540 million over four years (2008-2009 to 2011-2012). The notional allocation of funding to each state and territory under the National Partnership for Literacy and Numeracy is based on each State's share of students at or below the minimum standard in
Reading and Numeracy for Years 3, 5 and 7 based on the 2008 NAPLAN results.

In addition to this funding, the Commonwealth provided $11 million to states and territories to support 110 schools that were identified from My School 1.0 data as having substantially below average student outcomes in literacy and numeracy compared with the national average and similar school average.

Recommendation 2

The committee majority recommends that ACARA assess and report publicly on the potential benefits of moving to a system that reports the median rather than the mean school performance.

Australian Government Response

The Australian Government agrees in part with this recommendation.

The Australian Government will raise the issue with MCEECDYA and recommend that ACARA investigate the feasibility of showing the median in addition to the mean in its reporting in school performance.

Mean and median both provide an idea of where the middle of a set of scores lies. The mean averages all scores of students in a school and as a consequence includes extreme scores that are either very high or very low. On the other hand the median score is the middle score when all scores are placed in numerical order.

All states and territories consider that the mean is the better measure for the statistical analysis of school data as it enables:

- the measurement of fluctuations of data using standard deviations from the mean;
- the calculation of confidence intervals;
- the determination of statistically significant scores; and
- the comparison of standardised data between years.

Reporting NAPLAN results for 2008-2010 has used the mean as the expression of score averages. The use of the mean in the analysis of NAPLAN data has enabled the above statistical analyses to be used with NAPLAN results from 2008, 2009 and 2010, including comparisons of data between years. Continuing to use the mean means it will be possible for these analyses and comparisons to be made into the future. It is not possible, however, to do the same statistical analysis using the median so comparisons across years will not be possible and a new baseline year for reporting will need to be established.

The My School website provides information on the distribution of student performances within a school and so reveals whether the distribution is skewed in a way that would make the median substantially different from the mean.

States and territories provide data to schools in a number of ways. Some, including Tasmania and Victoria, use the median in reporting school level performance to complement their analysis of NAPLAN data for schools. This additional information is helpful for schools with small student populations.

Recommendation 3

The committee majority recommends that MCEECDYA and relevant jurisdictional test administration authorities look at and report publicly on ways to ensure that children with disabilities are not discriminated against and denied the right to participate in national testing.

Australian Government Response

The Australian Government agrees with this recommendation.

All students are encouraged to participate in NAPLAN. The National Protocols for Test Administration state that students with disabilities should be given the opportunity to participate in testing should their parent/caregiver prefer that they do so. This is consistent with the Disability Standards for Education, which set out the rights of students with disability and the obligations of school authorities in relation to education under the Disability Discrimination Act 1992. The Protocols do allow students with significant intellectual and/or functional disabilities to be exempted from sitting the tests if they are unable to access the tests within the guidelines for accommodations.

In the past, interpretations of provisions in the Protocols varied across jurisdictions. ACARA has
revised the Protocols for the 2011 NAPLAN tests to provide clarity about positive expectations for participation in NAPLAN and accommodations to facilitate access to the tests and to ensure consistency of application of the provisions in the Protocols.

My School reports the participation of students in NAPLAN at the school level compared with the national average. In My School 2.0, there is stronger reporting with categories of exempt, absent and withdrawn students reported separately.

ACARA will be publicly reporting levels of participation in testing to make this more transparent at a school level. These data are already published at state, territory and national levels.

There are a number of accommodations already made for students with disabilities that range from separate supervision and rest breaks to use of assistive technology for students who would have them as part of their normal classroom support. ACARA will report to MCEECDYA on the type and number of accommodations.

ACARA is already looking into further ways in which the tests can be made more accessible to students with disabilities.

**Recommendation 4**

The committee majority recommends that ACARA analyse and report publicly on how NAPLAN tests are serving different groups of Language Background Other Than English (LBOTE) students.

**Australian Government Response**

The Australian Government agrees with this recommendation.

ACARA currently publishes information annually about the performance of children by LBOTE status in the NAPLAN National Report, and will publish data on the percentage of LBOTE students in each school profile on My School 2.0.

At present all students are encouraged to sit NAPLAN tests, though students from a non-English speaking background who have arrived in Australia within a year of the test may be exempted. ACARA also advises schools in the Protocols that literacy should not be a barrier to the numeracy tests. ACARA is already looking into ways to improve accessibility to the tests for LBOTE and Indigenous students.

The current definition used for LBOTE is very broad, and does not identify the group of LBOTE students who are educationally disadvantaged. As a result, data show that LBOTE students perform as well or better than non-LBOTE students.

In My School 2.0, account has been taken of the presence of students from a language background other than English when establishing comparison groups of schools that serve students from similar socio-educational backgrounds. To do this, it is inappropriate to use a simple measure of the proportion of students from language backgrounds other than English since some students in this category are not socio-educationally disadvantaged. ACARA uses an additional LBOTE measure in calculating the influence of family background on student results, specifically the proportion of LBOTE students at a school whose parents also report low education levels.

ACARA is also looking at enhancing the definition of LBOTE used for NAPLAN data collection to enable reporting of more useful information to support LBOTE students who are educationally disadvantaged.

**Recommendation 5**

The committee majority recommends that ACARA investigate and report to MCEECDYA on enhancing NAPLAN to support the diagnostic needs of higher and lower student achievers.

**Australian Government Response**

The Australian Government agrees with this recommendation.

The discrimination of the NAPLAN tests at the higher and lower levels of student achievement is supported, and under direction from MCEECDYA, ACARA is investigating alternative test delivery mechanisms that might facilitate this. ACARA will also seek ways to decrease the time taken to provide feedback to schools.
The Australian Government made a commitment to provide teachers with a diagnostic tool that will enable them to identify and support the individual learning needs of their students at any time. Feedback provided through the online service will link teachers to resources that are targeted to the particular needs of the students.

To make NAPLAN strongly diagnostic at the higher and lower end could require a longer test. There are limits on the length of the tests in regard to what students can reasonably be asked to do, particularly for year 3 students. The provision of tests with a greater diagnostic capacity at the higher and lower ends could be achieved by moving away from pen and paper testing to adaptive online testing.

An element of the Australian Government commitment to online diagnostic tools is the move to online delivery of the annual National Assessment Program sample assessments. This would enable future trials of adaptive testing for NAPLAN.

The Australian Government will ask ACARA to report on the feasibility of enhancing NAPLAN to provide improved diagnostic capability for the students achieving in the highest and lowest bands.

**Recommendation 6**

The committee majority recommends that ACARA and MCEECDYA expand NAPLAN to include annual testing from years 3 to 10 in order to more accurately track student performance and give parents, teachers and policymakers a far better understanding of how students, teachers and schools are progressing.

**Australian Government Response**

The Australian Government does not agree with this recommendation.

Further large-scale cohort testing is not the best option for giving parents and teachers better information. The next step will be to provide teachers with better diagnostic tools to address the needs of individual students. The government has committed to developing a national online assessment and learning bank for students, parents and teachers to provide a sophisticated diagnostic assessment of each student's strengths and learning needs.

National testing is agreed by COAG and forms part of the National Education Agreement. The costs for test development are shared by the Australian Government and state and territory governments (using the MCEECDYA formula for cost sharing) but states and territories carry the cost of test delivery. The cost of test delivery is currently around $48 million for states and territories.

Providing parents with meaningful reports more frequently would require tests that measure student improvement more precisely than the current test program. ACARA has trialled “off level” testing (in which students undertake NAPLAN assessments from a higher or lower level than their year level, eg a year 5 student sitting the year 7 test) and will be asked to trial online testing, which in the future may be able to provide this more precise measure of student improvement.

A decision to expand testing would have significant cost implications both at a national level and for state and territory governments with responsibility for test delivery. The NAPLAN scale was constructed for a testing regime where students in years 3, 5, 7 and 9 are tested. If the test program was altered and students in all years from years 3 to 10 were tested, the scale would need to be reconstructed or a new scale developed that would be sensitive enough to measure student improvement in yearly increments. If the tests were to be held for all year levels the scale would need to be recalibrated to measure the smaller increments of student progress. This would be a significant task requiring additional funding. It would also have a significant impact at a school level, due to the impact on teaching time. Consideration should also be given to any possible negative consequences of increased testing.

NAPLAN is only one form of student assessment, although an important one. Schools use additional assessments to provide a more detailed picture of student performance and parents receive information about their child's school performance from the school every year.

In addition to classroom assessments, each year a sample of students participate in the National Assessment Program sample
assessments and, while individual students reports are not provided, schools where classes participate get reports of their performance.

**Recommendation 7**

The committee majority recommends that MCEECDYA explore ways for state and territory test administration authorities to more strongly enforce security protocols.

**Australian Government Response**

The Australian Government agrees with this recommendation.

National Protocols for Test Administration have been agreed by all governments so that all students around Australia sit the tests under common conditions. Test Administration Manuals are provided to all schools and teachers supervising the tests.

MCEECDYA had already asked ACARA to review the National Protocols for Test Administration before the 2011 tests to ensure that they are providing clear and consistent advice to test administrators and principals. This work has been completed.

For the first time, the Protocols include a Code of Conduct which outlines expected behaviour and processes, with a view to strengthening security requirements. Also at the request of MCEECDYA, ACARA will report publicly for the first time in early 2011 on allegations and substantiations of cheating and security breaches.

It is important to note that compliance with security protocols is the responsibility of state and territory testing authorities. The revised Protocols will enable tests to be administered in a more consistent manner.

It is noted that the Test Administration Authorities do not have a mandate or authority to investigate incidents or enforce penalties for breaches of test protocols in all jurisdictions and sectors, and that there are a broad range of legal and industrial frameworks that determine the way in which investigations are made. ACARA is working with government and non-government education authorities in developing a nationally consistent approach to handling test incidents.

**Recommendation 8**

The committee majority recommends that ACARA prioritises the improvement of the method used to develop like school comparisons and commits to the introduction of a method based on student-level SES data for all schools prior to the reporting of 2011 NAPLAN test results.

**Australian Government Response**

The Australian Government agrees with this recommendation.

Consistent with this recommendation, MCEECDYA has asked that ACARA collect and use student level data for all schools when reporting on NAPLAN 2011. ACARA is working with schools and school authorities to collect the additional data required to implement this method for 2011.

For 2010, the ICSEA (Index of Community Socio-Educational Advantage) which is used to reflect the level of socio-educational advantage in a school for My School 2.0 uses direct student level data where available and includes the addition of a language background other than English factor. For 2010 it is anticipated that the ICSEA calculation will be based on direct student data (parent education and occupation information) for 76 per cent of schools, representing 92 per cent of students nationally.

The improved ICSEA now being used is the result of ACARA's analysis and advice to ministers. It builds on the existing ICSEA, and uses better data that have since become available. The new approach draws more extensively from data collected directly from parents. The two ICSEA measures are, overall, very close (Their correlation is 0.9). The new ICSEA, however, is an even better predictor of school-level NAPLAN performance. The new ICSEA explains 67% of the variance in school performance on NAPLAN; the initial ICSEA explained 59%.

**Recommendation 9**

The committee majority recommends that ACARA and MCEECDYA examine and publicly report on ways to mitigate the harm caused by simplistic and often distorted information published in newspaper league tables.
Australian Government Response
The Australian Government notes this recommendation.

The Australian Government does not support the media using data obtained from the My School website to publish simplistic league tables. The Australian Government also does not support the use of legislation to restrict website users from publishing these data.

Simplistic league tables fail to take into consideration the context within which a school operates and thus are likely to provide unfair, misleading and invalid comparisons between school performances.

The My School website provides the public with a means for making valid school comparisons and is the only source of genuinely nationally comparable information for all Australian schools.

The My School website reports performance comparisons of statistically similar schools only.

At the request of MCEECDYA, ACARA has strengthened legal and technical protections of the data published on My School 2.0 and will continue to actively advocate against league tables based on school performance data.

The My School 2.0 website has new logon requirements and terms and conditions to protect the integrity of the data and to help prevent misuse of data.

Ministers have also agreed that ACARA will be supported to closely manage the information it provides to prevent individual students from being identified and to

promote the meaningful use of data by third parties. ACARA will work with the media to explain the information published, advise on how to properly interpret it, and will take steps to counter any inaccurate use of the information including, if necessary, responding publicly with correctly interpreted data.

Recommendation 10
The committee majority recommends that ACARA identify, analyse and report publicly on possible means of strengthening the relationship between NAPLAN tests and the wider curriculum. The committee majority reserves its support for any alignment between the tests and the new national curriculum until the quality of, and community support for, the curriculum become clearer.

Australian Government Response
The Australian Government notes this recommendation.

It is Australian Government policy to review the NAPLAN assessment framework to provide alignment with the new national curriculum. This has been agreed by all states and territories.

The current NAPLAN tests align well with current state and territory curricula taught in schools, and will be reviewed to align with the Australian Curriculum as it is progressively implemented.

The NAPLAN tests are based on curricula that all teachers throughout Australia are required to cover and reflect the essential elements that should be taught at each year level. The NAPLAN test items are currently developed using the National Statements of Learning. The tests in future years will be informed by the Australian Curriculum. At the December 2010 MCEECDYA meeting, Ministers agreed to publish the content for Foundation to Year 10 English, mathematics, science and history, as the nation's first Australian Curriculum.

ACARA will consult with senior education officials and provide recommendations on measures to ensure that future national assessments, including NAPLAN, align with the Australian Curriculum as the successive phases are implemented.

This recommendation follows a discussion in the report on the high stakes nature of the tests and the potential for teachers to teach to the tests. ACARA actively discourages this practice in its communications about NAPLAN and promotes broad-based teaching practices. Once students' familiarity with the test form is assured there is no benefit in repeated test practice. The best way to develop literacy and numeracy skills is through students' experience of a full, rich curriculum.

NAPLAN is a test of literacy and numeracy skills not a content based test. The main purpose of the NAPLAN tests is to identify whether all students have the literacy and numeracy skills and
knowledge which provide the critical foundation for other learning and for their productive and rewarding participation in the community. Inadequate attention to the fundamental areas of literacy and numeracy undermines students' ability to participate effectively in other important areas of the curriculum.

Recommendation 11
The committee majority recommends that ACARA and MCEECDYA move to include more contextual information about schools on the My School website, reflecting the complex range of factors that affect schools, and acknowledge to users of the website their awareness of the limitations of comparisons based on raw performance data due to extrinsic factors. The committee majority further recommends that ACARA commit to ensuring this contextual information is available ahead of the reporting of 2011 NAPLAN results.

Australian Government Response
The Australian Government agrees with this recommendation.

The Australian Government agrees there is more to a school than academic results, and My School shows a range of features about a school in terms of its operating environment (eg proportion of Indigenous students, staff numbers), resources (income) and performance (eg Year 12 attainment) in addition to NAPLAN results.

The framework for information published on the My School website was agreed by education ministers, and reflects research and expert advice that the most appropriate indicators to publish about schools are those that provide insight into three aspects of a school:

- the outcomes of students, including literacy and numeracy outcomes;
- the context in which a school operates, including the characteristics of the student intake; and
- the school's capacity, including the numbers of teaching staff and school income.

The indicators published on the original My School, and additional indicators on My School 2.0, have been developed in response to this framework, and published prior to 2011 NAPLAN testing.

On My School, there is already a significant amount of information provided to reflect the makeup of the school for example, the type of school, the year range, student and staff numbers, location, the level of socio-educational advantage of the school student body, the proportion of students with an Indigenous background, and as well as student attendance rates.

Schools are able to draw attention to their particular circumstances through the statement about their school on the school profile page. Here schools have the opportunity to outline their enrolment policies, promote any special programs that they operate or detail their student profile. A link to the school's own website is provided so that users of the My School website can better understand unique characteristics of the school.

For My School 2.0 an indicator has been added to report on the proportion of students with a language background other than English and information is provided for the first time about a school's finances.

In the future ACARA will add the option for principals to comment on their NAPLAN and senior secondary outcomes, information from student, teacher and parent satisfaction survey data, information about student destinations and information on students with disabilities.

The My School website has been designed to avoid comparisons of raw performance data through presentation of this contextual information and through use of the Index of Community Socio-Educational Advantage (ICSEA) to limit school comparisons to schools with similar student intakes. ACARA is committed to enhancing contextual information and working to enhance the understanding of the media and the public of the school data made available through the My School website.

Recommendation 12
The committee majority recommends that ACARA and MCEECDYA comprehensively revise the type of information available on the My School website to shift the focus from raw school performance data to value-added measurement of school performance.
Australian Government Response

The Australian Government agrees in part with this recommendation.

My School 2.0 reports NAPLAN results in a number of ways to allow different aspects of performance to be shown. The NAPLAN mean scale scores and the spread across the bands were depicted on the original My School, and My School 2.0 also shows student gain for students who remained in each school between 2008 and 2010.

For any numerical score that is published, My School 2.0 also shows margins of error to reflect the accuracy of the estimate average and the degree of confidence one can have in this estimate.

In relation to student performance “value added” is a term that is used in a variety of ways that can mean different things. Value added modelling is a relatively complex econometric approach to measuring school's performance. Value added models essentially seek to measure residuals i.e. the difference between a school’s observed outcomes and its predicted outcomes.

While value added models are designed in an attempt to ensure that the residual only approximates the contribution of the school to student performance, this is difficult in practice. This is because residuals reflect whatever other influences there are on student outcomes that have not been captured in the value added model.

There is a risk with this approach that what becomes important is how much better or worse the school did compared to the predictions, and the performance of the students themselves can be lost. A school may perform as well as expected but could still have unacceptably low levels of literacy and numeracy.

There would be a number of challenges to the suitability of value added modelling for Australia, not least of which being the need for longitudinal data. In its report for MCEECDYA, Reporting and Comparing School Performances, the Australian Council for Educational Research (ACER) did not recommend this approach.

As a result MCEECDYA has agreed to show gain between NAPLAN years. Measuring gain in this way allows users of the website to see how well students have progressed no matter what school they attend. Schools with a student population that have high levels of aptitude and who are already highly proficient may not show a high level of gain, while schools with students with lower levels of aptitude may be able to demonstrate their students have made large gains while not necessarily achieving at the highest proficiency levels. This measure allows us to see and acknowledge progress at all levels.

This is the first time this form of school performance information will be available. Student gain is an important addition to My School 2.0, showing what improvement has occurred over time in a school for a specific group of students.

Government Senators' Recommendation

Government senators recommend that in the interests of transparency, accountability and facilitating meaningful comparisons, the My School website capture full disclosure of financial assets. Those schools who do not agree to this requirement should not receive public funding.

Australian Government Response

The Australian Government notes this recommendation.

All schools are required under the National Education Agreement (NEA) and the Schools Assistance Act 2008 to supply income data for My School. The specific information to be supplied is a matter for education ministers.

School income reporting commenced in 2010 with My School 2.0. The series begins with income for each school for the 2009 calendar year.

For My School 2.0 education ministers agreed to report on the following financial data:

- Recurrent income
  - Total gross income by source for the year
    - Australian Government recurrent funding
    - State/Territory government recurrent funding
    - Fees, charges and parent contributions (school initiated)
    - Other private sources (parent or 3rd party initiated)
  - total net recurrent income reflecting the following deductions from the gross
- income allocated to a current year capital expense
- income allocated to a future year capital expense
- income allocated to debt servicing of capital loans.

- Capital expenditure = total capital expenditure for the year funded from
  - Australian Government capital funding
  - State/Territory government capital funding
  - new school loans
  - income allocated to current year capital expense - other sources.

School net recurrent income is the key finance measure for My School. It provides a measure of the income available to deliver schooling to each school's students in the year reported.

School income from government can be used for the purposes set by government. School income from private sources may be used to meet recurrent costs, or to allocate to a capital project or set aside to meet future expenses.

The recurrent income reported on My School includes the amount earned by schools from income set aside from previous years, for example, interest and dividends earned on financial assets (shares, trusts) held by the school or school system.

Where cash reserves held by the school or proceeds from the divestiture of assets are used to fund capital expenditure, this amount will be shown on My School as capital expenditure in the year expended.

The Government is committed to further enhancements to My School to build community understanding of school operations and outcomes. The Government recognises that financial assets comprised of income set aside from prior years or held in reserve by school systems may be of interest to the community in connection with transparency of resources available to meet recurrent costs.

MCEECYDYA has asked ACARA to provide advice on how school assets, for all schools, such as financial assets including trust accounts, term deposits and investment portfolios, as well as physical assets, could be captured and presented to the community on the My School website.

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GOVERNMENT RESPONSE TO SENATE STANDING COMMITTEE ON FINANCE AND PUBLIC ADMINISTRATION REPORT
SUPERANNUATION CLAIMS OF FORMER AND CURRENT COMMONWEALTH PUBLIC SERVICE EMPLOYEES

INTRODUCTION

The Australian Government welcomes the report of the Senate Standing Committee on Finance and Public Administration (Committee) into the Superannuation Claims of former and current Commonwealth Public Service Employees. The Government notes the Committee's findings that the Department of Finance and Deregulation (Finance) has established an appropriate claims handling process for individuals who believe that they were incorrectly advised about their eligibility for Commonwealth superannuation.

The Government is committed to seeing the resolution of Cornwell-type claims managed systematically and rigorously in accordance with the Legal Services Directions 2005.

RESPONSE TO RECOMMENDATION

The Committee made one recommendation.

Response

The Government supports the Committee's recommendation.

Since the High Court's decision on the Cornwell superannuation case in April 2007, there has been media coverage on the decision through local and national newspapers, solicitors, media releases, unions and Commonwealth agency websites. The unions that have advertised the potential for claims include the Community and Public Sector Union, Australian Services Union, Media Entertainment and Arts Alliance and the Australian Licensed Aircraft Engineers' Association.

A targeted campaign will notify potential claimants of their ability to register claims with Finance. Finance proposes to place information advertisements on Cornwell-type claims in local and national newspapers. Information will also be disseminated to relevant unions and all staff
advice issued across the Australian Public Service.

SENATOR'S MINORITY REPORT
The Independent Senator Nick Xenophon lodged a minority report with three recommendations.

Response
The Government supports in principle Recommendation 1 of the Minority Report.

This recommendation is similar to the Committee's majority recommendation. A targeted campaign will notify potential claimants of their ability to register claims with Finance. Finance proposes to place information advertisements on Cornwell-type claims in local and national newspapers. Information will also be disseminated to relevant unions and an all staff advice issued across the Australian Public Service.

Response
The Government does not support Recommendation 2 of the Minority Report.

The Government considers the general waiver of the statute of limitations for Cornwell-type claims is inconsistent with the current Government policy embodied in the Legal Services Directions 2005 and the Financial Management and Accountability Act 1997. However, Finance will continue to liaise with the Office of Legal Services Coordination in the Attorney-General's Department to obtain approval to set aside limitations-based defences or extend limitation periods where appropriate, on a case by case basis.

Response
The Government does not support Recommendation 3 of the Minority Report.

The Government considers the current administrative processes in the assessment of Cornwell-type claims are appropriate to deal with claims in a cost-effective, streamlined and equitable manner. This view was supported by the Committee's majority report. The establishment of a tribunal would be costly and would not necessarily expedite the finalisation of claims, nor would it be an appropriate jurisdiction for the determination of legal issues, such as contribution from entities other than the Commonwealth.

GOVERNMENT RESPONSE TO THE REPORT OF THE JOINT SELECT COMMITTEE ON THE CHRISTMAS ISLAND TRAGEDY AUGUST 2011

INTRODUCTION
On 2 March 2011 the Parliament established the Joint Select Committee on the Christmas Island Tragedy of 15 December 2010 to inquire into the incident in which an irregular entry vessel foundered on rocks at Rocky Point on Christmas Island. The Committee examined the Commonwealth's management of the incident, its operational response, and the adequacy of subsequent support provided to survivors and others.

The Committee tabled its report on 4 July 2011 which contained three recommendations. The report also contained two additional recommendations from Senator Crossin and seven additional recommendations from Senator Hanson-Young.

The Government welcomes the report prepared by the Joint Select Committee on the Christmas Island Tragedy of 15 December 2011 and recognises the significant amount of work and consideration that has gone into providing these recommendations.

The Government's official responses to the Committee's recommendations are provided below.

Table 1 – Summary of Government Response to Recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Government Response</th>
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</thead>
<tbody>
<tr>
<td>Committee Recommendation 1:</td>
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<tr>
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<td>that DIAC and its relevant contractors continue to monitor the wellbeing of the survivors and that counselling and support services should be provided for as long as is necessary.</td>
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<tr>
<td>Recommendation</td>
<td>Government Response</td>
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<tr>
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<tr>
<td><strong>Committee Recommendation 2:</strong></td>
<td>Agreed</td>
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<tr>
<td>The Committee recommends that the Department of Regional Australia and DIAC liaise with the Christmas Island community to explore options for a permanent memorial to be erected on the island, at a site of the residents’ choosing, for the victims of the tragedy.</td>
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<tr>
<td><strong>Committee Recommendation 3</strong></td>
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<tr>
<td>The Committee recommends that relevant Commonwealth agencies continue to monitor the wellbeing of their personnel and that counselling and support services should be provided for as long as necessary.</td>
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<tr>
<td><strong>Senator Crossin Recommendation 1:</strong></td>
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<tr>
<td>That, in addition to the implementation of the recommendations of the Emergency Management Committee in its January 2011 report, the Department of Regional Australia, Regional Development and Local Government take all necessary steps to ensure reliable radio coverage is available on all parts of Christmas Island before the end of 2011.</td>
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<td>That the Department of Regional Australia immediately establish a full time Community Emergency Management Officer on Christmas Island, to serve both Christmas and Cocos Islands.</td>
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<tr>
<td><strong>Senator Hanson Young Recommendation 1:</strong></td>
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<td>The Australian Greens recommend that Commonwealth funding be directed to establish a full-time emergency services volunteer coordinator on Christmas Island</td>
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<td><strong>Senator Hanson Young Recommendation 3:</strong></td>
<td>Agreed</td>
</tr>
<tr>
<td>The Australian Greens recommend that a permanent mental health team, funded through the Department of Regional Australia, Regional Development and Local Government, is established on Christmas Island, as part of the Christmas Island health service, to provide services for all members of the community.</td>
<td></td>
</tr>
<tr>
<td><strong>Senator Hanson Young Recommendation 4:</strong></td>
<td>Agreed in part</td>
</tr>
<tr>
<td>The Australian Greens recommend that the Department of Regional Australia, Regional Development and Local Government, implement all recommendations from the Christmas Island emergency management report.</td>
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</tbody>
</table>
Senator Hanson-Young Recommendation 5:
The Australian Greens further recommend that the Department of Regional Australia, Regional Development and Local Government, conduct an infrastructure audit on the standards and conditions of facilities on Christmas Island.

Agreed

Senator Hanson-Young Recommendation 6:
The Australian Greens recommend that as a matter of urgency, a review into the protocols by which decisions are made to transfer asylum seekers with special needs to the mainland, is established.

Not agreed

Senator Hanson-Young Recommendation 7:
The Australian Greens recommend that the role of community liaison officer, funded through the Department of Immigration and Citizenship, continue to be funded.

Agreed

RECOMMENDATIONS

Recommendation 1
The Committee recommends that DIAC and its relevant contractors continue to monitor the wellbeing of the survivors and that counselling and support services should be provided for as long as is necessary.

Response
The Government agrees to Recommendation 1.

The Department of Immigration and Citizenship and its contracted Detention Service Providers work to ensure that all persons in immigration detention have access to appropriate health and support services. The Department is particularly sensitive to the trauma experienced and consequent needs of survivors of the December 15 Christmas Island tragedy.

Contractors and Departmental staff adhere to strict protocols to monitor the wellbeing of all people in detention, with a particular emphasis on those who have experienced extreme stress and trauma.

All survivors from the SIEV 221 boat tragedy who have not been granted a visa are currently accommodated in community detention arrangements on the Australian mainland. The Department of Immigration and Citizenship will ensure that appropriate care and support arrangements remain in place while these people continue to be in immigration detention.

The Humanitarian Settlement Services program provides a range of initial settlement services for clients who are granted a protection visa. This includes a strong case management approach to assessing each individual client's needs.

If a person required trauma counselling, they would be referred and assisted with access to the appropriate service provider.

Recommendation 2
The Committee recommends that the Department of Regional Australia and DIAC liaise with the Christmas Island community to explore options for a permanent memorial to be erected on the island, at a site of the residents’ choosing, for the victims of the tragedy.

Response
The Government agrees to Recommendation 2.

The Department of Regional Australia, Regional Development and Local Government is liaising with the Department of Immigration and Citizenship and the Christmas Island Shire regarding appropriate locations upon which to erect a permanent memorial. The Department of Immigration and Citizenship will, as appropriate, provide the necessary support to the Department of Regional Australia, Regional Development and Local Government and the local community in this process.

Recommendation 3
The Committee recommends that relevant Commonwealth agencies continue to monitor the wellbeing of their personnel and that counselling...
and support services should be provided for as long as necessary.

Response
The Government agrees to Recommendation 3.

Each affected Commonwealth agency has employee assistance arrangements in place. Immediate steps were taken to provide such support to Commonwealth personnel on the day of the tragedy and agencies will continue to monitor the wellbeing of personnel involved in the response to SIEV 221 and provide appropriate counselling and support for as long as necessary.

ADDITIONAL RECOMMENDATIONS - Senator Crossin

Senator Crossin - Recommendation 1

That, in addition to the implementation of the recommendations of the Emergency Management Committee in its January 2011 report, the Department of Regional Australia, Regional Development and Local Government take all necessary steps to ensure reliable radio coverage is available on all parts of Christmas Island before the end of 2011.

Response

In relation to radio coverage, the Department of Regional Australia, Regional Development and Local Government notes that 100 per cent coverage of Christmas Island will be difficult to achieve due to the Island's topography. The Department of Regional Australia, Regional Development and Local Government is liaising with the Australian Customs and Border Protection Service and the Australian Federal Police regarding implementation of this Recommendation and progressing radio communication improvements to provide more extensive radio coverage of Christmas Island.

In support of this work and as part of the Australian Customs and Border Protection Service has been undertaken. This was followed by a gap analysis which recommended the procurement of dual UHF/VHF hand held radios as an improvement for the Australian Customs and Border Protection Service officers (by negating the need to carry two radios). It was also identified that the installation of additional repeater infrastructure on Christmas Island would further improve radio coverage. Planning regards system design is currently underway.

An aspect of this issue was also raised in the report of the Christmas Island Emergency Management Committee with the Department of Regional Australia, Regional Development and Local Government procuring five marine VHF hand held radios for use by emergency personnel. Additional communications equipment is also part of the trailer of emergency equipment currently being built under the auspices of Western Australia Fire and Emergency Services Authority.

The Government has agreed in part to the implementation of the recommendations of the Emergency Management Committee report. This report was presented to, and considered by, the Minister for Regional Australia, Regional Development and Local Government who is monitoring its implementation.

Senator Crossin - Recommendation 2

That the Department of Regional Australia immediately establish a full time Community Emergency Management Officer on Christmas island, to serve both Christmas and Cocos Islands.

Response

The Department of Regional Australia, Regional Development and Local Government is consulting with Emergency Management Australia, Western Australia Fire and Emergency Services Authority and the Administrator of the Indian Ocean Territories on how best to implement this recommendation. The Community Emergency Management Officer would be part of the Department's Indian Ocean Territories Administration Office.
ADDITIONAL RECOMMENDATIONS - Senator Hanson-Young

Senator Hanson-Young Recommendation 1

The Australian Greens recommend that as matter of urgency an independent review into Australia's border protection surveillance is established.

Response

The civil maritime surveillance function has been regularly reviewed over a number of years through a series of independent and whole-of-government strategic level reviews on national security and border protection issues.

The Australian Customs and Border Protection Service also continues to monitor new and emerging technologies which have the potential to enhance detection and response outcomes. These activities have included a static radar trial at Christmas Island which is still underway.

Further, the last tender process conducted by the Australian Customs and Border Protection Service for wide area surveillance did not reveal the existence of commercially viable surveillance options beyond those currently employed in the layered surveillance response.

The sheer size of Australia's maritime domain does not allow for the persistent surveillance of all areas and threat axes all the time, rather Australian Customs and Border Protection Service uses an intelligence led risk based model which provides the most effective utilisation of its available resources and surveillance capabilities against known threats.

Accordingly, the Government does not agree to Senator Hanson-Young's Recommendation 1.

Senator Hanson-Young Recommendation 2

The Australian Greens recommend that Commonwealth funding be directed to establish a full-time emergency services volunteer coordinator on Christmas Island.

Response

The Government agrees to Senator Hanson-Young's Recommendation 2, noting the essential similarity with Senator Crossin's Recommendation 2.
for ten days to provide help to people as they dealt with their experiences.

Commonwealth agencies directly involved in responding to the incident were able to access counselling support through their agencies. Volunteers with, for example, the Volunteer Marine Rescue Service, those who assisted directly in a personal capacity or who had been impacted indirectly by the events were directed to a number of counselling services available on Christmas Island, including the local social worker, the local school psychologist and counsellors engaged with the Torture and Trauma Unit of the Indian Ocean Territories Health Service.

At the Joint Select Committee hearing on Christmas Island, Dr Julie Graham, Director of Public Health and Medicine at the Indian Ocean Territories Health Service, noted that ongoing mental health services are required at the Indian Ocean Territories Health Service. If the Department of Immigration and Citizenship were to stop funding the torture and trauma counsellors, the Department of Regional Australia, Regional Development and Local Government would review the mental health establishment of the Indian Ocean Territories Health Service

**Senator Hanson-Young Recommendation 4**

The Australian Greens recommend that the Department of Regional Australia, Regional Development and Local Government, implement all recommendations from the Christmas Island emergency management report.

**Response**

The Government agrees in part to Senator Hanson-Young's Recommendation 4 and notes that this process is ongoing as part of the Department of Regional Australia, Regional Development and Local Government business as usual processes.

The Department of Regional Australia, Regional Development and Local Government undertakes regular evaluations of its asset portfolio as part of its strategic asset management plan to confirm that its assets continue to be appropriate to meet its program delivery requirements.

This is line with the ANAO 'Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities', September 2010.

**Senator Hanson-Young Recommendation 6**

The Australian Greens recommend that as a matter of urgency, a review into the protocols by which decisions are made to transfer asylum seekers with special needs to the mainland, is established.

**Response**

It is standard practice for the Department of Immigration and Citizenship to transfer clients from Christmas Island should they have special needs which cannot be met on Christmas Island. Protocols already exist to guide decisions on transfer of asylum seekers with serious health, mental and psychological needs to the mainland and these are working well.

The decision to transfer such clients is made on a case-by-case basis, depending on individual clients’ needs and availability of suitable accommodation on the mainland.

Accordingly, the Government does not agree to Senator Hanson-Young's Recommendation 6.

**Senator Hanson-Young Recommendation 7**

The Australian Greens recommend that the role of community liaison officer, funded through the Department of Immigration and Citizenship, continue to be funded.
Response

The Government agrees to Senator Hanson-Young's Recommendation 7.

The Department of Immigration and Citizenship will continue to provide funding for a Community Liaison Officer position on Christmas Island while the operational need exists.

DOCUMENTS

Department of the Senate
Department of Parliamentary Services

Tabling

The ACTING DEPUTY PRESIDENT (Senator Marshall): I present the 2010-11 annual reports of the Department of the Senate and the Department of Parliamentary Services.

Ordered that the documents be printed.

AUDITOR-GENERAL'S REPORTS

Report No. 8 of 2011-12

The ACTING DEPUTY PRESIDENT (Senator Marshall): In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Audit report No. 8 of 2011-12—Performance audit: the National Blood Authority's management of the national blood supply.

DOCUMENTS

Libyan Students

Tabling

The ACTING DEPUTY PRESIDENT (Senator Marshall): I present a response from the Minister for Foreign Affairs, Mr Rudd, to a resolution of the Senate of 18 August 2011 concerning Libyan students.

COMMITTEES

Environment and Communications
References Committee

Report

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (16:11): At the request of the Chair of the Senate Environment and Communications References Committee, Senator Fisher, I present the report of the committee on recent ABC programming decisions, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator WILLIAMS: by leave—I move:

That the Senate take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Privileges Committee

Report

Senator JOHNSTON (Western Australia) (16:11): I present the 148th report of the Senate Standing Committee of Privileges, entitled Person referred to in the Senate—Mr Ian Lazar.

Ordered that the report be printed.

Senator JOHNSTON: by leave—I move:

That the report be adopted.

This report is the 62nd in a series of reports recommending that a right of reply be afforded to persons who claim to have been adversely affected by being referred to in the Senate, either by name or in such a way as to be readily identified.

On 30 September 2011, the President received a submission from Mr Ian Lazar relating to comments made by Senator Williams during the matters of public interest debate in the Senate on 21
September 2011. The President referred the submission to the committee under privilege resolution 5. The committee considered the submission earlier today and recommends that the proposed response be incorporated in Hansard.

The committee reminds the Senate that in matters of this nature it does not judge the truth or otherwise of statements made by honourable senators or the persons referred to. Rather, it ensures that these persons' submissions, and ultimately the responses it recommends, accord with the criteria set out in privilege resolution 5.

I commend the motion to the Senate.

Question agreed to.

The document read as follows—

Response by Mr Ian Lazar

Pursuant to Resolution 5(7)(b) of the Senate of 25 February 1988

Reply to comments by Senator John Williams in the Senate

(21 September 2011)

On 21 September 2011, I was defamed in the Senate under parliamentary privilege by Senator Williams. As I have no other avenue to refute these allegations, I seek to respond in writing and to have my response incorporated into Hansard.

The implication in Senator Williams' allegations is that I am involved in ripping people off, "laundering money, taking people's life savings and leaving them homeless and in dire financial straits". He also makes certain very specific allegations of wrongdoing. In short, Senator Williams is in effect alleging that I am involved in unlawful white collar criminal activity, a charge which I vigorously deny.

I am aged some forty years, and have never been convicted of any criminal offence. Neither am I facing any charges of having committed any criminal offence, nor to the best of my knowledge am I being investigated for any alleged wrongdoing.

I am engaged in the business of acquiring and dealing in defaulting mortgage securities; a lawful occupation. The owners of property over which I purchase defaulting securities are inevitably in a state of financial distress at the time I acquire such securities. Such financial distress is caused by business decisions that they have made long before coming into contact with me.

In answer to some of the Senator's specific allegations, I say as follows:- 1. As to John Nicoll:-

Mr Nicoll was a pool cleaner who inherited a sum of money.

Prior to meeting me, Mr Nicoll put a large portion of his money into failed investment schemes.

Mr Nicoll approached and met the Nauruans, with whom he invested, directly.

I was subsequently engaged to manage the recovery of the bad loans.

I was involved in a mediation process before Sir Laurence Street. At that mediation the borrowers offered to settle the matter for $2M. I was the only one who held out against such offer, with the result that the amount finally recovered was $8M.

Some parties to the transaction recovered money in priority to others. This was by operation of law, and not as a result of any misdeeds by me. The simple fact was that some parties held independent specific securities over certain assets, and therefore recovered ahead of unsecured investments. I reiterate, I was not involved in the making of the bad investments. My involvement was in trying to recover monies on behalf of investors.

As to the allegation that ASIC found that BACF was running a managed investment scheme, this is not true. ASIC did not make such a finding. Indeed, the court appointed an independent auditor who found there was no scheme operating.

It is alleged that the BA group of companies was my group; that is not true. The BA group of companies consisted of a number of companies of which only two (Business Australia Capital Finance Pty Ltd and Business Australia Capital Mortgage Pty Ltd) were companies in which I had any interest.
As part of the overall settlement and prior of
the liquidation process of entities of which I had
direct involvement in, I ensured that all legitimate
creditors were paid. The ASIC RATA (and an
independent auditor) confirms the same. To date,
the creditor claims made initially still remain
unproven.

2. As to David Nicholson:

As to the allegation that "David and his wife
invested $100,000 with Ian Lazar", I say that such
allegation is false. Mr Nicholson and his wife lent
$100,000 to a private company which owned a
pub in Yass. Two months after the Nicholsons
made such loan, the borrower went into default.
My company Business Australia Capital Finance
Pty Ltd was engaged to manage the recovery of
such loans. Prior to that occurring, I had not met
either Mr Nicholson or his wife. The company to
which the Nicholsons lent money, to the best of
my recollection, went into administration. The
moneys were subsequently seized by the
administrator of the borrower and the
administrator's lawyers. Neither I nor any
company in which I held an equitable interest,
received any part of the $100,000 that was
recovered.

As to the allegation that "Steven Brown of
Etienne Lawyers arranged with his client Ian
Lazar to take David's money in fees owed in other
matters", I say that I made no such arrangement
with Steven Brown or his firm. I further say that
Mr Nicholson has previously made this complaint
to the Legal Services Commissioner. The gist of
such complaint was that Etienne Lawyers, not
me, had misappropriated the money. At Mr
Nicholson's request I supplied him with a
statement to assist him with his claim to the Legal
Services Commissioner. I understand that the
Legal Services Commissioner has not yet
finalised his investigation into the matter.

3. As to Kevin Jacobsen:

(a) Senator Williams alleges that "Since the
time Kevin Jacobsen first met Lazar, which was
less than one year ago, he has lost all his
businesses and had all his trading companies
placed in liquidation". I admit that is true, but
what Senator Williams did not disclose was as
follows:-

Kevin Jacobsen had been in extended litigation
over many years with his brother, Colin Jacobsen
(better known as "Col Joye"), and companies
owned by Colin Jacobsen. He was ultimately not
successful in that litigation, and had orders
including orders for costs, made against him.
Such costs orders were in favour not only of his
brother, but also in favour of his own lawyers.

Both Kevin Jacobsen and his wife declared
themselves bankrupt because of their inability to
meet such costs orders.

Kevin Jacobsen and his wife currently face
eviction from their home (which stands in Mrs
Jacobsen's name) because of their failure to meet
their mortgage obligations to their bank.

Kevin Jacobsen has placed his own company,
Kevin Jacobsen Pty Ltd, into liquidation.

My association with Mr Jacobsen occurred
when he was already in a state of extreme
financial distress and he sought assistance from
me to stop standover man, Jim Byrnes, from
doing a sweetheart deal with the Sydney Harbour
Foreshores Authority in respect of a dispute
between one of Jacobsen's companies and the
Sydney Harbour Foreshores Authority. I
successfully case managed the litigation and
substantially contributed funds for over two years
which resulted in a successful outcome in favour
of Mr Jacobsen's company.

vi. I have yet to be paid the monies that are
owed to me by Mr Jacobsen and for that reason, I
appointed receivers over his company. That is
what one does when one is owed money in
corporate Australia.

(b) Senator Williams has alleged that I stole
Mr Jacobsen's car. I deny this and say the relevant
facts are as follows:-

One of Mr Jacobsen's companies, Kevin
Jacobsen Pty Ltd, acquired a Lexus motor vehicle
on hire purchase from Lexus Finance. His
company was in default of hire purchase
payments concerning the car to the tune of
approximately $12,000. Mr Jacobsen was
concerned that because his wife had guaranteed
the hire purchase contract herself, that she would
be sued for the arrears.
At Mr Jacobsen's request, one of my companies paid off the $12,000.00 arrears on his behalf.

At Mr Jacobsen's request, a motor vehicle dealer attempted to market the vehicle.

At Mr Jacobsen's request, the motor vehicle was ultimately delivered to one of Mr Jacobsen's co-directors at Kevin Jacobsen Pty Ltd.

Mr Jacobsen subsequently threatened me that unless I gave him certain financial benefits, he would use his connections in the NSW Police Force to allege that I had stolen the car. Eventually, he made good of this threat and reported me to the Police.

I fully co-operated with the Police and through my solicitor, advised them of what had transpired in relation to the car.

The Police fully investigated the matter. Their investigation did not result in me being charged with any offence.

To the best of my knowledge, Mr Jacobsen's co-director still has the car.

(c) Senator Williams has alleged that I fraudulently charged $84,000.00 to Mr Jacobsen's Amex Card. I say as follows:-

Mr Jacobsen was engaged in Federal Court proceedings seeking to remove a liquidator who had been appointed to one of Mr Jacobsen's companies, Arena Management Pty Ltd.

Mr Jacobsen was unable to meet the legal costs of such proceedings and sought my help to do so.

Mr Jacobsen made a payment as part payment through his wife's credit card towards his legal costs.

Mr Jacobsen was an authorised signatory on his wife's credit card account.

All documentation relating to that credit card payment was signed by Mr Jacobsen.

The totality of the transaction is evidenced in an exchange of e-mails between my office and Mr Jacobsen.

I am happy to co-operate with any investigation conducted by the Police, the Parliament, a Royal Commission or any other properly appointed regulatory authority; I have nothing to hide.

I am, however, disappointed in the extreme that Senator Williams has chosen to grandstand by airing these complaints under parliamentary privilege before passing them to the AFP. If he thought I had been involved in wrongdoing, he should have simply referred the matter to the Police and thereby given me an opportunity to answer any questions the Police may have had of me. Procedural fairness would have been served.

As it is, Senator Williams' grandstanding has enabled the allegations which he aired under the protection of parliamentary privilege, to be rebroadcast by virtually every major newspaper in the country in circumstances where I do not get a proper right of reply or get an opportunity to bring court action to vindicate my name.

The result of Senator Williams' abuse of parliamentary privilege has been to cause severe and ongoing damage to my business, against which I have no recourse. I note that as an employer I have responsibilities to my employees, who rely on the ongoing viability of my business for their wages.

I do not have a problem with the concept of parliamentary privilege. Responsibly used, it ensures political debate is not stifled. Senator Williams has not used it responsibly; as a matter of last resort after all other proper investigations have occurred. He has used it (before referring the matter to Police for investigation) to grandstand for his own purposes, regardless of the damage done to the livelihood of me and the employees for whom I am responsible.

I am told that Senator Williams was given the information about my alleged business dealings by National Party figures in Queensland who had in turn been supplied them by Mark McIvor of Equititrust Ltd. I am currently engaged in long running litigation with Equititrust. Both Equititrust and Mark McIvor face an existential threat from such litigation. Mr McIvor has adopted the strategy of raking up disaffected persons with whom I have done business and then having Senator Williams do his dirty work for him under the cover of parliamentary privilege.
I note that standover man Jim Byrnes boasts that Mclvor was the best man at his wedding. I also note that Byrnes was a multi-million dollar borrower from Equititrust.

If after reading this, Senator Williams still has the courage of his convictions, perhaps he could walk the few metres from his office to the steps outside parliament, and repeat his allegations. I challenge him to do so, then they could be tested on the level playing field that our courts afford, and both he and I can risk our respective houses on the outcome. If he no longer has the courage of his convictions, perhaps he could promptly give me an apology in the same forum in which he defamed me.

I won’t be holding my breath for him to do either.

Scrutiny of Bills Committee Report


Ordered that the report be printed.

Treaties Committee Report

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (16:13): At the request of Senator Birmingham, the deputy chair, I present the 120th report of the Joint Standing Committee on Treaties, Treaties tabled on 5 July and 16 August 2011. I seek leave to incorporate a tabling statement.

Leave granted.

The statement read as follows—

Senate
Tabling Statement
Report 120:
Treaties tabled on 5 July and 16 August 2011
Senator Simon Birmingham
Deputy Chair, Joint Standing Committee on Treaties

For presentation on Tuesday 11 October 2011
Mr President, today I present the Joint Standing Committee on Treaties' Report 120, which contains the Committee's views on, firstly, a series of treaties on Antarctic environmental and tourism issues which were tabled in the Commonwealth Parliament on 5 July 2011. The Report also reviews five taxation treaties and a social security treaty, which were tabled on 16 August 2011.

Mr President, I intend to briefly comment on all the treaties dealt with in this report.

Firstly, there are three proposed amendments to the Antarctic Treaty, which will:

- establish an environmental liability regime for those operating facilities and vessels in the Antarctic;
- require tourist operators in the Antarctic to have insurance to cover the cost of medical emergencies; and
- make environmental regulations previously self imposed by the tourism industry mandatory.

These amendments align with Australia's commitment to protecting the Antarctic environment.

Mr President, I will now turn to the Agreement between Australia and the Republic of Hungary on Social Security.

This treaty provides access to Hungarian age, disability or survivor's benefit for Australians of Hungarian descent who worked in Hungary long enough to establish an entitlement to these benefits.

The Treaty also ensures that people who move between Australia and Hungary will have their entitlement to benefits recognised in both countries.
Finally, Mr President, I would like to deal with the five tax treaties covered in the Report, which involve the Marshall Islands, Mauritius and Montserrat. These treaties are part of Australia’s implementation of the Organisation for Economic Development and Cooperation (OECD) standards on the elimination of harmful tax practices.

The Committee supports these treaties as they are a powerful tool for transparency in international financial transfers.

Previous tax treaties have resulted in a decline in fund flows from Australia of 80 per cent to Liechtenstein, 50 per cent to Vanuatu, and 22 per cent to Switzerland. I each case, the Committee concludes that these treaties should be supported with binding action.

Mr President, I commend the report to the Senate.

Senator WILLIAMS: by leave—I move:

That the Senate take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

BUDGET

Consideration by Estimates Committees

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (16:14): At the request of the respective chairs, I present additional information received by committees relating to the 2010-11 additional estimates hearings and the 2011-12 budget estimates hearings:

Additional estimates 2010-11—

Legal and Constitutional Affairs Legislation Committee—Additional information received between 15 June and 11 October 2011—Attorney-General’s portfolio.

Budget estimates 2011-12—

Economics Legislation Committee—Additional information received between 22 September and 12 October 2011—Treasury portfolio.

Environment and Communications Legislation Committee—Additional information received between 22 September and 12 October 2011—Broadband, Communications and the Digital Economy portfolio.

Climate Change and Energy Efficiency portfolio.

Sustainability, Environment, Water, Population and Communities portfolio.

Finance and Public Administration Legislation Committee—Additional information received between 22 September and 12 October 2011—Finance and Deregulation portfolio.

Foreign Affairs, Defence and Trade Legislation Committee—Additional information received between 22 September and 12 October 2011—Defence portfolio.

Legal and Constitutional Affairs Legislation Committee—Additional information received between 21 September and 11 October 2011—Immigration and Citizenship portfolio.

DOCUMENTS

Tabling

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in today’s Journals of the Senate and the dynamic red. Letters of advice are tabled in response to the continuing order relating to departmental and agency appointments, vacancies and grants.

Details of the documents appear at the end of today’s Hansard.

COMMITTEES

Public Accounts and Audit Committee

Report

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (16:15): On behalf of the Joint Committee of Public Accounts and Audit, I present the 425th report of the Joint Committee of Public Accounts and Audit. I seek leave to move a motion in connection with the report.
Leave granted.

Senator CAROL BROWN: I move:
That the Senate take note of the report.
Question agreed to.

Publications Joint Committee
Report
Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (16:15): I present the 10th report of the Joint Committee on Publications.
Ordered that the report be adopted.

COMMITTEES
Membership
The ACTING DEPUTY PRESIDENT (Senator Marshall): The President has received letters from party leaders requesting changes in the membership of committees.

Senator SHERRY: by leave—I move:
That senators be discharged from and appointed to committees as follows:

Community Affairs Legislation Committee—
Appointed—
Substitute member: Senator Urquhart to replace Senator Carol Brown on 21 October 2011
Participating member: Senator Carol Brown

Community Affairs References Committee—
Appointed—
Substitute member: Senator Kroger to replace Senator Boyce on 19 October and 20 October 2011
Participating member: Senator Boyce

Environment and Communications Legislation Committee—
Appointed—
Substitute member: Senator Milne to replace Senator Waters for the committee's inquiry into the provisions of the Australian Renewable Energy Agency Bill 2011 and a related bill
Participating member: Senator Waters

Legal and Constitutional Affairs Legislation Committee—
Appointed—
Substitute member: Senator Mason to replace Senator Boyce on 17 October and 18 October 2011

Privileges—Standing Committee—
Appointed—Senator Ludlam.
Question agreed to.

BILLS
Maritime Legislation Amendment Bill 2011
Veterans' Affairs Legislation Amendment (Participants in British Nuclear Tests) Bill 2011
First Reading
Bills received from the House of Representatives.

Senator SHERRY: 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 SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (16:17): 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—

MARITIME LEGISLATION AMENDMENT BILL 2011

On 3 April 2010, while traversing a well known shipping route south of the Douglas Shoal in the region of the Great Barrier Reef, the Shen Neng 1 ran hard aground just east of Great Keppel Island.

The vessel's grounding caused damage to the coral reef on the Douglas Shoal and there was a spill of oil.

The impact caused the ship's fuel tanks to rupture and released approximately four tonnes of fuel oil into surrounding waters.

Fortunately, this oil spill was not severe and was broken down by the elements, chemically dispersed or contained and recovered.

While this incident was considered relatively minor, there was the potential for a significant oil spill.

If the salvage operation had been unsuccessful or the vessel had been more severely damaged as a result of the impact with the reef, the Shen Neng 1 incident could have resulted in a spill of up to 975 tonnes of heavy fuel oil and around 65,000 tonnes of coal causing significant environmental damage and requiring an extensive shoreline clean-up.

But the Shen Neng 1 is not the only example of environmental damage by a vessel in recent times.

A year earlier, on 11 March 2009, a Hong Kong China registered general cargo ship, the Pacific Adventurer, lost 31 containers of ammonium nitrate overboard east of Moreton Bay while enroute to Brisbane from Newcastle.

The fallen containers caused damage to the ship that resulted in the loss of more than 270 tonnes of heavy fuel oil.

This oil impacted significant portions of the south-east Queensland coast, in particular the eastern and northern beaches and headlands of the Moreton Island National Park, the eastern beaches of Bribie Island, the beaches and foreshores of the Sunshine Coast and small areas of the Brisbane River.

The majority of oiling occurred on sandy beaches in areas that have high tourism and community amenity value.

Clean-up operations continued for two months, with a total of about 2,500 people deployed for the entire clean-up, including workers from many State and Commonwealth agencies and community volunteers.

At the height of the response operation 400 personnel were working on Moreton Island each day.

Approximately 3,000 tonnes of sand contaminated with oil was removed from Moreton Island.

Considering the size of the oil spill very small numbers of wildlife were affected but the potential existed for many birds, turtles and sea snakes to be injured or worse.

These two incidents highlight the impact that pollution from ships can have on Australia's coastline and coastal waters.

At that time, I committed the Federal Government to improving safe navigation through the Great Barrier Reef marine park.

In April 2010 AMSA issued its report into the Shen Neng 1 grounding, titled Improving Safe Navigation in the Great Barrier Reef.

The Report made four recommendations:

- Extend the coverage of the Reef Vessel Traffic Service (REEFVTS) to the southern boundary of the Great Barrier Reef,
- Strengthen regulatory arrangements including modernising the penalty and offence provisions available to the Commonwealth,
- Enhance navigational aids in the Great Barrier Reef, and
- Develop a whole of government management plan.

Since April last year we have implemented these recommendations.

On 1 July this year I launched the extension of the REEFVTS to the southern boundary of the Great Barrier Reef.

As part of the REEFVTS extension navigational aids within the Great Barrier Reef have been enhanced.
For example, the North Reef Lighthouse north of Gladstone has been refurbished with new vessel tracking equipment.

There is also a new under keel clearance management system for the restricted waters of the Torres Strait.

This technological advance will show the best times and safest speeds for vessels to move through the area, making sure that there is a minimum level of water beneath the keel at all times.

I understand this is the first time such a system has been developed for open water.

In developing a whole of government management response to prevent such incidents in the future we have re-established the Great Barrier Reef Shipping Management Group.

It has members from the Australian Maritime Safety Authority, Maritime Safety Queensland, the Great Barrier Reef Marine Park Authority and the Department of Infrastructure and Transport.

This group plays a vital role in monitoring the new safety measures.

Finally, the Bill I am introducing today delivers on the last element of the Government's commitment at the time of the Shen Neng 1 grounding.

Large incidents are relatively rare however; the number of reported oil spills in Australian waters has averaged over 250 per annum over the last 10 years.

While the majority of these oil spills are relatively minor, the potential impacts of these spills on the maritime industry, the environment, the tourist and fishing industries and the broader economy needs to be recognised.

That is even before we consider the economic impact to some of Australia's most important export ports.

99 per cent of Australia's international trade is carried by ships.

Our ports manage 10 per cent of the world's entire sea trade.

$200 billion worth of cargo is moved annually.

There are over 25,000 voyages by ships to and around Australia each year.

All this means that we need strong safety regulations and penalties when shipping companies ignore their responsibilities.

This Bill will:

- create an offence for negligently operating a vessel in Australia's waters in a manner that causes pollution or damage to the marine environment;
- increase the level of penalty for failure to report by a ship in a mandatory reporting area such as the Great Barrier Reef Marine Park; and
- increase the level of penalty for reckless or negligent discharge of oil or oil residues by ships in Australian waters.

There is a widely held view that Commonwealth penalties are too low to discourage violations.

Currently, Commonwealth penalties for incidents like the Shen Neng 1 and Pacific Adventurer are inconsequential when you take into account the economic capacity of modern shipping companies.

This Bill will amend Commonwealth legislation to ensure that our regulatory regime is strong enough to provide sufficient deterrent for shipping companies and their crews from engaging in unsafe and irresponsible actions at sea, particularly near environmentally sensitive marine ecosystems.

Penalties for a corporation will be increased from $1.1 million to $11 million.

This brings Commonwealth penalties into line with the States.

This Bill brings in changes that will have a significant positive impact on our environment by influencing better practice in navigation and vessel operation in Australian waters.

In April 2010, I said the Government's aim here is simple "to further deter shipping companies and their crews from engaging in unsafe and irresponsible actions at sea, particularly near environmentally sensitive marine ecosystems."

This Bill achieves that.
I am pleased to present legislation that further improves the operation of Australia's repatriation system and provides improved access to compensation and health care for former Defence force members.

This Bill will amend the Veterans' Entitlements Act and the Australian Participants in British Nuclear Tests (Treatment) Act.

The Department has received claims from a small number of personnel who should be, but are not currently, eligible for compensation and health care under the Acts as a result of their participation in the British nuclear test program.

The personnel were involved in the maintenance, transporting or decontamination of aircraft used in the British nuclear test program outside the currently legislated nuclear test areas or time periods.

These amendments will facilitate and streamline access to compensation and health care for these Australian personnel, and any future claimants, who participated in the British nuclear test program conducted in the 1950s and 60s.

This streamlining will be achieved by enabling the Repatriation Commission to determine, through a legislative instrument, additional eligibility criteria relating to participation in the British nuclear test program under both the Veterans' Entitlements Act and the Australian Participants in British Nuclear Tests (Treatment) Act.

The quality of the records from the test period, and the secrecy surrounding the operation, means that it is impossible to rule out the likelihood that new information may come to light which warrants further extension of coverage to additional groups of participants.

Streamlining will enable the Department to be more responsive to new information regarding personnel associated with, and tasks undertaken as part of, the British nuclear test program.

The Bill will benefit Australian personnel who participated in the British nuclear test program, and their dependants, by enabling compensation and health care to be provided with a minimum of delay.

These amendments are a demonstration of the Government's commitment to continually improve the services and support we provide to our current and former military personnel.

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.

MOTIONS

Asylum Seekers

Senator HUMPHRIES (Australian Capital Territory) (16:19): At the request of Senator Fifield, I move:

That the Senate notes the failure of the Gillard Labor Government to maintain the confidence of the Australian people in its ability to protect our borders.

To illustrate the point which this motion is making, I ask senators to cast their minds back to the scene a little over four years ago, when the Howard government relinquished office, with respect to border security and the arrival of unauthorised maritime vessels. Members of this place will recall that at that point in time there were very few boat arrivals. The average number of arrivals each year was something in the vicinity of three boats. The issue had largely gone off the radar of Australians and certainly Australian politicians. The government, which had opened an offshore processing centre on Manus Island in Papua New Guinea, was able to close that centre because it was no longer necessary. The centre at Nauru opened by the government had very few people in it because the number of boats that were arriving necessitated very few people being detained at that centre.
How much difference a short year or so makes. In August 2008 the new Rudd Labor government decided that it would change those settings with respect to migration. The new Rudd Labor government decided that it would allow for the closure of Nauru and allow for processing to resume onshore. It would now use the facility on Christmas Island, built by the previous government and described by the Labor Party in opposition as a white elephant, to start to process boat arrivals. The rest is history. In a little over three years since that policy announcement was made, 12,500-plus people have arrived on over 244 boats, pursuant to the collapse of the government's policy on protecting Australia's borders. We have gross overcrowding at Australia's detention facilities. New facilities have had to be opened onshore. We have seen rioting and disorder at those places. Litigation is besetting the Commonwealth government. There have been a series of unedifying negotiations with other nations to attempt to restore an offshore processing system. Most recently the government, which has comprehensively failed to manage the situation, announced and presented legislation to the parliament to the effect that one solution only was available and would work, and that was the offshore processing in Malaysia of migrants or asylum seekers arriving on this shore. I ask senators to consider what has transpired between the dismantling of the previous government's policy and today. I particularly ask honourable senators to consider how many iterations we have had of this government's policy on border protection and to consider how credible today this government might be on this question.

We were told throughout the period of 2001 to 2007 that offshore processing did not work, that offshore processing was a failure. I recall one particular media release issued circa 2004 by the then shadow minister for immigration, one Julia Gillard, in which the headline read, 'Another boat, another policy failure.' It was a media release issued, incidentally, when the second boat for the year had arrived—shock, horror! Two boats in the course of one year was labelled by the Labor opposition then as policy failure.

We were told that offshore processing would not work and so the government undid offshore processing in August 2008. It became obvious after a short period of time with the surge in boat arrivals that this was not going to work. So in 2010 the new Prime Minister, Julia Gillard, announced that the government would indeed be seeking to restore an offshore processing model and it would be based on an offshore processing centre in East Timor. Of course, it quickly became apparent that East Timor was not signed up to that idea and after a few months of negotiation, if you can call it that, the option fell over.

So it went from 'There will be no offshore processing!' to, 'Yes, we will have offshore processing.' But the option of East Timor fell over, so the government then started to look further afield. It rejected going to Nauru, where the previous government had a facility—and, indeed, those facilities still exist—because, we were told, Nauru was not a signatory to the UN convention on refugees and therefore an option based on Nauru was unacceptable. The government said, 'We could not go there. They didn't accept civilised values. We couldn't go to Nauru.' So the government looked at other places. It tried to set up a facility on Manus Island. For reasons not entirely clear to anybody, Manus Island appears not to be on the government's agenda at the moment. Eventually, a few months ago, the government announced it was going to adopt the Malaysian solution, that it would go to Malaysia. So it went from a position of saying, 'We don't believe in
offshore processing,' to, 'Yes, maybe we do need offshore processing, but it has to be in East Timor,' to, 'Yes, we do want offshore processing, but it should now be on Manus Island in Papua New Guinea,' to, 'No, we cannot go to Nauru and, yes, we must go to Malaysia. Malaysia is not just the best solution available to us but the only solution. No other place is acceptable as a reception point for asylum seekers arriving on Australia's shores. It has to be Malaysia.'

The government comes to this parliament and says, 'After all those iterations of our policy, we have now got it right. We now know what the solution is and you must pass our legislation. Yes, we did tell you that offshore processing did not work, but now we believe that it does. Yes, we did tell you that we as a nation could not possibly deal with a country which has not signed the UN convention on refugees, but now we think that we can.' This government has had no consistency with its position. It has no credibility. It cannot be trusted now to explain to the Australian people how border protection policy has collapsed and collapsed totally. Like freshly caught fish at the bottom of a boat, thrashing about and breathing desperately for life, this government's policy is dying before the eyes of the Australian people. The lack of any vestigial remnants of credibility on this policy is painfully obvious to all who have observed the situation the government has put itself in.

This is reinforced by the Newspoll published earlier this week in which a paltry 17 per cent of Australians expressed confidence in the Labor Party to solve the issue of asylum seekers arriving in Australia. That is an appalling indication of how totally the Australian people's confidence in this government has fallen. Of all the areas of public policy listed in that poll, none recorded a lower level of public confidence than the government's treatment of asylum seekers. For the government to maintain that the parliament must pass this legislation now, given the complete collapse of its credibility in this area, is breathtaking in its audaciousness.

There were other iterations in all of this. At one stage the government promised a coast guard. They were going to protect Australia's borders with coast guard vessels which were going to ensure that somehow these people smugglers would not be able to ply their trade. We learnt that that was going to be based on three vessels. Three vessels were to protect 34,000 kilometres of coastline from the arrival of people by boat. It was such a ridiculous policy. I do not think it even made it to the 2007 election it was so lacking in credibility.

We have in front of us now, amidst the smoky ruins of policies, a policy to send people to Malaysia. The Senate has had the opportunity through its Legal and Constitutional Affairs References Committee to examine what this option actually means. In examining the evidence, the committee was overwhelmed by the inappropriateness of this option. It was not hard to discern a drift on the part of the witnesses and the submitters to the inquiry because there was only one class of witnesses and submitters—one that said that this option was not going to work. Every single witness and every single submission said the same thing. The result was a report which justifiably came to the conclusion—indeed, on the available evidence must have come to the conclusion—that the option was simply not the right one for Australia to pursue. It was based in part on the evidence of appalling conditions in Malaysia with respect to the treatment of asylum seekers: the mistreatment of those people in a country which does not recognise legal rights for asylum seekers or refugees; the caning of people in those places in cruel conditions;
the fact that women often have to sell themselves into prostitution to support their families because they are not legally, as asylum seekers, entitled to work in that country; and other privations and unacceptable conditions which any civilised nation ought to shy away from, not embrace.

That stands in contrast to the proposals that were working on Nauru under the previous government, which the federal coalition would return to if elected to government. If Australia itself were again running the facility on Nauru, as it did under the Howard government, all of those horrendous circumstances prevailing in Malaysia could be avoided. We could guarantee that people would not be caned, that people would be treated fairly and that there would be proper education, health care and so forth for those detained. But this government persists, or at least we think it persists. We are yet to discover what the government is going to do today. We are aware of rumours that the government's policy is being reconsidered as we speak in this chamber. Perhaps it will not be long before the members of the Labor Party in this place support what I am saying and accept that Malaysia is not the right solution. Who knows? That might be the outcome of a meeting which is underway in the building at the moment.

The government has proffered countless excuses as to why it cannot return to the proven, successful policies of the previous government. The explanation that we could not deal with a country that had not signed the refugee convention fell over some time ago when we discovered that Malaysia would not sign the convention but Nauru would. It is in the process of ratifying it at the moment. We were told that Nauru did not previously work because most people, it was asserted, who were sent to Nauru ended up in Australia as permanent residents anyway. We know that is also not true. We know that assertion excludes those people who were sent to Nauru but were found not to be refugees. That is one of the reasons for sending people to Nauru: so it is easier to ensure that you can process people and exclude from consideration those who are not found to be genuine refugees. Others who were found to be refugees were not sent to Australia. So in fact the total percentage of those who were sent to Nauru who came to Australia as permanent residents was something in the order of 43 per cent.

Whether that figure is high or low enough to satisfy the critics of the Nauru policy is irrelevant because it succeeded at another much more important level. It succeeded because it discouraged the people smugglers. It prevented the people smugglers from being able to offer a product. We know that for a fact because from 2001, when the Pacific solution was implemented, the boat numbers plummeted. As many people arrived in the succeeding six years under the Howard government under this so-called unsuccessful Nauru policy as have arrived in a single month under the failed Rudd-Gillard policy. That is in my view a very clear success. We were told that Nauru was a very expensive option and that it would cost us a lot of money. Towards the end of the period of the Howard government when it was possible to close the Manus Island centre—there were so few boats arriving it was not necessary any longer and there were very few people in Nauru—this policy was costing something in the order of $200 million a year. Today, the policy of this government is costing more than $1 billion a year—$1 billion to handle the government's policy of failure.

I ask honourable senators to put the question to themselves: how much better could Australia do if it spent that $1 billion on other things in relation to the plight of
refugees around the world? Imagine if we, by returning to a policy that was not so expensive, could invest that $1 billion in improving conditions in refugee camps, in improving education and health in those places and in dealing with the extreme needs of people in those places, rather than catering exclusively to the clients of people smugglers. Perhaps we could even increase our own humanitarian resettlement program. We would have the support of the Australian public to do that because they would see that we were in control of that policy; we were not victims of circumstance. That is another very important point about why this policy has failed. With that 17 per cent figure attached to the government's policy on asylum seekers, we have seen a collapse in public confidence in the ability of government to handle these issues properly. That sometimes can feed intolerance on the part of Australians towards asylum seekers. That is a very serious concern. It is important for the government to recover control of this system and confidence in its handling of it. The fact that the people of Australia are not confident in this government's handling of this policy is contributing to the problem we see in the Australian community with intolerance towards refugees.

We could measure the extent of the government's failure by those opinion polls, but there is another much more sobering and sadder way of measuring the failure of this government's policy—that is, by the extent of the deaths this policy has led to. It has been reasonably estimated, on the basis of the minister's own estimate of failed journeys from Indonesia and other places, that at least 400 people have died on the seas between Australia and the rest of the world attempting unsuccessfully to reach these shores. We saw some of those people die on our television screens last December when an asylum seeker vessel that was approaching Christmas Island crashed on its shores and 50 lives were lost. As sad as the loss of those lives were, they were not the full extent of the lives lost under this government's policies. There must have been at least another 350 people—probably more—in that category. That is a compelling, powerful reason to end this failed policy.

The Australian people are now hearing the government claim that, for all its different versions of what the right policy is, it has now got it correct. But the more Australians hear about the horrendous implications of sending asylum seekers to Malaysia, the clearer it is that this policy is also not going to work, quite apart from the fact that, under the swap arranged with Malaysia, the 800 people whom we are to send to Malaysia have already arrived in Australia. The quota which justifies Malaysia sending 4,000 people has already been met. So people smugglers who follow these issues would realise that more asylum seekers after that 800 will not be affected by the arrangement. It cannot work; it is doomed to failure. But I do not need to tell the government that. It is smart enough to realise that the Australian public knows that as well. The Australian public knows that this policy is falling apart in front of us. Give it a decent burial is my advice. Put it to rest. Go back to a policy which works and is more humane. It is galling, I know, to have to say that from your own lips, but it is true. It is more humane, it will fix the problem, and it is time that you went back to a policy that works.

Senator THISTLETHWAITE (New South Wales) (16:39): I speak in opposition to this motion on border protection. I do so because this government has done more than any other government in modern history in Australia to protect our nation's borders. This government has done more than any other government in modern history to develop a workable, long-lasting, sustainable, regional
solution to what is a very difficult and emotive area of public policy—a solution which, in our view, would prioritise an approach to a humanitarian intake of refugees to our nation. Such an approach would give priority to the principle that the Australian government has the right—as many other nations in the world have—to control our immigration intake. What have we seen from the opposition on this particularly important area of public policy? Nothing more than blatant opportunism and blatant opposition for the sake of the notion and the tradition that the government should have the right to control the intake of immigrants to this nation. That is a right which has been established over many, many decades in our great Federation.

The Gillard government is committed to strong border protection and an orderly migration program. That is why we have maintained the excision of offshore islands and maintained an offshore processing regime and mandatory detention of irregular maritime arrivals for rigorous health, security and identity checks. Australia’s borders are well managed and they are secure. Labor established the Australian Customs and Border Protection Service to provide a single point of accountability for the 15 government agencies directly and indirectly involved in maritime border security and to ensure that all agencies are coordinated to respond to the full range of border threats. These new arrangements have worked effectively, with better coordination between agencies now guided by Australia’s first comprehensive strategic border management plan. This plan ensures that border security agencies operate as a coherent whole working towards joint rather than individual agency priorities.

Labor has invested more than any other government in protecting our borders and detecting unauthorised boats. Over the last two budgets we have invested more than $1.8 billion towards stronger border and aviation security and, indeed, combating people smuggling. Labor has also increased investigatory and intelligence resources in the AFP People Smuggling Strike Team. We funded the Customs and Border Protection Service and the AFP to work with their law enforcement counterparts in countries including Indonesia, Pakistan, Malaysia and Sri Lanka. We have provided $24.8 million to help our regional law enforcement partners stop the business of people smuggling, including extra boat patrols, surveillance aircraft and communications equipment for the Indonesian National Police to detect and disrupt people-smuggling ventures in Indonesian waters.

Under this government, more than 200 people have been arrested and prosecuted in Australia in connection with people-smuggling ventures. That is 200 people who are not involved in this insidious trade of asking vulnerable people to risk their lives on the open ocean. In addition to that, we have had more than 100 arrests in other countries in the region based on the work of our law enforcement agencies in cooperation with those areas. In cooperation with our regional counterparts, Australian agencies have disrupted more than 200 people-smuggling ventures, with more than 5,000 foreign nationals prevented from coming to our shores by illegal means. In 2010, we introduced tough new people-smuggling offences. They included penalties of up to 20 years imprisonment and mandatory minimum terms of up to eight years. We legislated to give ASIO enhanced powers to investigate people smuggling and other serious border security threats and to collect foreign intelligence about people smugglers and their networks. We have also cracked
down on remittance dealers being used to finance people smuggling.

We believe in a border protection policy that is an effective deterrent to people smuggling. We believe that to provide an effective deterrent we need to work with our regional partners. We need to establish a regional architecture that ensures that people do not make these dangerous boat journeys and potentially end up on the rocks at Christmas Island. To ensure this we have been working with countries in the region to put in place strong people-smuggling laws. We welcome moves in several countries, including Indonesia, to criminalise people smuggling.

Labor supports strong border protection and increased opportunities for genuine refugees. The focus of our policy is prioritising genuine refugees who have been identified by the United Nations High Commissioner for Refugees, who have been sitting in camps for up to 10 years. Those that have been identified as genuine refugees are the priority of Labor policy. Since 2007 Labor has detected and intercepted more than 99 per cent of boat arrivals before they have reached the mainland. We have overseen the offshore arrests of more than 270 people-smuggling suspects. We have invested in eight new Cape class patrol vessels, strengthening our fleet of 18 ships and 17 aircraft devoted to working on tackling this difficult public policy issue. We have reached agreement with Afghanistan and the UNHCR on returning unsuccessful Afghan asylum seekers. We have worked with the Malaysian, Pakistani, Thai, Indonesian and Sri Lankan police to break up people-smuggling rings.

Importantly, we support genuine refugees. This is evidenced by the fact that Australia will increase its humanitarian visa program to 14,750 people a year should the new legislation be passed. We believe that the claims for protection of those who can afford to pay a people smuggler are no greater than the claims of those who cannot afford to do so.

There are 15 million refugees throughout the world. We need a regional solution to what is very much a regional problem. Australia will always only take a small share of the world's asylum seekers. What we have done through the Bali process is to set in train a regional process here which takes into account the nearly 100,000 asylum seekers in the Thai camps, which takes into account those waiting in Malaysian camps and which tries to recognise that we have got to shut down this insidious trade of people smuggling. The Bali process remains the only grouping in our region which comprehensively addresses the challenges of people smuggling and human trafficking.

Labor's border protection policies deliver. They deliver a fairer and orderly migration system for an increased refugee intake and for secure national borders and enforcement of Australian laws. Labor's policies aim to break the people-smuggling business model and discourage dangerous boat journeys before they start.

In the wake of the High Court decision, the Gillard government did what any good government would do. We acted quickly, we acted decisively and we took the advice of experts. We came up with amendments to the Migration Act which are workable but which importantly re-establish the principle, the tradition in Australia, that the government has the right to control its border protection policy, that the government has the right to control the numbers of those that come to our nation as refugees. It is consistent with a policy approach set down as a tradition by governments of the past but also consistent with international practices of
many governments which are signatories to the United Nations convention.

To do this we offered amendments to the Migration Act that were workable—the clearest possible deterrent to people smugglers. This did involve an agreement with Malaysia as the principal architecture for ensuring this. We believed that this would send a clear message not to get on a boat, because you would not end up in Australia. It is a genuine regional solution made under the auspices of the Regional Cooperation Framework. Importantly, it was shaped with the cooperation, guidance and involvement of the United Nations High Commissioner for Refugees. It did have the potential to improve conditions for refugees throughout the region and it would have seen an increase in Australia’s humanitarian intake. Most importantly, it would have re-established that principle that the Australian government has the right to control our borders and the intake of immigrants to our nation.

In the wake of this announcement, what did the Leader of the Opposition do? He made it very clear that he simply does not care about the lives of innocent asylum seekers. He is more interested in petty political point scoring. Meanwhile, the lives of women and children are being risked on the open seas. By opposing the government's efforts to amend the Migration Act, the Leader of the Opposition effectively gave a green light to the insidious trade of people smuggling. The people smugglers responsible for these boats have obviously received the Leader of the Opposition’s message. As long as the opposition continues to block the very sensible amendments proposed by the government to the Migration Act, it will leave open the possibility of the boats continuing to come. That, of course, leaves open the very real possibility of another Christmas Island incident. We simply cannot allow that to occur. We all saw the terrible footage of those involved in that tragic accident. When I saw the footage of that crowded boat being battered against the rocks in the ocean, and women and children being flung overboard and hanging on for their lives, I, like many, felt an overwhelming urge to dive into the water and help and protect those people. But of course we could not.

I have spent 26 years as a surf lifesaver, and that is the sort of thing you have nightmares about: watching a tragedy unfold before your eyes but being able to do absolutely nothing about it. We on this side believe that there is something we can do about it. There is something we as a nation could have done to ensure that vulnerable people do not end up in this situation, and that would have been to ensure the passage of the very sensible amendments to the Migration Act.

But what have we seen from the Leader of the Opposition, Tony Abbott? He has been blocking that effort. He might as well have been standing on the docks himself in those red budgie smugglers, ushering in the boats, saying, ‘Come on in.’ Usually, the red budgie smugglers are a sign of security. They are a sign of a person who is there to help—a lifesaver, a person with good intentions. But in the case of the Leader of the Opposition, when it comes to this very important public policy area, that could not be further from the truth. The opposition insists on making a mockery of this issue. Their refusal to face the facts and to accept the advice of experts is simply arrogant.

(Quorum formed)
Let us be fair to those opposite: they are just blindly following their leader, just as they have done on the issue of the emissions trading scheme. They used to believe in emissions trading, but now most of them no longer do. Why? Because the Leader of the Opposition has changed his view. Now they are blindly following their leader on the migration issue as well. And they are too egotistical to admit that they are wrong on this and that they are not forward thinking. They will not re-establish the principle that the executive level of the government has the right to determine the immigration policies for our borders.

The government offered the advice of experts on this issue. We offered a briefing to the Leader of the Opposition from the head of the immigration department, Andrew Metcalfe, a person whom the former immigration minister, Amanda Vanstone, has described as a 'first-class public servant'—a first-class public servant, dispensing wise advice to a government. He offered the advice to the Leader of the Opposition, and that advice was quite simply that Nauru will not work. But what does the Leader of the Opposition do? He ignores the advice of experts. The Leader of the Opposition has been told on several occasions that Nauru is not a workable alternative policy. Nauru will not work, because it is too costly, because it is an ineffective deterrent to people smuggling. It will not stop asylum seekers risking their lives or the vulnerable getting on those boats and paying people smugglers, and it will not stop that trade to this country.

Here they all are, struggling to make this argument. Nauru does not break the people-smuggling trade. We know that from the facts. You simply have to look at the statistics. About 68 per cent of those resettled from Nauru were resettled in Australia. A massive 95 per cent of those resettled from Nauru ended up in either Australia or New Zealand. In terms of the Pacific solution, 96 per cent of those resettled from either Nauru or Manus Island ended up in Australia or New Zealand. We also know that 61 per cent of those resettled from either Nauru or Manus Island settled in Australia alone. The opposition refuse to accept the current estimate on the cost of Nauru as a processing centre, which is about $1 billion in operational costs alone. The Leader of the Opposition refuses to accept that Nauru is ineffective and expensive. The opposition know it and they just will not admit it.

Then we had the issue of 'boat phone'. What a wonderful public policy response that was to this very difficult issue! Tony Abbott, the Leader of the Opposition, would simply get on the phone and turn the boats around. He failed to understand that the nature of the problem had fundamentally changed and that unfortunately we are not dealing with civil human beings here. What did those who involve themselves in people smuggling do in response to that? They simply disabled the boats. They punched holes in them and allowed people to potentially drown, and they potentially put at risk our armed services and those involved in coastal protection.

The UNHCR made it abundantly clear that the Nauru solution just involved dumping Australia's problem on small Pacific islands. It is quite clear through this motion that Nauru will not work, that those opposite do not care about border protection, that those opposite fail to understand—

(Time expired)

Senator CASH (Western Australia) (17:02): I rise today to contribute on general business notice of motion No. 485, in relation to border security. The bad news for
Australians is this: despite the comments of the previous speaker, Senator Thistlethwaite, in which he continually referred to the Gillard government's border security 'policy', unless the Prime Minister is currently doing a press conference the Australian Labor Party do not have a border security policy. Had you worked that one out yet? Do you remember that this morning you had an urgent cabinet meeting because you are in such disarray when it comes to protecting Australia's borders? Do you recall that you have all just been at a 4.15 pm caucus meeting to discuss what you are actually going to do by way of a policy? The Australian Labor Party, the current government, are in a situation that no other government in the history of Australia has ever been in: they do not have a policy in relation to the protection of Australian borders. Not only was their latest policy solution, the Malaysia solution, thrown out by the other place when a vote was taken on it, and not only has the High Court had a look at their latest policy solution, the Malaysia solution, and thrown it out; they actually cannot bring the legislation into the parliament. Do you know why they cannot bring the legislation into the parliament? Because they do not have the support for it.

A number of members of the left wing of the Labor Party last night were probably celebrating and drinking their chardonnay, which they like so dearly—if they were not bathing in it; whether they were drinking in it or bathing in it I am not quite sure—when the Prime Minister had to go to them and say, 'I can't bring the legislation on tomorrow, because the government will actually fail; we do not have the numbers.' The reason that they do not have the numbers is that, without a doubt, the so-called Malaysia solution is one of the most disgraceful policies that has ever been brought before this place. For the left of the Labor Party to have even been entertaining the idea that they would sit on that side of the parliament and vote for the Malaysia solution just shows that they are prepared to compromise every principle that they have ever held dear.

Since the inception of the Commonwealth in 1901, the first and foremost responsibility of a Commonwealth government has been the protection of Australia's borders, to ensure the security of its nation and its people. This is a fundamental responsibility of the nation's Commonwealth government, and it is a fundamental responsibility which every government other than the former Rudd government and the current Gillard government has taken seriously. A government, when it is elected, has some very clear choices to make. One of those choices is whether or not it will discharge its fundamental responsibility of protecting Australia's borders and ensuring the security of the nation of Australia. If a government is serious about discharging its fundamental responsibilities, it will take policy steps to ensure that this important portfolio area is not compromised. If you look at the track record of the former Rudd Labor government and the current Gillard Labor government, you will see that both governments have failed dismally when it comes to their first responsibility to the people of Australia. We now have a situation whereby the Australian Labor Party are confronting an institutional failure in their border protection policies. Why? Because when they were elected to office in 2007 they deliberately chose to commence a wind back of the proven border protection policies of the former Howard governments.

When the Labor Party were elected to office they inherited a solution. Let's not start talking about the $22 billion in the bank that they inherited. Let's not start talking about the billions of dollars in future funds that
they inherited. Let us talk about the fact that in relation to border protection they inherited a solution. Under the former Howard government, we stopped the boats coming to Australia. As the former Speaker said his own government wanted to do, we broke the people-smugglers model. We instituted strong and effective policies. We stopped the boats.

When those on the other side were elected to office in November 2007 they inherited a solution. What did they decide to do with that solution? A little like the $22 billion surplus, a little like the future funds that we actually shed blood over to create whilst paying off Labor's debt, which was in excess of $96 billion, they decided: 'We were given a solution, but we are smarter. All the coalition did was stop the boats. All the coalition did was break the people-smugglers model. We are so smart and we will do it one better.' I do not know what that one better was meant to be. What did the other side do?

In 2008, the Labor Party took steps to wind back our strong border protection policies. I would say that is possibly one of the most stupid acts ever undertaken by a government in Australia. Why do I say that? The statistics prove that that was exactly what that act by the Labor Party was. The Labor government abolished the Howard government's strong, proven and effective border protection policies—and that was only in August 2008, not that long ago in the scheme of things—and over 12,000 people have jumped on boats and attempted the treacherous journey to Australia. Two hundred and forty-one boats have arrived in Australian waters. That is a successful policy if ever I heard of one, especially when their stated objective is to stop the boats! Twelve thousand people on 241 boats, and what is worse is that the Labor government have only been able to remove three per cent of those 12,000 people because they have failed, yet again, to negotiate return agreements with other countries.

In Senator Thistlethwaite's contribution to this debate, he raised a number of issues in relation to Nauru. He said that Nauru was not a valid option for three reasons. He said it was not effective. That is just plain wrong because, again, in 2007 zero people came to Australia and, unless my recollection is incorrect, we had offshore processing on, lo and behold, Nauru. The argument put forward by Senator Thistlethwaite that Nauru was not effective is just plain wrong. He also said that Nauru was more expensive than the Labor government's policy. He quoted a figure of $1 billion. Senator Thistlethwaite, $1 billion to reopen Nauru and keep it running is far less expensive than the $1 billion of taxpayers' money that the Labor Party are wasting every year in cost blowouts in the area of immigration policy. The current Labor government have had more than $3 billion of taxpayer's money in that area and they have thrown it up against a wall, because they could not leave the border protection laws in Australia alone.

The third point that Senator Thistlethwaite made was that we could not do it because the High Court said that Nauru was wrong. Yet again that is just plain wrong. That is not what the High Court said. The High Court made it quite clear, and the coalition received legal advice from the former Solicitor-General that Nauru was not impacted by the High Court's decisions for some very salient reasons. One of those reasons was that the asylum seekers on Nauru were overseen by Australians. We were able to ensure that the human rights of those people sent to Nauru were actually upheld because Australians were working on Nauru. That is very, very different to the current arrangement, which is no longer an arrangement as of this morning because there is no Malaysia solution. But the government
of Australia did manage to negotiate an agreement with Malaysia—a rather strange agreement because we send them up to 800 and we get 4,000 back. It is an agreement with a country that is not a signatory to the UNHCR treaty and clause 16 of the transfer arrangement negotiated between the parties specifically states that the agreement is not legally binding. Clause 16 states that this agreement represents merely the political aspirations of the party. How absolutely fantastic! The last time I checked, if something was not 'legally binding' it meant that neither party was able to enforce its obligations under the agreement. But the Labor Party, the champion of those in need, does not seem to care about that. It does not seem to care at all.

What is worse, though, in relation to the Malaysia solution, which we really should not be calling a solution, based on what is currently occurring down in the caucus room—Senator Mason, do you have an update for me? Does the Labor Party have a border protection policy? Has there been an announcement?

*Senator Mason interjecting—*

**Senator CASH:** Okay, there has not been an announcement so we are still in the situation where there is no border protection policy in Australia. But what is worse is that over 1,200 people have arrived in Australia since the Malaysia solution was announced. Remember, the deal was good for only 800 people. What did the Labor Party do? They slightly reworded what they were going to do and said, 'No, no, it was not since the agreement was announced; it was since the parties signed the agreement'. So, 1,200 people have arrived since the solution that is neither a solution nor a policy was announced. The solution was only good for up to 800 people since it was signed, and guess what? Guess how many people have now arrived in Australia since the two parties signed the agreement? That would be just shy of 800—730. One more boat, which may have left Indonesia and be arriving shortly, and guess what? The Malaysia solution is all over before it has even begun.

The government can stand up and say, if and when it manages to get this legislation through, 'By the way, 800 people who arrive here all know—' But guess what? They have already arrived. Do you know who I feel good for? That is lucky No. 801. Do you know who I feel really bad for? No. 800. Can you only imagine? 'No. 800, you are off to Malaysia, but you, No. 801, have won the Labor Party border protection jackpot. You get to stay in Australia.' That is absolutely farcical and does not in any way represent responsible border protection policy in Australia.

It is not just those on this side of the chamber who have consistently criticised the stance that the Labor Party has taken on the Malaysia solution. Only yesterday in the chamber I had to remind those on the other side who were not from Victoria that the Victorian branch of the ALP had voted unanimously—yes, unanimously—to urge the Labor caucus to reject the so-called Malaysia solution. The last time I checked, none of us were in the Victorian branch of the ALP so that must mean the Victorian branch of the ALP does not support the current federal government's policies. But it went further than that. What did Michele O'Neil, the National Secretary of the Textile, Clothing and Footwear Union of Australia, have to say about the government's Malaysia solution? A big supporter of the Labor Party is dear Ms O'Neil, and she had this to say: This is a shameful moment for us as a party. Again, that was not anybody on this side of the chamber saying that—that was a staunch Labor Party supporter.
Let us not forget the emotional pleas made both publicly and behind closed doors in caucus by Labor elder statesman Senator John Faulkner. He is someone you might say those in the Labor Party should be minded to listen to. It did not stop there. You had Left faction convenor, Senator Doug Cameron. Maybe he was one of those who was celebrating last night that Mr Crook was not going to support the government's Malaysia solution. And it did not stop there. We all know Senator Gavin Marshall is passionately against the Labor government's Malaysia solution. They all came out against the current government's policy.

Again, they are not on this side of the chamber—they are not us. I am quoting directly from members of the ALP, the Victorian ALP and a member of a union. All of them are opposed to the position that the government has taken on Malaysia. But it does not stop there. The Senate Legal and Constitutional Affairs References Committee had an inquiry into the Malaysia solution. If you go online and read the submissions to the inquiry, all of them oppose the government's Malaysia solution. Then we have the Monash University research, which shows that only 7.3 per cent of Australians think that the government is doing an okay job when it comes to border security.

Senator Mason: How many?

Senator CASH: It is 7.3 per cent. What does that mean? It means that 92.7 per cent of Australians are not happy with the job that Labor is doing in relation to border protection. Let us not start quoting statistics on just how upset the public is about the fact that the carbon tax went through the House of Representatives yesterday. It would appear patently obvious to everybody, except those in the Labor Party, that their direction on border protection policy is inadequate and unacceptable.

Over 12,000 people have arrived since the Labor Party wound back the Howard government's proven policies. Over 1,200 people have arrived since the Labor Party announced the so-called Malaysia solution. Let us not forget that the Malaysia solution was on top of the failed East Timor solution, which was on top of discussions that we may or may not have been having at any particular point in time with PNG, which were on top of—the list goes on and on.

Some 1,200 boat people have arrived since the deal was announced. The deal is only good for 800 people and we are already at 730—and the deal has not even started. One more boat and it is all over—before it has even begun. The coalition's approach of processing on Nauru, reintroducing temporary protection visas and turning boats back when it is safe to do so is the only way forward. The Labor Party just cannot seem to swallow its pride and do something effective.

(Time expired)

Senator STEPHENS (New South Wales) (17:23): We are in an extraordinary position today simply because of the recent High Court decision. Until that ruling was made, we were in the same place as the opposition on this issue. We were in the same place in that we were all supporting an offshore processing regime based around the outcomes of the Bali process—the ministerial conferences on people smuggling. The Fourth Bali Regional Ministerial Conference supported the Malaysia approach in the sense that the conference, co-chaired by Australia and Indonesia and held in March this year, agreed that there needed to be:

… an inclusive but non-binding regional cooperation framework would provide a more effective way for interested parties to cooperate to reduce irregular movement through the region.

The conference also agreed:
... where appropriate and possible, asylum seekers should have access to consistent assessment processes, whether through a set of harmonised arrangements or through the possible establishment of regional assessment arrangements, which might include a centre or centres, taking into account any existing sub-regional arrangements.

I was quite horrified by two things about Senator Cash’s speech. The first was the fact that nothing in her 20-minute tirade actually reflected on the extraordinary situation of people who find themselves seeking asylum in Australia. Honestly, I gasped at the fact that there was not a single ounce of compassion in anything that she said. She used expressions like 'being able to remove people quickly' and 'not being able to articulate and act on return agreements'—returning people to where they came from.

One of the most gut-wrenching stories I have heard—from the previous government’s regime—was about the return of heavily pregnant women to China. Once they were returned to China—forced by the previous government—they had to endure late term abortions. Let us just think about the real circumstances of people coming to Australia and let us think about what a return to Nauru and temporary protection visas reflects. That is the opposition’s position here. That is really what they want to see; that is how they think they are going to turn the boats back.

What that policy effectively did—and we know this from all the submissions from several inquiries—was send people mad. It destroyed them and damaged them for life. It stressed people—and not just the asylum seekers themselves. It distressed and stressed the people who had to care for them; it distressed and stressed officials. It created a permanent sense of displacement amongst people who were seeking asylum from circumstances in their own countries which were pretty horrific.

The driving of this debate to such a space, to such a level, is fundamentally bottom feeding. It is bottom feeding on the perils, the misery and the concerns of these people. What should we be doing instead? I will quote from someone from the other side of politics, the former Liberal member for Kooyong, Petro Georgiou, who last month wrote that it was:

… an indictment of Australian politics—

I so agree with this—

that refugees are being treated as human footballs.

He says that there is a very obvious way we need to go. When you think about these things, this is exactly what the government has been trying to prosecute. Petro Georgiou suggests:

The first step is to recognise that boat arrivals, regardless of punitive measures, will continue.

You only have to look at what is happening all around the world. You cannot ignore what is happening in the rest of the world. You cannot put a metaphorical fence around our borders and say that no-one can come here, because people are desperate. They are in desperate straits, fleeing persecution, fleeing tyranny, fleeing circumstances that we cannot even begin to imagine. We cannot deny that people have a right to seek asylum and a right to try to escape their circumstances. Petro Georgiou goes on to say:

The second step is to explain to the Australian people why humane treatment of boat arrivals is not a threat.

That is really true. As Petro Georgiou says, we need:

… to inform Australians about the number of arrivals, who they are, how we determine they are genuine, and the persecution to which they have been subjected.

And, I would add, we need to inform Australians about how their processing is
being managed. Petro Georgiou’s article continues:

The third step is to reach agreements with regional nations that give them some degree of comfort … relieve the pressure on them and make for a more orderly process, and hopefully reduce the number of people coming on unseaworthy crafts.

Quite frankly, that is what this was all about. That is what the Malaysia solution seeks to do: it seeks to consider the issues of the millions of displaced people in the world, to share the load, to create an orderly process and to provide disincentives. I remember when the Prime Minister announced the agreement with Malaysia she said, ‘This isn’t the end of the process; this is the beginning of strengthening a regional cooperative framework.’ The Papua New Guinea proposal was being acted upon as well.

We have a responsibility here to reflect on the urgent need for us to be part of a global resettlement process. We need to ensure that the Australian people understand that, no matter what side of politics you are on, we are a compassionate government. This motion today, which goes to the notion of fear mongering about our borders and pretends that we have porous borders on the immigration issue, really goes to the basest fears and fear mongering that Australian politics has so often become in recent years. It is bottom feeding, and people deserve better. People deserve to know that we do adhere to the United Nations refugee convention, that we do try to process people and that we do have a fundamental policy that is about minimising the impact of people who come here and about assessing their bona fides—and that is not easy when someone is displaced. We also know that there are people to whom the expression ‘stopping the business model’ is fundamentally important, because there are always people who make money out of other people's misery—they traffic in human misery.

The stories we have been hearing about what has happened as people have come on the boats are horrific. The first part of the deal is of gangs that are starting to sell passages out of Indonesia and other places and the second part of the deal is of then sending pirates after them to disable the boats and steal everything that everyone has, including any documentation. There have even been some unsubstantiated reports of children being stolen. All kinds of things are happening around the world—it is not just happening out of Indonesia. This is the misery of human slavery and human trafficking, and we cannot ignore it. We are an intelligent, educated, sophisticated and wealthy country and we cannot ignore that we have a responsibility to be part of the global solution here.

We need to do what we can. We need to think about the issue of resettlement. We need to explain to the Australian people that a refugee seeking asylum is assessed and then is offered resettlement. We need to educate Australians about the process. We need the issue to be taken seriously. We need to ensure that we can do what we want to do in supporting our economy and in supporting people who come here in an orderly way.

The High Court decision has meant the opposition taking the opportunistic view of not to support the changes to the legislation which would have reinstated the position that we all thought we were in a few months ago. That is honestly not about border protection; it is about playing base politics. It is about preventing the notion that we can be a people and a nation that has some compassion and some capacity to be sensible about these things. The idea that it is not in the national interest to pursue a regional framework is really mischievous of the opposition
spokesperson. It is simply base politics to be playing with words. It is not about border protection. The national interest is served when we can play our part in a global solution to this issue and when we can put in place systems and processes that help to manage people's expectations.

The notion that we had of taking an additional 4,000 refugees who had been processed from Malaysia and bringing them to Australia was all about saying to people: 'We are giving you hope that there is a process. We are giving hope to asylum seekers who have been languishing in refugee camps close to us as part of a regional solution and our regional role of leadership and concern by saying that there is an option, and we will start to process these things quickly.' Isn't that what we should be doing? Isn't it where we should be going? We should be getting away from playing on people's emotions and playing to their fears and concerns. The idea of whipping up a campaign that says, 'We cannot possibly take these people from Malaysia because we are going to lose Australian jobs,' just goes to the issues that are being played in the community right now because of the uncertainty and the challenge that the High Court decision left us with.

I agonise about this issue of offshore processing—I can tell everybody that. I have not had the opportunity to speak publicly about it before. I would much prefer that we move more quickly to an onshore processing system, but I do acknowledge that the idea is bigger than us, the system is bigger than us and the processing challenge is bigger than us. We need to do so much more. We need to move quickly to supporting identity checks, security checks and health checks, to supporting what the Minister for Immigration and Citizenship is doing now in trying to get children out of detention centres, to supporting people in community detention and to processing people much more quickly than we have.

Senator Ian Macdonald interjecting—

Senator STEPHENS: The option from Senator Macdonald and those opposite is that we would go back to temporary protection visas, which, as I said, sent people mad. The notion that you should be in suspended animation with no support, no contact and no opportunity for family reunion is seriously flawed. It is inhumane in the extreme. It is isolating. It is desperate. It led people to do self-harm. It really is the most inhumane way forward.

The issue that we have on our side of politics is how we manage the concerns that we have about people and how we manage the concerns that we have as a government with protecting our borders and our national interests. Beyond the arguments that underlie this debate are all the other things that we are doing to protect our borders. The things that we are doing in terms of the environment, illegal fishing, antidumping and so on do not hit the radar in this debate because this is about base politics. This is really about the things that the government can do to destabilise people's confidence. It is really very frustrating.

The spirit of the refugee convention is alive and well and underpins the solution that we had before us. We will continue to pursue the Malaysia agreement, I am sure, because it is part, as I said, of the regional framework—

Senator Ian Macdonald interjecting—

Senator STEPHENS: It is part of what you would be doing too, I am sure, if the opposition really believed in the Bali process, really wanted to continue that kind of regional framework and really wanted to play the leadership role that is part of Australia being an educated and wealthy nation in the South Pacific. These are the
things that we have to take on board. These are the challenges and the responsibilities that we have to shoulder as a nation.

It is not about playing base politics. It is not about closing our borders to anyone. It is not about deciding the how and who and when of allowing people to come to this country. It is about being compassionate. It is about being an international citizen. It is about recognising our responsibilities. It is about ensuring that we find a strong regional and international arrangement that actually deters secondary movement of asylum seekers. This is not an easy issue. If we take it down to a very simplistic 'stop the boats' kind of three-word slogan, we avoid the intellectual responsibility to turn our minds to the ways in which we can stop the business of people smuggling, stop the misery of human trafficking. We need stop playing this kind of base politics and stop fearmongering in the electorate for political gain.

We have a responsibility here to say to the Australian people that there are millions of displaced people around the world and we do not have the right—if we want to have international trade, if we want to have the freedom to travel all over the world, if we want to be international citizens ourselves—to say, 'We will put bunkers up and no-one will come here unless we allow them to.' We have to be quite reasonable and strategic about the way in which we deal with border protection issues. We have to be compassionate and strategic in the way in which we deal with asylum seekers. We certainly have to be compassionate and strategic in the way in which we deal with the whole refugee issue around the world. If we are playing our part in military conflicts around the world, there are consequences to that, and the consequences come with responsibilities.

For me, the issue of the Malaysian solution and the amendment to the migration bill now not proceeding, because of the obfuscation of the opposition, is a real disappointment, because it would have been a way forward in terms of our regional strategic framework. It is something that we have to live with. We will have to find a way forward. If the opposition were the government tomorrow, they would have to find a way forward on this too. It is not an issue that is on one side of politics; it is for all of us to deal with.

Let us be real about this. We need to have compassion and humanity. The issue of refugees and asylum seekers is about much more than border protection. It is about our role as international citizens and our reputation as an international strategic nation in the world. We have a big reputational risk here, and it behoves us all to find a way to resolve the problem.

**Senator IAN MACDONALD:** As provided for in standing order 199, I move:

That the question be now put.

Question put.

The Senate divided. [17:48]

(The President—Senator Hogg)

Ayes .................40

Noes .................26

Majority ..........14

**AYES**

Abetz, E

Back, CJ

Birmingham, SJ

Boyce, SK

Brown, RJ

Cash, MC

Di Natale, R

Eggleston, A

Fierravanti-Wells, C

Fisher, M

Humphries, G

Joyce, B

Ludlam, S

Madigan, JJ

Adams, J

Bernardi, C

Boswell, RLD

Brandis, GH

Bushby, DC

Colbeck, R

Edwards, S

Fawcett, DJ

Fifield, MP

Hanson-Young, SC

Johnston, D

Kroger, H (teller)

Macdonald, ID

Mason, B
Question agreed to.

The PRESIDENT: The question now is that the motion moved by Senator Humphries at the request of Senator Fifield be agreed to.

A division having been called and the bells being rung—

Senator Ian Macdonald: Mr President, before the vote is taken, could you just read out the motion so we are all clear on exactly what we are voting for? I suspect the Greens might not understand that by voting with the government—

The PRESIDENT: I am usually advised we simply say it is in the Notice Paper.

Senator Ian Macdonald: I thought there was a standing order—I do not have my standing orders in front of me—that provides that any senator can ask the Presiding Officer to read what the motion is.

The PRESIDENT: I do not read the motion; the Clerk reads the motion.
Thursday, 13 October 2011

SENATE

7431

CHAMBER

NOES

McEwen, A (teller)  McLucas, J
Milne, C  Moore, CM
Polley, H  Pratt, LC
Rhiannon, L  Sherry, NJ
Siewert, R  Stephens, U
Sterle, G  Thistlethwaite, M
Urquhart, AE  Waters, LJ
Wright, PL

Question negatived.

DOCUMENTS

Department of Agriculture, Fisheries and Forestry

Debate resumed on the motion:

That the Senate take note of the document.

Senator IAN MACDONALD

(Queensland) (17:58): I know the Greens will have a view on this document about livestock mortalities during exports by sea because they were one of the ones that convinced Senator Ludwig that he should ban the live cattle trade. But what about the way they have just voted on the last motion, where, after spending all fortnight attacking the government on the Malaysian solution, they just came into this chamber five minutes ago and supported the government on the way the government has run the borders, that is, sending children to Malaysia for dealing with over there. What hypocrisy, again, from the Australian Greens. And we will see it in this document that I am referring to about livestock mortalities. One would think that the Greens would be here en masse talking about this particular document, but they are so hypocritical.

I just emphasise to anyone who might be listening to this debate at six o’clock on a Thursday afternoon as they drive home from work that we have just seen the spectacle of the Greens, after all fortnight attacking the government on Malaysia, proposing all of these other issues and threatening to vote against the migration arrangements, then, when a vote came in the Senate, slipping over and voting with the government to support the Malaysian options. Does the hypocrisy of the Greens know no bounds? It is just incredible.

On this document I am talking about, who knows where the Greens would be? Are they in favour of live cattle exports or are they opposed to them? They do not know themselves. You see, Madam Acting Deputy President, they came in here on the last motion, and first of all they were going to oppose the guillotine. But when they saw that it was me who had moved that the motion be put and the only person who was guillotined by that motion was me, the next speaker, they then suddenly decided, ‘Oh well, we don’t want to hear Macdonald, so we’ll go over there.’ They are all over the ship. It used to be the case that, on the live cattle issues and issues of livestock mortality, they were always seen as the principled party, the ones who always did the right thing. Yet you see from today that they have supported the guillotine seven or eight times, and they even supported the guillotine that, as I say, I moved against myself.

The Greens seem to now be addicted to guillotining debates. I have been here a long time. I used to have to put up with Senator Brown speaking for hours at a time about how awful, how evil, the John Howard government was when a guillotine was introduced. And here they are, seven or eight times this week already, supporting the guillotine.

For those who might be listening, what we are doing now is going through a whole list of government documents that are filed during the week. These documents give senators and members the opportunity of looking a bit more closely into the reports that are given to government. This one
before us deals with livestock mortalities. It is the sort of thing that senators relish the opportunity of getting a bit closer to and having a look at, but where are the Greens when we have these documents here? They never show up, because we know that at this time of night it does not attract much media, so Senator Brown and his cohorts are out of the chamber. This report on mortalities is a document that I would urge senators to look at to understand the issues involved. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Apple Imports

Order for the Production of Documents

Debate resumed on the motion:

That the Senate take note of the document.

Senator FAWCETT (South Australia) (18:03): I would like to speak to the document 'Trade—New Zealand—Export of apples to Australia—Order for production of documents'. This is an issue that is of significant concern to apple and pear growers in South Australia. They have an industry which is known for its clean and healthy fruit that can be exported to a number of markets around the world. They are seriously concerned by the actions of this government, which, for very political reasons, made a commitment to New Zealand before even seeking advice from its department. The subsequent actions of trying to justify those actions through Biosecurity have caused a great deal of concern for growers, their families and the communities who depend on that, who are concerned about the future for their industry.

One of the things that have been very pleasing to see in South Australia is that the Foodland supermarket group has actually taken its own steps to decide that it will support local growers. It has taken a decision not to stock New Zealand apples but to stock local apples and so support the industry there. I take this opportunity to put on record the actions that it has taken, which I think are very supportive of our local growers, and I encourage people in South Australia to support people who are supporting local growers of fruit and vegetables, to keep our industry and our growers viable and sustainable into the future. I seek leave to continue my remarks later.

Leave granted; debate adjourned.
members of the Australian Labor Party or by the two New South Wales rural Independents, the members for Lyne and New England. One might just think that that is coincidental, but when you consider that most rural and regional electorates are actually represented by members of the Liberal and National parties, and in one case by an Independent who did not support Ms Gillard in her successful bid to become Prime Minister, those electorates got absolutely nothing—sorry, some of them got something, but it was a pittance. You will also note, if you look at the grants approved by Regional Development Australia, that the biggest grant of $400 million for regional development went to—hang on, wait for it—roads around the Perth airport. I know that my colleagues from Western Australia will tell me that the roads around Perth International Airport and Perth Domestic Airport are important and should be funded—and I agree—but out of the regional development fund! Since when is Perth airport regional development? I was there a few weeks ago and it was only a 10-minute taxi ride into Perth CBD. That is hardly a regional development program.

Just last week I attended a meeting of the Gulf Savannah Development Association in Doomadgee, in north-west Queensland. For those who do not know, the Gulf Savannah Development Association comprises all of the mayors of the five shires, up around the Gulf of Carpentaria, all fairly remote. It also comprises some other regional development organisations in that area. The meeting was, coincidentally, held the day when, or the day after, these regional development grants were given. The whole of Northern Australia—very much a part of the grants approved by the regional development department—got one grant, for a walkway on Magnetic Island, just off Townsville.

Senator McLucas interjecting—

Senator IAN MACDONALD: Senator McLucas interjects, 'Don't you want that?' Of course I do. All congratulations to Mr Ewen Jones, the Liberal member for Herbert, in whose electorate Magnetic Island is. Great work, Mr Jones, on your lobbying effort and great work on getting this actual walkway, which is important.

In fact, the Labor government promised it prior to the last election, but the money came out of the Regional Development Australia Fund. But that was the one grant for the whole of Northern Australia. How much was it, Senator McLucas? You would know. A couple of million dollars? Yet Perth airport, almost in Perth's CBD, gets $400 million and the one grant for Northern Australia, which Senator McLucas sometimes claims to represent, got the Magnetic Island Walkway. I am delighted that Magnetic Island got the walkway but, gee, come on! All of those councils that I talk about in the Gulf Savannah Development Association put up magnificent projects, projects that would have been very important for the development of that part of regional Australia. But did they get anything? No. All the money went to Perth airport.

Senator McKENZIE (Victoria) (18:10): I would like to congratulate Senator Macdonald on quite a good synopsis of the general feeling on this side of the chamber on how the regional development grants were distributed. In my own state of Victoria, out there in the regions there are two seats that are held by the Labor Party, being Ballarat and Bendigo. Both of them received significant grants under this program. I too would never ever denigrate money being spent in the regions and I appreciate the effort. However, it is hard not to be cynical when you look at the fantastic projects that were put up right around regional Victoria that just did not make the grade. I want to mention the playground in
the Wannon electorate. A couple of hundred thousand dollars was thrown at Wannon, while much more significant amounts were delivered into the seats of Bendigo and Ballarat. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Department of Health and Ageing


The ACTING DEPUTY PRESIDENT (Senator Moore): Leave is granted, with the proviso that we will move back after that time to the other documents.

Senator POLLEY: I move:

That the Senate take note of the document.

This gives me the opportunity to talk about a forum that was held in Launceston last week for older Australians, which talked about the Productivity Commission’s report on health and ageing and what we are confronted with moving forward as an Australian community with our ageing population, of which we are all very much aware.

I want to put on record the fact that Minister Butler attended that forum, along with local member, Mr Geoff Lyons. Tonight I want to talk about the overwhelming enthusiasm from the almost 200 people who attended that forum. As we all know, Tasmania is one of the states that has a rapidly ageing community. We have fantastic aged-care facilities and the majority of them are run by not-for-profit organisations. They are facing many challenges in relation to infrastructure and cost. We all know that too many of the tough decisions about aged care were not addressed by the previous government because they did not want to have to make those tough decisions. Once again, the Gillard Labor government will move towards addressing the aged-care issues that need to be addressed.

I want to touch on some of the issues that were raised by community members. It was a true reflection of those people not only in Launceston but in the surrounding areas who either work in aged care or have family members, like me, who declared an interest in ensuring that we move in the direction that we need to, to ensure that older Australians have the best possible opportunities to stay at home for as long as they can but are given the support that they need to be able to have an engaging and fulfilling life as they continue to age. We have made the transition over the last hundred years to add another 25 years to the age that we can expect to live, which means that people who would normally be looking at retirement at 65 have to plan for their future for a considerable time ahead. They have to make decisions about what they want as their normal life expectancy comes to an end.

It will take not only a great deal of money but also a great deal of patience to ensure we get the processes right. In terms of the issues that were raised it is really important that we not only look at keeping people in their homes but also address issues relating to dementia. I am sure that everyone in this chamber and many who are listening know of or have been affected in their own families by dementia. The reality is that because we are living much longer, which is a good thing, we should be instilling good health practices throughout our life to ensure that we give ourselves the best opportunity to have healthy and fulfilling retirement years. We have to make sure that, wherever possible, we give support to the families and individuals in relation to how we treat dementia.
When we are talking about older Australians, we have to also remember that there is an increasing number of older women who are now finding themselves homeless. These women have, unfortunately, not had the opportunity to be in the workforce as long as people like me and my generation have, and future generations will have. They are finding themselves without any superannuation, and in some cases where their marriages break down they are left with nothing. Homelessness is affecting older Australians and it has to be addressed. That is part of what we need to do in planning for the future. In that planning we have to ensure that, with the peak we hit with the baby boomers and those of us who are on the tail of the baby boomer generation, we have infrastructure and facilities that can be used for the community and that huge influx of needs.

I want to place on the record once again my thanks and appreciation to those members of the community who all came with good intentions to put forward their views on what needs to happen and I also acknowledge the work that this government and the Productivity Commission have undertaken. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

The ACTING DEPUTY PRESIDENT: We will now return to items Nos. 10, 11 and 12.

Natural Heritage Trust of Australia

Senator IAN MACDONALD (Queensland) (18:17): I move: Document No. 10 is the 2008-09 report of the Natural Heritage Trust of Australia, which senators will recall was an initiative of the Howard government and which, in brief, succeeded in putting the proceeds of the sale of Telstra into good environmental projects around Australia.

In the NHT, as I refer to it, there were a number of grants in that year for parts of North Queensland and Northern Australia. What we as a government wanted to do was make sure that the natural heritage of those areas was supported. It was supported through NRM groups, where people who lived on the land—in the case of the gulf and Cape York, Indigenous people, cattleman, graziers and community dwellers—could do things cleverly, allowing for production to come off that land.

All the good work that the Natural Heritage Trust did do and could have done more of was abrogated when the Queensland government for purely political reasons introduced the wild rivers legislation. The way in which the wild rivers legislation was introduced into Queensland is well known: there is a coffee shop in South Brisbane where the Greens got in representatives of the Australian Labor Party state government and said to them, 'Look, if you want our preferences for the next election, you'll lock down Cape York.' So the Bligh government, never known for its—

Senator Waters: That is not right and you know it.

Senator IAN MACDONALD: Senator Walters, a Green from Queensland. Weren't you at the meeting, Senator Walters?

Senator Waters: Get my name right.

Senator IAN MACDONALD: Senator Waters, sorry. That is clearly understood as being what happened. Perhaps the good senator will indicate where the deal was done if it was not done in a coffee shop in South Brisbane. Bad though it was shutting down that part of Cape York adjacent to what are called wild rivers, we now have the proposition by the Greens, the Pugh Group and a few other loonies of the Left to shut
down the whole of Cape York by declaring it a World Heritage area.

Anyone from Queensland would have seen the outrage from the Indigenous people when they heard that the Greens and others and the Labor Party were intending to put a World Heritage listing over the total landmass of Cape York. Can you imagine what that will do to Indigenous people up there?

Senator McLucas: Why don’t you tell a bit of truth?

Senator IAN MACDONALD: Senator, if you want to contribute to the debate you get up and tell me where I am wrong. You told us, Senator McLucas, just before the last election that there was not a detention base at the Air Force base near Weipa, remember? You told us that was not going to happen just before the last election.

The ACTING DEPUTY PRESIDENT (Senator Moore): Senator Macdonald, you know that discussions across the chamber are disorderly.

Senator IAN MACDONALD: I am sorry. I was provoked by the interjection, Madam Acting Deputy President. Giving Cape York World Heritage listing will destroy Indigenous communities up there and take away any prospect they may ever have of looking after themselves. It will condemn them to a life of welfare. I cannot but help think that it is for some reason part of the approach of the Australian Labor Party to ensure that Indigenous people are always subject to government funding and welfare, because they take away under Wild Rivers and under World Heritage listings the opportunity for Indigenous groups in those areas to conduct businesses, to participate in mining businesses and to conduct cattle operations. That has been well publicised. You would have seen in the Queensland press just a few days ago, if I recall correctly, how Indigenous leaders were incensed and were making their voices heard on the proposal that is floating around the make Cape York a World Heritage listed property.

Senator BOSWELL (Queensland) (18:22): I am indebted to Senator Macdonald for raising this issue. World Heritage listing for Cape York is a very serious issue. It is where most of the Indigenous people in Queensland live. About 16,000 Indigenous people live in Cape York. They are led by a very able Indigenous leader, Noel Pearson, who has come to the conclusion that welfare has destroyed his people. He is trying to lead them out of it.

In 1987, the then Premier, Sir Joh Bjelke-Petersen, under a deed of grant in trust, gave millions and millions of acres to the Indigenous people. He gave it to them under a deed of grant in trust to allow them to go to their local council and say, ‘I want 20 acres to grow bananas,’ or ‘I want 10 acres to grow passionfruit’ or whatever. That was deeded to them. Everyone was pretty happy with that until the Greens decided that they wanted Wild Rivers. Wild Rivers was put in as a forerunner to World Heritage listing. I could see this coming. It stood out so vividly that I asked Mr Warren Truss to get an assurance or an ironclad guarantee from the then environment minister, Mr Garrett, that World Heritage listing would not go ahead without the support of the Indigenous people. And he did; he said he would never do it without the support of the Indigenous people.

But now we are getting World Heritage by what I call creeping acquisition. Mr Burke said the other day: ‘We'll just go and get some selective little places. Instead of listing the whole of Cape York, we will get little pieces—a beach here, a mountain there. And we will give $3 million.’ Then the state government said, ‘We'll give $3 million, too,’ So that is $6 million for them to go out and
buy the favours of Aboriginal people and to
get them to support World Heritage listing.
Fortunately, Noel Pearson saw this coming.
He has rallied against it and told the people
not to sell their heritage out. He told them
that their land is worth more than that.

As Senator McLucas would be aware, at
the last election it was a wipe-out for the
Labor Party in the communities. Aboriginals
who have traditionally voted Labor—who
have done so for as long as I can remember—at the last election turned
around. They turned around on Stradbroke
Island, where the Greens demanded the
closure of the mineral sands. There were 60
Indigenous jobs there, and they were wiped
out. I walked onto the island and the
Aboriginal people came to me and said: ‘We
have never voted for the National Party or
the Liberal Party in our lives. We voted for
them this time because the Labor Party is
trying to destroy our livelihoods. What do
we do? Do we sell out or stay here and catch
planes up to Rockhampton?’

Then the Greens demanded World
Heritage listing for the Lake Eyre Basin. To
get that, they are going to promote Wild
Rivers legislation for that. They are going to
hold the line under Wild Rivers while they
work to get World Heritage. I warn the
graziers to not ever fall for it. You might
think it attractive because it will stop mining,
but once that World Heritage area is declared
you will not be able to put a shovel or a post
in the ground. You will be frozen in time on
your properties.

The Greens—and Senator Macdonald
alluded to this—want the Aboriginal people
to be frozen in time. They talk about some
sort of far out tourism that is never going to
eventuate. Fortunately, we are seeing
Aboriginal leaders in Western Australia and
Aboriginal leaders in Queensland coming
through the ranks, having the guts to lead
their people and disassociate themselves
from the green groups. I congratulate them
both. These two Aboriginal leaders are great
men and they deserve every bit of support.

(Time expired)

Senator FAWCETT (South Australia)
(18:28): I would like to address the Natural
Heritage Trust of Australia report for 2008-09. The National Trust definition of 'heritage' is 'all that we as a society wish to pass on to future generations'. That is a really important thing to understand: there are certain things that we need to pass on to future generations so that they understand why the world is as it is and why they are where they are at. Another definition of 'heritage' is 'the background from which one comes'. We teach history because it is important that our young people understand what has occurred in history.

I was fascinated while here in the
parliament some years ago to be talking to a
group of young people who were here for a
leadership forum. The topic of the Iraq War
came up. One of them—and these were all
well-educated young people in their twenties
at university—said: 'What has Saddam
Hussein ever done wrong? He has never hurt
anyone. He has never invaded another
country.' I must confess that I sat back in
amazement as others in the group started
echoing similar sentiments. When I asked
them if they had heard of the first Gulf War
and the invasion of Kuwait, I was largely
met by blank looks. I suddenly realised that
most of these people were only 10 or 12
years old when that occurred. They were
judging events that were occurring in the
current day without any understanding of the
world events and the personalities that had
led to that. That was leading them to make a
number of quite unsound judgments about
why Australia was involved and why the
world was taking action.
My point is that our history curriculum therefore must cover and give people appropriate context of why the world is as it is. So I am deeply disturbed to see that the new national curriculum that is going to come into effect in 2013 is actually looking to remove the terms BC and AD, which have forever in our modern history set our calendars. BC, before Christ, or AD, in the year of our Lord, determines how we measure time. More importantly, it describes the background of our culture. When you are looking at heritage and the things that have led to the world being as it is, it is important that people understand that the Christian faith and the person of Christ, whether or not you believe that faith, have had a significant impact in the world. It informs you as you look around at different countries and try to understand why our culture is different—why some cultures value freedom, why some cultures value individual lives and rights and others do not.

Just this week we passed a motion here in the Senate looking, for example, at the actress Marzieh Vafamehr, who is getting 90 lashes and a year in jail for her role in a film. There is a pastor in the same country on death row because he has decided to change his religion. We have to ask the question: why is it that some cultures celebrate freedom, give people choices and options, and others do not? I believe it is important that, rather than writing out our cultural roots and our heritage, our national curriculum should be helping young people to understand the background of the world. I think it is political correctness gone mad and I for one would certainly welcome any opportunity we have in this place to change the national curriculum to make sure we accurately reflect the cultural heritage that we here in Australia have. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

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Commonwealth Grants Commission

Senator BIRMINGHAM (South Australia) (18:32): I move:

That the Senate take note of the document.

I rise to speak on the 2010-11 report of the Commonwealth Grants Commission. The Commonwealth Grants commission is a critical body when it comes to the interaction of the Commonwealth with the states and the financial management of the states. Of course, some states are better managed at a financial level than others. Some have competent management, sound government and clear leadership and others lack competent government, sound management and particularly clear leadership. In fact, if ever there were a leadership vacuum in a government in Australia one may contend—and it is often contended in this place—that it is in the federal Labor government. They certainly have their leadership woes and there is at times a leadership vacuum or a waxing and waning of leaders at the federal Labor level.

However, in the case of South Australia, a state that is of course a recipient of Commonwealth Grants Commission funds, we see the ultimate waxing and waning of leadership at present. Over the last few months it has been hard in the case of South Australia to work out whether we have two premiers or no premier. It has been hard to work that out since July this year, when Mike Rann announced that he was going—not exactly a voluntary announcement. He had been tapped on the shoulder by the factional masters, and not even the factional masters that we see at play here in Canberra, who have at least managed to get themselves elected to parliament.

No, we saw Mr Peter Malinauskas, the head of the shop assistants union in South Australia, trundle along to the Premier's office and say, 'Mr Premier, your time as
Leader of the Labor Party and Premier of South Australia is up.' The Premier said, 'Thank you, Mr Malinauskas. You, of course, are a duly elected representative of the people of South Australia and I bow to your will. I shall depart the office of the Premier and depart the office of the Labor leader in South Australia. I shall leave the decisions of the Commonwealth Grants Commission to somebody else as Premier of South Australia.' Strangely, amazingly, that somebody else is Mr Weatherill, the current education minister.

Mr Rann insisted that he was going to stay. He was going to stay because he wanted to mentor his successor, Mr Weatherill. He probably wanted to tell him how the Commonwealth Grants Commission would work. So Mr Rann said he was going to stay. Significantly, one of the key things that he wanted to see done, and presumably wanted to mentor Mr Weatherill through during the several months that Mr Rann would hang around, was the BHP Billiton deal for the expansion of the Olympic Dam uranium mine. That is another matter that will have significant implications for Commonwealth grants to South Australia. The royalties coming from that mine will have an impact on those grants.

What did we see happen through that deal being struck between the government of South Australia and BHP Billiton? What happened to the mentoring process? Every time there was a meeting between Mr Rann and BHP Billiton the invitation to Mr Weatherill must have been lost in the mail. The mentoring opportunity for him to go along somehow went missing.

Senator Edwards interjecting—

Senator BIRMINGHAM: As Senator Edwards rightly suggests, in Melbourne this week we finally saw the deal signed. And who was there? The outgoing Premier, Mr Rann, who has just a few days left on the clock as Premier, 'Turbo' Tommy Koutsantonis, one of the shoppie union officials, the disgraced former road safety minister who acquired dozens and dozens of speeding fines, made it to Melbourne for the BHP Billiton announcement. Kevin Foley, the Minister for Police who seems to occupy an extraordinary amount of police time as a result of his late night activities, managed to make it to Melbourne, but where was Jay Weatherill? Where was the mentoring for the allegedly incoming Premier? Nowhere to be seen. He has been nowhere man over the last few weeks.

It has been quite a remarkable situation. In fact, over the last few months the mentoring has been cast aside. Mr Weatherill has not been seen nor heard from. South Australians have no idea what this man will do who will soon be cast into the premiership as a result of Mr Rann's factional enemies in the shop assistants union. South Australians have no idea what this man will do, what he stands for, what his vision for South Australia is or what he has learned from Mr Rann during the mentoring process. We do not even know whether Mr Rann has explained to him what the Commonwealth Grants Commission does.

Senator IAN MACDONALD (Queensland) (18:37): I wish to speak on the Commonwealth Grants Commission report 2010-11. In that you will see the grants that the Commonwealth, through the Grants Commission, makes to Queensland and other states and to various local governments around the country. In speaking to this particular document, I raise the question: what is going to happen when the carbon tax comes in and costs the Queensland government? I speak of Queensland because I am a Queensland senator, but the same would apply to everywhere else. When the carbon tax comes in on 1 July next year,
what will happen with the cost of electricity, for example—just taking a small point—for every state government building? If you look around Brisbane at night you will see how many state government buildings there are and how many of them have lights on and electricity churning through. We all know, on the government's own figures, that electricity is going to go up 10 per cent. If you work on state government modelling from New South Wales and Victoria, it could be anywhere between 15 per cent and 20 per cent. I would suggest that their modelling is probably more accurate. All of this extra cost of electricity is going to have to be paid by the Queensland government. As well, every local authority in Queensland will be paying more for their water pumps and for the general electricity they currently use—and they use a lot of electricity. I wonder what the Commonwealth Grants Commission is going to do for the Queensland state government and local governments to make up for this huge additional tax that they will have to pay.

I have heard about compensation—not that I believe much of it. Why would you believe anything this Prime Minister said after she promised us there would not be a carbon tax under a government she led? Today she is celebrating and wildly throwing kisses around to acknowledge the absolute breach of that solid promise. So why would you believe anything she says? But she has said—

\textit{Senator Marshall interjecting—}

\textbf{Senator IAN MACDONALD:} No, I would not like to kiss Mr Rudd or, I might say, Ms Gillard, Senator Marshall. Take my word for that.

\textbf{The ACTING DEPUTY PRESIDENT (Senator Moore):} Senator, again I remind you about discussions across the table.

\textbf{Senator IAN MACDONALD:} I was diverted by an unlawful interjection. There has been talk of compensation. But I have not heard of any talk of compensation for states. Nor have I heard about compensation for local governments. So I just wonder how the Commonwealth Grants Commission is going to make equitable distributions to these utilities for the additional costs they will have to pay.

I mentioned only electricity, but councils are big users of fuel. Is the Brisbane City Council going to get additional funding for all of the buses they run? Was there something said about that? Perhaps there was. Is there additional funding for all of the transport costs that will increase with all the graders, bulldozers and rollers that are used by councils and the Queensland government? I have not heard anything about this compensation. So I wonder what my state of Queensland is going to do when the carbon tax comes in and it has to spend more money on paying tax to the Commonwealth without, as far as I can recall, any word said by the Commonwealth Gillard government about any compensation for state governments and local governments for the additional funds that they will be called upon to spend.

This is something that the Grants Commission will have to seriously look at, because they try to equalise in a vertical way—or is it a horizontal way?—the costs on each state, but some states will use more electricity. For example, will our state, because it has big air-conditioning bills—local governments up our way have big air-conditioning bills; it is a big cost—get more out of the Commonwealth Grants Commission's allocation? I do not know, but it is going to mean that this same report, the Commonwealth Grants Commission report, for 2013-14 will be a fascinating document to see how the Grants Commission addresses that issue.
Senator BOSWELL (Queensland) (18:42): I will speak on the Commonwealth Grants Commission report. Senator Macdonald raises some very valid issues and issues that I do not think have been addressed. This report is going to have to take note of what compensation is going to be paid. I do not believe that people have even remotely scratched the surface of what is going to happen with this carbon tax, although Senator Macdonald has raised certain issues. For instance, the price of fuel for any vehicle that is over 4½ tonnes will go up 6c per litre. The state governments and particularly the local governments with their graders and roadworks machinery are going to pay enormous increased amounts for fuel because the excise will go down. In fact, anyone who has an end loader, a bobcat or any machine that works on fuel is going to be hit not from 2013 but from 2012. The state governments, with all their instrumentalities—hospitals and old people's homes—are going to be hit for six. Most of them are being good little Labor Party stooges and have not really raised complaints. If I were the Premier of Queensland with a bankrupt treasury, I would be screaming from the high heavens, 'How are we going to be compensated for this?' All their electricity generating plants are going to be devalued by billions of dollars. But, of course, it is not the Premier's money; it is the people of Queensland's money. The people of Queensland will be hit, not the Premier and not the government. The people's assets, which have been accumulated over hundreds of years, will be hit. Already we have the lowest certificates and when Queensland cops this on top of its already precarious financial position it will drive us down further and further. Anyhow, it will not be the Premier's worry; it will be someone else's worry. There will probably be a new government taking its place in a couple of months, certainly by March, and it will be its worry. The Premier will walk away and wash her hands of the whole thing instead of standing up now and warning the people of how much this carbon tax is going to cost them and how much it will be adjusted.

I do not know where the Commonwealth is going to get all of its money from to recompense all the states. If you add 23 per cent and about another 10 per cent for renewable energy to every bill that the state government and the local councils run up—the air conditioning, the lights—it is going to be billions of dollars. It is billions of dollars that Queenslanders are going to have to pay in higher rates and higher taxes or lose from spending on facilities.

This has not been thought through. The Labor Party were rejoicing yesterday. They are going to rejoice and then spend the next 20 years regretting. Have your couple of days in the sun and then you will regret it for the next 20 years. When everyone gets their electricity bills for the next 20 years, whether it be small business, big business, government departments or councils, they will always remember that fateful day when a carbon tax became law and everyone in the Labor Party was kissing, hugging and rejoicing. Have your day in the sun because you are going to regret it for a long, long time.

Senator BACK (Western Australia) (18:47): I note with interest the report from the Commonwealth Grants Commission and I await with even keener interest reports of the future. I firmly believe the Commonwealth Grants Commission process is deeply flawed. When you look at the inequality in the distribution between the various states and territories, it is unsustainable. It is unsustainable to the extent that the government has determined...
that it will bring in outside advisers and previous premiers of states—mind you, I must say they are from south-eastern Australian states—to actually review the Commonwealth Grants Commission process. From my discussions with the Commonwealth Grants Commission officers, I have little confidence that we will see these sorts of issues properly addressed.

You would be well aware that some 68c in the dollar of GST money now returns to my home state of Western Australia. The larger states of Queensland, New South Wales and Victoria get somewhere into the 90s. Of course, Tasmania achieves well in excess of that, as do South Australia and the Northern Territory. This is unsustainable because those states that are capable of actually earning greater wealth for the nation, which ultimately will assist all Australians, are being held back, especially in the case where we are only getting two-thirds and possibly having that reduced even further to some 50c in the dollar. I look with keen interest to future reports of the commission. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

DOUMENTS

Consideration

The following orders of the day relating to government documents were considered:


Crimes Act 1914—Authorisations for the acquisition and use of assumed identities—Australian Commission for Law Enforcement Integrity—Report for 2010-11. Motion of Senator Macdonald to take note of document agreed to.

Department of Agriculture, Fisheries and Forestry—Report for 2010-11, including financial statements for the Australian Quarantine and Inspection Service and National Residue Survey. Motion of Senator McKenzie to take note of document agreed to.

Departmental and agency appointments and vacancies—Order for production of documents—Budget (Supplementary) estimates—Letter of advice—Climate Change and Energy Efficiency portfolio. Motion of Senator McKenzie to take note of document agreed to.

General business order of the day no. 11 relating to government documents was called on but no motion was moved.

The ACTING DEPUTY PRESIDENT (Senator Moore): Order! The time for consideration of documents has expired.

BUSINESS

Senate Temporary Orders

Senator WRIGHT (South Australia) (18:49): Madam Acting Deputy President, I seek leave to move a motion to vary the order permitting divisions to take place after 4:30 pm today.

Leave not granted.

COMMITTEES

Scrutiny of New Taxes Committee Report

Debate resumed on the motion:

That the Senate take note of the report.
Senator BIRMINGHAM (South Australia) (18:50): I speak on this motion to take note of the Select Committee on the Scrutiny of New Taxes interim report entitled, *The carbon tax: economic pain for no environmental gain*. This was a significant inquiry undertaken under the chairmanship of my colleague Senator Cormann, who spoke on this report the other day. What is noteworthy about this inquiry, before I turn to its findings, is that it is an inquiry that actually had the opportunity to undertake some real scrutiny of the carbon tax proposal. It actually had the opportunity to go into some real detail in looking at the carbon tax proposal. Uniquely, it took submissions from all comers and published submissions from all comers about the carbon tax proposal and travelled around Australia to hear from Australians of all walks of life with an interest in and concern about Labor's carbon tax proposal.

It stands in stark contrast to the next committee report listed for consideration, that of a committee that I had the pleasure of serving on. Although, it was not much of a pleasure because that was the joint select committee established to look purely at the government's carbon tax bills. In marked contrast to the committee that Senator Cormann chaired, we saw that committee have just three weeks to do its job—looking at more than 1,100 pages of legislation in 19 bills, which are being rammed through this parliament at present. We saw that committee try to undertake the mammoth task of scrutinising a sweeping change to the Australian economy. Of all the points in this debate that are argued over, I think the one that everybody around the chamber agrees on is that the carbon tax is a sweeping change. The government likes to claim it is a sweeping change, the Greens like to claim it is a sweeping change, the crossbenches acknowledge that it is a sweeping change, and the National Party and the Liberal Party certainly believe it is a sweeping change. Some think it is a change for the better and others think it is a change for the worse, but we all acknowledge and agree that it is a sweeping change—a fundamental change to our economy.

Such a fundamental change, you would have thought, warranted thorough and decent scrutiny, but no, it would seem that the proponents of the change want minimal scrutiny—the least amount of scrutiny possible. So they rammed through this three-week inquiry. There were six days for people to make submissions, with 4½ thousand submissions essentially ignored by the inquiry. They were rejected by Labor and the Greens using their majority on the committee to say, 'These aren't worthwhile submissions; we won't bother publishing them.' Hearings were held in the very diverse range of cities of Melbourne, Sydney and Canberra!

Senator Fierravanti-Wells: Not Wollongong?

Senator BIRMINGHAM: Not Wollongong. Senator Fierravanti-Wells—no regional centres whatsoever.

Senator Fierravanti-Wells: Wollongong—the carbon capital of Australia.

Senator BIRMINGHAM: Certainly not Wollongong, the carbon capital of Australia.

The ACTING DEPUTY PRESIDENT (Senator Moore): Senator, which committee report are you addressing in your contribution?

Senator BIRMINGHAM: I am presenting a contrast, Madam Acting Deputy President, between the two committee reports. Indeed, you are correct to say that Senator Cormann's committee did take evidence in a wider range of places over a longer period of time. Senator Bushby was part of that inquiry. Importantly, the more
detailed inquiry—the inquiry that actually took evidence from a range of individuals—found, quite sensibly, some serious concerns about the carbon tax. It did not have to make up the evidence. It actually had the time to scrutinise the evidence that was available—the evidence of the Treasury modelling.

We have concerns about the modelling. We believe it is based on overly optimistic assumptions and we believe those overly optimistic assumptions probably underestimate the impact of the carbon tax. We should also note that some of the assumptions are things like there will be continued full employment, so its findings on the matter of employment are rather pointless in the extreme. But, all of that aside, it is at least the best we have got of any analysis of the economic impact of the carbon tax. It finds in its projections that over the forward estimates and beyond that right through to 2050 income will be lower than it would otherwise be. In fact, if you look at the Treasury modelling as to how much lower and the trend of that reducing income, you see that it continues to reduce. It keeps reducing and the trend line is still pointing down in 2050. The difference in income for Australians as a result of the carbon tax is shown by the trend line still pointing down in 2050. Beyond 2050, which is as far as the modelling goes, it will keep going down and down and we will see a bigger gulf.

The report of the Senate Select Committee on the Scrutiny of New Taxes chaired by Senator Cormann found very clearly that in the period to 2050 the cost—the difference in lost income for Australia—tallied up to $1 trillion. That is not a figure that is used very often in Australian politics or in Australian economic discussion. We may have a $1 trillion economy, but thankfully, unlike our close allies in the US, even this government has not managed to get our deficit to the stage where we have to start talking about trillions of dollars.

**Senator Boswell:** They will.

**Senator BIRMINGHAM:** Senator Boswell is correct: if they are left there long enough they certainly will. That is the one thing we can be very certain of, especially with the carbon tax managing to run at a deficit. Senator Boswell, you remind me of the point—again highlighted by Senator Cormann and also highlighted in the dissenting report of the Joint Select Committee on Australia's Clean Energy Future Legislation—that the carbon tax is like a miracle of the government. They implement a new tax worth about $9 billion a year and—guess what?—they manage to run it at a deficit. It is like the Magic Pudding in reverse for this government that they manage to apply a new tax to the Australian economy and the end result is the budget deficit increases by $4 billion over the forward estimates.

It is not just the forward estimates where we see the budget deficit likely to take a whack. It will stretch way beyond that—it will stretch way into the future. The government claims that the carbon tax will become budget positive in the future, but the reality is that, if they live up to their promise, the compensation will keep up with the cost of the tax and the deficit will continue to grow as a result of the carbon tax. Why is that? That is so because of the sale of international permits. The evidence received by both committees made it clear that Australian companies will go into the market and buy international permits. In 2020, they will be worth about $3 billion a year. By 2050, they will be worth about $60 billion a year. Between $3 billion and $60 billion a year will be going offshore to purchase international permits. What will the Australian companies purchasing these
permits do? They will pass the costs on to consumers. That is accepted. Even Mr Comley, the Secretary of the Department of Climate Change and Energy Efficiency, provided that information and advice to the committee that I served on, and no doubt Senator Cormann's committee heard that as well.

So the costs will be passed on to consumers, but the money is going overseas. The question is: how does the compensation keep up without increasing the budget deficit even further? If, in 2020, $3 billion is going overseas yet the government claims the compensation to Australian households and industries will keep up, how is that going to stack up? How will you make it work without stripping elsewhere from the budget or without the carbon tax becoming a generator of even bigger deficits—deficits that continue to increase because the price and value and expenditure of those international permits continues to increase? From 2020 through to 2050, the $3 billion morphs into $60 billion. The money is still going overseas—it is not going into the government's pocket—but consumers are having to pay because companies have passed the cost on to them. Yet what happens? Where is the government going to fund it? There are only two things that can happen: either it breaks its promise about compensation—just like it broke its promise about there being no carbon tax—or it increases the deficit even further and we get even closer to that trillion dollar deficit that Senator Boswell remarked upon before. One or the other is most likely to occur under this regime.

Unfortunately, of course, Labor and the Greens are not willing to have proper scrutiny applied to their carbon tax by the normal processes of this parliament. It took Senator Cormann and his select committee to be able to do so. I praise the work that they have done. It is an outstanding report and I commend it to the Senate.

Senator MARSHALL (Victoria) (19:00): It is not surprising that the findings of Senator Cormann's report reflected the politics that those opposite are running in this debate. It really is just another piece in their armoury of mounting a scare campaign against actually doing anything on the climate. The problem with engaging in this debate in its totality is that very few people who sit on that side of the chamber, very few people who are in the coalition of the Liberal and National parties, actually believe that climate change is happening. They simply do not believe that climate change is happening. The logical extension of that—it is the logical extension; I understand their conclusions—is that if it is not happening you do not need to do anything about it. I understand that position.

I happen to believe that climate change is happening. I happen to believe that it is induced by human activity. And I believe that human activity or a change in human activity can reduce the consequences of climate change. I think this is an important responsibility for those that have been given responsibility to manage our environment, to manage our economy and to manage our society. It is not an obligation and it is not a responsibility that I as a legislator think we should simply walk away from and ignore.

Why do I believe that climate change is happening and that it is being created by human activity? It is because that is what the overwhelming body of reputable scientists who are specialists in this area say. In most other countries this debate is completely settled. The science has been accepted and people have accepted that we have a responsibility to do something. It is going to be a long-term change, and that is why there does have to be a significant change to the
way we behave in our community. Part of that is putting a price on pollution.

If you put a price on pollution, activity will change because the market will seek to avoid paying that price. That is the way the market works. That is what I think most people in this chamber actually support. We actually support the process of the market.

**Senator Boswell:** You've been a union hack all your life; you wouldn't know what a market was!

**Senator MARSHALL:** Instead of actually trying to engage in the debate, Senator Boswell has simply reinforced that they do not believe that anything is happening, so they do not believe that we should do anything about it. We can engage in as many reports as we like but it will not change their vote. This report that has been handed down by Senator Cormann is simply part of the coalition's strategy of building up a case that supports doing nothing. You cannot make strawberry jam out of something that cannot be made into strawberry jam, and that is what you are trying to do.

I am not going to stand here knowing what we need to do, knowing there is a problem, knowing we have the capacity to address these issues and not take responsibility for doing something. I am not going to do it for me, because I will probably be gone before the serious effects of climate change really kick in. I am going to do it for my kids and my grandkids and for everyone else's kids. I do not want to be condemned by future generations when our generation—what John Howard knew and what Peter Shergold knew—is that the sooner we act to mitigate the effects of climate change the cheaper it will be. The longer we wait the more expensive it will be. That is irresponsible to the next generation.

The model that we have put in place has been modelled over a long time. This is a culmination of a debate that has been going on for many years, going right back to the Howard government. Modelling was done. The Howard government commissioned Peter Shergold to come up with a process and they said that an emissions trading scheme was the way to go.

What all these systems have in common is that they actually put a price on pollution. That is the important aspect of this. That is what the coalition does not want to do. They believe that the big polluters in this country should be able to pollute our environment for nothing. They should simply be able to pollute our environment and there should be no costs involved in that. We say that there should be a cost because that pollution is damaging the environment. If you put a cost on that damage, people will seek to avoid that cost. It will drive innovation, it will drive engineering—

**Senator Ian Macdonald:** It hasn't worked in the European Union.

**Senator MARSHALL:** You say that, Senator Macdonald, but quite frankly I do not think you would know. You are running this scare campaign. You are part of the overall opposition strategy to be absolutely negative on this. This debate has been going on for many, many years and the Liberal Party have had several different positions on it. At the present time they have a very hardline position of denying that climate change is happening. That was not their position some time ago. In fact they went to the 2007 election with a policy of an
John Howard finally came to the conclusion, because of all the modelling that was done and all the research that was done, that we need to act and we need to act now. So that is the reality. We know that what we have now introduced will reduce our annual emissions by at least 159 million tonnes from where they otherwise would have been by 2020. That is equivalent to taking around 45 million cars off the road. People talk about the cost of it, but the coalition's policy simply says that the big polluters can continue to pollute for nothing, and we will give them taxpayers' dollars to subsidise them to maybe do something to reduce their emissions. Instead of letting the market drive that, they are just going to give a taxpayers' gift to these polluters. That is going to cost many, many times more than anything our price on pollution will be.

All the money collected through the price on carbon will go back to offsetting the flow-on costs, back to households. It will go towards helping businesses cope and make the adjustment and the investments in new clean energy technologies. It is actually saying, 'Let's put a price on carbon and let's use that price to help the economy adjust and drive the change we need to achieve.' The alternative is that we simply wait and do nothing. That would be so easy. We could do nothing and wait for the next generation to have to clean up and pay for it. Not only would they have to pay for it but they would have to pay so much more. Every year we wait, the costs of making the changes we need to make to address human-induced climate change go up.

I am very proud of what this government has done. We have not finished it yet. We have to get it through this Senate, and we are going to have some serious debate over this over the coming weeks. I am voting for this because I actually believe that climate change is real and that it is caused by human activity. I believe we have an absolute responsibility to do something about it. That is why I am going to be supporting this carbon price and that is why I am going to continue to argue for it. Again, we do not want to be in a position where we simply abrogate our responsibility to the future generations of this country.

The opposition really needs to grow up, accept the science and accept that something needs to be done. It is something they did accept at one time, but because of political opportunism they now reject the science. They reject the opportunity to be responsible.

Senator BACK (Western Australia) (19:10): I congratulate the Cormann group for the report of the Senate Select Committee on the Scrutiny of New Taxes, upon which we are commenting. It is the only true scrutiny that these bills have been the subject of. Perhaps that is part of the reason 80 per cent of the adult population of Australia is condemning the government now for the undemocratic move we saw in this place only yesterday.

Yes, of course climate changes. 'Climate change' is a tautology: climate changes continually. It has always and will continue to. Go outside and you will see it changing. But the most important thing that needs to be considered in this whole debate is that this is a global issue. It is not an issue fenced around Australia. The previous speaker spoke about efforts of the past, about recommendations of the past and about actions of the Howard government, but it has always been predicated and always should have been on the global context. It is only this current Labor government that fails to understand that any action taken in Australia must be in the global context. As much as we think we are an incredibly important country,
we are a very small player—a very small cog in an enormous wheel.

I draw your attention to the second part of the summary—'Economic pain for no environmental gain'. That it is for no environmental gain is the greatest travesty of this carbon tax, introduced and passed in the lower house yesterday. This country produces less than 1.4 per cent of the world's greenhouse gases. People have said that if we stopped emitting tomorrow there would be no change. Well, there would be a change: there would actually be an increase in global greenhouse gases and carbon dioxide, because efficient industry from Australia would move overseas.

The best example, from the state of Tasmania and the state of South Australia, is the refining of zinc. It is my understanding that our Australian refineries in Hobart and in South Australia convert a tonne of zinc for some three tonnes of carbon dioxide emitted. In the event that Australia were to stop this activity, zinc refining would move to China, where the equivalent figure per tonne of zinc refined is 10 tonnes of carbon dioxide. This shows the stupidity of this argument about environmental gain that is being put by the Labor government. Clearly there will be leakage out of this country, and the contribution to world greenhouse gases and climate would actually increase. Has anybody stopped to ask themselves why this country has done as well as it has and is as wealthy as it is?

Senator Bilyk: That doesn't make it right to pollute.

Senator BACK: It is a simple fact that it is not because of iron ore. We have only had income from iron ore in relatively recent years. It is not from much produced out of Tasmania, I can tell you, Senator Bilyk. And it is certainly not even from agriculture. Why is it that in a country the land mass of America, which has 300 million people whereas we have a population of 23 million people, we are so advantaged? The answer is two words: cheap energy. That is what has made this country the great country it is—cheap energy. That is because we are very rich in resources, originally coal but more latterly LNG, upon which we can generate cheap power. That is the advantage this country has for so long had.

One has to ask the question: why is it that this Labor government wants to tax the very thing that has advantaged this country and given us such a high per capita income and such wealth? One need only have a look at the actions of the Indian and American companies when it was announced recently by the Prime Minister that the carbon tax was on the agenda: of course, they went straight in—Mittal Steel and their associates, Peabody—to make a bid for Macarthur Coal. Prime Minister Gillard came out and said it was a round endorsement by the Indians and the Americans of this decision by Australia on a carbon tax. What a lot of nonsense! It was simply the fact that Mittal and Peabody, two of the world's biggest steel manufacturers, saw the advantage of an Australian government that is now phasing out the use of coal in this country and therefore saw a capacity to grab hold of as much as possible of the best coking coal in the world for their own purposes. So here is the duplicity and hypocrisy of this decision, which actually says, 'We want to sanctimoniously try and reduce greenhouse gases such as carbon dioxide, but we're going to continue to sell coal to the rest of the world so that China, India, Indonesia and other countries can go on polluting at will'?

What are other countries doing? What decision has the United States of America taken as the leader of the free world? It is making a decision to not proceed at all. What are the Indians doing? The Indians' greatest
concern at the moment, as a stimulation to their economic wellbeing, is to get more access to Australian and other coal. We have heard the Chinese say, 'Oh, yes, we're going to have a look at all this.' Of course they are going to have a long look at it. They are going to have a look at it whilst Australia stupidly reduces its competitiveness. These were the issues that came out in the select committee.

I move now to the first of the points made, and that, of course, is economic pain. Who will suffer the economic pain? Of course, everybody will. As said by Senator Joyce yesterday morning, every power point in every home and every business, everywhere across Australia, will become a tax collector for the government. What will happen to business? Of course, business will suffer badly, with increased electricity costs and power costs for anybody who requires foodstuffs to be chilled, frozen or held in a particular condition. We have seen evidence, for example, that business development and stimulation will stop. There was the evidence given recently by my colleague Mr Truss in the other place, talking about abattoirs in Australia being faced with the prospect of a quarter of a million dollars a year more in power costs—but only if they stay at their current levels of production. If they increase their production and put themselves into a higher category, the costs will be even greater.

Reflect on the companies here in Australia that produce in competition with importers. They will immediately be disadvantaged because the importer from another country will not be suffering the same carbon tax in their country; they will be landing the product here, in competition with our own local producers. Why was it that Manufacturing Australia came out in the last few days sounding a warning to the government to not move on this in the current uncertainty of the world economic climate? You cannot have it both ways. You cannot say that climate changes in Australia and we must do something uniquely here but leave the rest of the world to do nothing and then turn around and say, 'Yes, we understand that the economics of other activities in the world do impact on this country'—and, of course, as we know, they do. I then come to those companies in Australia that are themselves exporters. They, of course, will be the subject of greater competition as they try to put products into markets overseas where the local suppliers are not subject to this same tax.

On the question of transport, I was in Kalgoorlie only the other day; I was in the wheat belt of Western Australia and in the northern wheat belt of WA. In every one of those places, Mr Acting Deputy President Furner—you, being from Queensland, would understand this only too well—everybody is so fearful, because we all know the importance of the cost of transport for freight. We heard Senator Singh say to us the other day, 'Oh, all trucks under a limit of five tonnes won't be paying this carbon tax or the equivalent for fuel.' There are not too many trucks in Western Australia that deliver anything outside the metropolitan area at less than five tonnes. To put it into perspective for you, Western Australian roads are now moving 400 million tonnes of freight a year. That is the roads. That is not rail; that is the roads. Imagine the impact of this carbon tax on fuel in that circumstance.

I conclude with these questions. Who are the '500 big polluters'? Imagine using the word 'polluter'. I have been trying to find out. We are not told. I would like to ask the question: how many of them are actually among our 500 biggest employers? How many are among our 500 biggest investors—our investors in R&D or in exploration? How many of those 500 operate overseas, where
they are welcome in other countries and are not blasted as being polluters but are very, very welcome companies? I congratulate the select committee on its findings.

Senator BOSWELL (Queensland) (19:20): I was part of the Senate Select Committee on the Scrutiny of New Taxes, and I thought it would be appropriate for me to say a few words and particularly respond to Senator Marshall. Senator Marshall has said that we all have to do this. I accept that; I do not mind if we all do it and no-one pays the penalty and the rest of the world does it. I will accept it, and I think we would all accept it. I do not know—I never get into the detail—whether science is right or wrong, because I do not think it matters whether science is right or wrong. What matters is whether we can make a change. There is no point in Australia, with 1.4 per cent of the world's emissions, going out unilaterally trying to do something. After heavy questioning to the Treasury and the climate change department, the committee were told: 'Don't worry about it. Everyone in the world is going to come to a position by 2016 and we will all be committed globally to reducing carbon, in one way or another. Although Australia, New Zealand and the EU will be the only ones that will have a carbon tax.' So somehow miraculously everyone will be reducing carbon. I have a reasonably inquisitive mind, so I said, 'What is America going to do?' They said: 'Nothing. They have a couple of states with carbon taxes that don't really amount to much.' I said, 'What is Japan doing?' They said, 'Nothing, until America does something.' I said, 'What is India going to do?' They said: 'They cannot afford it. They are impoverished. There would be riots in the streets if they tried to increase the price of food, increase the price of cement and increase the price of steel. They have millions and millions of unemployed, so they can't do it.'

Senator Back would understand why I went to Jakarta to try to sort out the diabolical mess with the live cattle trade. When I saw the poverty there, I thought: 'How are these people going to cope with an increase in the price of food, an increase in the price of electricity and an increase in the price of steel? They have nothing.' It is so obvious that even if the rest of the world wanted to, and they don't, they could not. What we are doing here is an exercise in futility. Not only is it an exercise in futility because the rest of the world will not do it; the savings we make will be spent in one day by 2020. The 54 million tonnes that we are going to save will be blown by one day's effort in China.

When I first came to this place the Labor Party had a range of people. There were graziers like Peter Walsh, solicitors, doctors, retailers and waterside workers—people who actually did things. They had a world of experience. They understood what the world was all about. They had been in the real world. What do we have on the Labor side now? We have a bunch of party hacks and union hacks who are told when to put their hands up, and if they don't, they are told, 'Don't come knocking at the door for preselection next time because it will not be open to you.'

What we have on the other side is a bunch of people who have had no life experience. They would not know a market if they fell over one. They have never had to go out and put a pay packet in someone's pocket every week. We are being led by people who have no life experience. It is a tragedy. If you look at this side of the chamber, you will see we have farmers, accountants, a vet, a fisherman, a paint salesman, a winemaker and a carpenter, and we have a great range of
experience across the whole spectrum. On the other side, they have union hacks who have never had the slightest bit of experience in the real world. Yes, they have stood over some workers and told them, 'Put your hands up and if you don't, you'll be in serious trouble.' That is not experience. Experience is going onto the factory floor and worrying, 'How am I going to pay those nine people?'

I got a letter yesterday from one of Queensland's leading fishmongers, Morgans Seafood. They have a restaurant and a reasonable sized coldroom. The electricity cost for the restaurant will increase by $8,000 and for the coldroom by $18,000—totalling $26,000. Mr Morgan does not mind me mentioning this; in fact, he encouraged me to mention it. He said: 'I employ 30 to 40 people. How am I going to do it?' He is going to battle to do it. He can do it a couple of ways. He can put up the price of his fish and chips. He can put up the price of his prawns. But a point will come when no-one will buy and that point will be reached very soon. Those are the sorts of stories the committee heard as it went right around Australia. We listened to the nickel industry and the sugar industry, and all the industries said these same things. We moved from one town to the other as we took evidence and we found time after time that these things came through. 'Things are tough.' 'The dollar is high.' 'How are we going to compete?'

Senator Back said it was going to cost the abattoir industry a quarter of a million dollars. I know two abattoirs that have costed their carbon emissions and their renewable energy costs at $3 million. If you work that back, it will mean $7 to $8 a beast by the time you put in increased transport costs. Those abattoirs are competing on a worldwide market. They are not competing in Australia; they are competing against America, Canada and Brazil. We have top producers, but no producer can cop a high dollar and then cop a carbon tax. If you put in a thousand head of cattle—and that is large—it will mean $8,000 off your income. There is no way in the world that an abattoir can pay an extra $8 to compensate the farmers. They will have to pay producers $8 less just to be competitive to sell overseas. That will mean $8 for every beast that goes through Australia. It is going to hurt the graziers—of course, it is—yet the government come in here and say what a wonderful thing they are doing for farmers. It is going to hurt the graziers. It is going to hurt the graziers but, by gee, it is not going to hurt the graziers as much as it is going to hurt those people who trust the Labor Party and pay their union fees because they think you people are looking after them. The Electrical Trades Union, Senator Cameron's union, and the mining industry union are kicking into the Greens. Would you believe, people are sitting over there representing unions that are paying Greens campaign fees? Isn't this the craziest thing in the world? If you believe in the Greens, go and sit with the Greens. If you believe in the Greens, do not sit with the ALP and pick up the tab and pay them.

In the last few seconds I have, we were told—and this is not a Ron Boswell figure; it was produced by economists—that there is going to be a cost of about a trillion dollars. We are going to keep our lights on and we are going to have to pay that by the year 2050. What are we signing up for here? Why are we putting this great encumbrance—

(Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (19:31): I am very grateful to Senator Boswell for that version of "We'll all be rooned," said Hanrahan', from Australia's archives. We are dealing here with a report in 2011 entitled The carbon tax—and that is a misnomer from the outset—economic pain for no
environmental gain, an interim report by the Senate Select Committee on the Scrutiny of New Taxes. Mr Acting Deputy President, you may have seen the front page of that august journal the Australian yesterday which had an article—

Opposition senators interjecting—

Senator BOB BROWN: There are a few readers on the conservative side of the house, I see. It had an article by Sue Neales about Mr Roderic O’Connor, of Connoville in Tasmania, and it explained how keeping the forests on his magnificent property under the Great Western Tiers was potentially a greater money spinner for him in an age of carbon trading than running sheep or certainly logging the forests and trying to export them as woodchips or whatever. What is so fascinating in that article is the win-win situation that is underlined in the carbon trading future which all of us face. Listening to Senator Boswell and the opposition, you would think that the better option is the non-market option, which is very curious for a conservative political party, and that is the central state option—and this has overtones of Eastern Europe of some time ago—where the state pays the factories to hopefully get them to stop polluting. Doing that, of course, does not come out of thin air—it takes money off the taxpayers.

The alternative option by the Greens and the Gillard government is for the polluters to pay for the damage they are causing to the economy, to the environment and to society. This option allows that money to be collected and to go in a well-honed way to a number of pursuits, including offsetting the cost on householders, not least pensioners, low-income earners and middle-income earners as well and, at the same time, give a boost to renewable energy via energy sources of the future. That means relief to taxpayers who recognise there will be a cost of any action in an age of climate change.

We have here the extraordinary thing of a Labor government with the Greens going for the market option—the capitalist option, if you like—of requiring those who create the damage to pay for it. It is very simple logic. From the money collected, it is given across to those who suffer the consequences of the pollution of the most polluting industries—that is, householders, through increasing power costs. Also, it is to look at a better way for the future, which is to put somewhere between $13 billion and $15 billion collected in coming years into renewable energy, including solar, wind, geothermal and the other very promising options of the future.

In this report, we do not see any backing of that. It is largely a report based on the numbers in the committee system and the conservatives had those numbers. But what a different conservative we have under Mr Abbott, the Leader of the Opposition, here in Australia from those in Britain under its Conservative government, the Cameron government, which just a few months ago put into place a target of reducing greenhouse gas emissions in that country by 50 per cent—a whopping half—by 2025. If that were to be touted in Australia now there would be paroxysms from the conservatives and their backers down there in Holt Street, where the Australian newspaper, the Murdoch newspaper, is produced.

However, what is perfectly reasonable and has backing across the board in Britain is not contestable or debatable here in Australia. You have to think beyond the sections of the media that do not support reasonable, sensible and logical action on climate change in Australia. You ask yourself what it is that has made this huge difference in our country and then you come to the power of the
mining industry, not least the coal industry, and its enormous ability to purchase the policy outcomes of this parliament against the public interest. We saw that last year when the then Rudd government proposed a mining superprofits tax which had been recommended by Treasury, that very conservative think tank. In doing so, they were following the simple principle of many other countries—Norway is a good example—of having a mining boom reined in at least to the extent of some money being put aside for the public from that mining boom to ensure the national wellbeing into the future.

In Australia's case, if Treasury's advice had been followed, the proposal would have brought in, over the next decade, some $100 billion more—$60 billion on conservative estimates—than the now proposed Gillard government alternative. That is because, in the course of a couple of weeks in this city, three big mining companies came to town—Rio Tinto, BHP Billiton and Xstrata—backed by a $22 million advertising campaign and the fury of that section of the press which resides in Holt Street, and the government dissembled. The outcome of the talks which followed was one in which the Australian people will lose $100 billion that should have been invested in their future over the next 10 years. Had it been left to the Abbott alternative, however—the opposition of Mr Tony Abbott—it would have been $140 billion going to the mining companies rather than to the people of Australia who own the coal, the iron ore and the other minerals which were to be taxed. They were only to be taxed, it should be noted, when superprofits were being made, not during ordinary times or if the companies were losing money at any given time.

That means that, because of the $22 million advertising campaign and the rollover of the big parties, in particular the opposition, there will not be the money for high-speed rail in Australia, there will not be the money to promote Asian languages as we would want to in this Asian century and there will not be the money to preserve Indigenous languages as we would like to in Australia. We have to be concerned that there will not be the money for a national dental healthcare scheme as there ought to be, there will not be the money coming from Canberra to help big cities get light rail and better transport systems and there will not be the money to help ameliorate the impact of climate change, including the impact on the 700,000 vulnerable properties on the eastern seaboard of Australia let alone, as we saw from a report this week, the impact of the loss of the ski fields with all the associated jobs. All the wherewithal of this nation—

Senator Ian Macdonald: You don't believe this, do you? Not even you!

Senator BOB BROWN: Senator Macdonald, representing Mr Abbott on the opposition benches, is saying, 'You don't believe this.' We have a sceptic and a denier in the seat. (Time expired)

Senator ABETZ. (Tasmania—Leader of the Opposition in the Senate) (19:41): I seek leave to move a motion that the Senate defer further consideration of the clean energy bill until after the next election for the House of Representatives.

The ACTING DEPUTY PRESIDENT (Senator Furner): Senator Brown, are you seeking leave to continue your remarks?

Senator Bob Brown: No, I think we should keep this debate going.

The ACTING DEPUTY PRESIDENT: I will put the question.

Senator McEwen: I would like to speak on the reports, if I may.

Senator Ian Macdonald: On a point of order, Mr Acting Deputy President—
Senator McEwen: I am on my feet.

The ACTING DEPUTY PRESIDENT: There is a point of order.

Senator Ian Macdonald: Mr Acting Deputy President, by leave you can do anything. Senator Abetz has sought leave to move a motion. You can either grant the leave or you can disallow the leave, but by leave in this chamber you can do anything at all. He has sought leave and it is a question of whether leave is given or not.


Senator Kroger: On a point of order, Mr Acting Deputy President: if you had been looking around the chamber, you would have seen the Leader of the Opposition in the Senate on his feet before the Government Whip. I think that he should have had the call.

The ACTING DEPUTY PRESIDENT: Senator McEwen got the call. She stood first, I am afraid.

Senator McEWEN: Thank you, Mr Acting Deputy President. I too would like to contribute to this debate on the report currently the subject of a motion moved—

Senator Colbeck: Mr Acting Deputy President, I rise on a point of order. There was a matter before the chair which had not been determined by you as the chair when you gave the call to Senator McEwen. That matter was subsequently dealt with. Senator McEwen could not have had the call when there was still a matter before the chair that you, as chair, had not finalised. You cannot say that Senator McEwen had the call because the matter before the chair was Senator Abetz's request for the motion that he had moved. You cannot give the call to Senator McEwen on the guise that she had the call before you dealt with that matter because you as chair had to deal with that matter before you could give anybody the call. The matter was essentially with Senator Abetz.

Senator Bob Brown: Mr Acting Deputy President, on a point of order: there are two matters here. Firstly, you were quite right in giving the call to Senator McEwen. We were dealing with the government responses to parliamentary committee reports and Senator Abetz tried to intervene on that with another matter. You quite rightly discounted his ability to do that, and that should have pertained.

I welcome the President of the Senate to the chair. That was a correct ruling. However, Senator Abetz persisted in wanting to seek leave, which should have waited. When leave was not given he sat down. You then rightly gave the call to the senator on your right. That ruling should remain.

The PRESIDENT: I have not been here for the situation, and I note the hour of the night, but I do understand that there is a question before the chair. The question before the chair is that the report be taken note of. That is the question that is before the chair at this stage.

Honourable senators interjecting—

The PRESIDENT: Order! The question before the chair has to be disposed of. That is the first thing that must take place in the order of debate. The question must be disposed of, and the question before the chair is that the report be taken note of.

Senator Ian Macdonald interjecting—

The PRESIDENT: Senator Macdonald, I have not given you the call. Senator McEwen.

Senator McEWEN: Mr President—
Senator Ian Macdonald: Point of order, Mr President!

The PRESIDENT: Senator Macdonald!

Senator McEwen: Mr President, I have a point of order. My point of order is that I stood with the intention of taking note of the report listed at page 8 on today’s Notice Paper. I made it quite clear that my intention was to contribute to the debate.

Debate interrupted.

MOTIONS
Dissent from Ruling

Senator IAN MACDONALD
(Queensland) (19:48): Mr President, pursuant to standing order 198, I give you notice that I take objection to the ruling you have just made and I have written somewhere here that I object to the ruling of the President, which is writing in accordance with that order. I move:

That the ruling of the President be dissented from.

The PRESIDENT: If you are going down that path then that is disposed with and will be entertained on the next day of sitting, in accordance with the standing orders. I refer you to the standing orders. You are quite within your rights—you must table it in writing—and that is disposed of on the next day of sitting. The question now is—

Senator IAN MACDONALD: Mr President, if you read the rule further it states:

Debate on that motion shall be adjourned to the next sitting day, unless the Senate decides on motion, without debate, that the question requires immediate determination.

I move:

That the question of dissent requires immediate determination.

The PRESIDENT: The advice I have is that that needs to be put without debate.

Question put.

The Senate divided. [19:55]

(The President—Senator Hogg)

Ayes .................29

Noes .................34

Majority.............5

AYES

Abetz, E
Back, CJ
Birmingham, SJ
Boyce, SK
Bushby, DC
Edwards, S
Fawcett, DJ
Fifield, MP
Humphries, G
Kroger, H (teller)
Madigan, JJ
McKenzie, B
Parry, S
Ryan, SM
Williams, JR

NOES

Bilyk, CL
Brown, CL
Cameron, DN
Collins, JMA
Di Natale, R
Feeney, D
Gallacher, AM
Hogg, JJ
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Sherry, NJ
Stephens, U
Thistlethwaite, M
Waters, LJ

PAIRS

Cash, MC
Cormann, M
Heffernan, W
Johnston, D
Payne, MA

Farrell, D
Singh, LM
Arbib, MV
Evans, C
Wong, P
Senator Conroy did not vote, to compensate for the vacancy caused by the resignation of Senator Coonan.

Question negatived.

The PRESIDENT: The motion of dissent will appear on the Notice Paper for the next day of sitting.

Senator IAN MACDONALD (Queensland) (19:57): Mr President, in view of what has just happened, I seek leave to withdraw my motion.

Leave granted.

Senator IAN MACDONALD: Mr President, I ask that you consider the ruling you made and perhaps report back to the Senate later.

The PRESIDENT: I will consider the ruling and, if necessary, I will report back. But at this stage I see no reason to. I will stick by my ruling.

COMMITTEES

Scrutiny of New Taxes Committee

Report

Debate resumed on the motion:
That the Senate take note of the report.

Debate adjourned.

COMMITTEES

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Orders of the day Nos 1 and 2 relating to committee reports and government responses were called on but no motion was moved.

ADJOURNMENT

The PRESIDENT: Order! It being past 7.50 pm, I propose the question:

That the Senate do now adjourn.

Howes, Mr Paul

Senator FIERRAVANTI-WELLS (New South Wales) (19:59): Tonight I would like to highlight what I think was absolutely disgraceful behaviour by Paul Howes yesterday in front of my electorate office in Wollongong. On Tuesday afternoon, the Australian Workers Union posted a media release entitled 'Save Our Steel Jobs: National Day of Action for Steel', promising: Tomorrow hundreds of steelworkers will front up to Coalition MP offices in their local communities …

Three offices were named: my office in Wollongong, Greg Hunt's office in Hastings and Bob Baldwin's office in Raymond Terrace. My office was advised that the police were expecting about 300 people. Sky News reported 50 people. It was a complete fizzer. No-one visited my office. Only about 30 people attended and that was mostly when the media turned up. I am told that all of about 20 people turned up at Mr Hunt's office and no-one turned up at Mr Baldwin's office, according to a press release that he put out yesterday.

I have a couple of photos here, taken when Paul Howes was speaking. I can count 11 people—hardly the hundreds that Mr Howes was boasting. There are 3,000 steelworkers at the Port Kembla BlueScope plant and, from the look of the photos, most of those attending were well-known union officials. May I say that I respect the rights of the unions to protest outside my office. Had they done it when I was there, I could have spoken to them. But they seem to protest outside my office only when I am not there. On the last occasion, they came up to my office and intimidated my young staffer at the counter, demanding to know where I was. She politely told them that it was a sitting day and that I was at work in the Senate.
So what did Paul Howes tell his merry little band? First he said that by the end of this week a carbon tax would be law—wrong. For someone who no doubt aspires to political office in this place, might I say: learn the basics. The legislation needs to pass the Senate before it becomes law. Paul Howes spent all day yesterday criticising me. He could start by saying my name properly, but what does one expect from an arrogant man like him? Then Paul Howes asserted that I should be—wait for it—'run out of town' for daring to stand up for my constituents in New South Wales who do not want this toxic tax. This is the sort of language that Paul Howes and his ilk are now able to get away with under Julia Gillard's regime. The Prime Minister's mate has threatened me because I dare to stand up for my constituents in New South Wales who do not want this toxic tax. This is the sort of language that Paul Howes and his ilk are now able to get away with under Julia Gillard's regime. The Prime Minister's mate has threatened me because I dare to hold a different point of view. The sheer arrogance and conceit of this man is beyond belief. I am standing up for those who are opposed to this toxic tax. I am representing the views of thousands of Illawarra residents who voted against the Australian Labor Party at the recent state and local government elections. I stood at the polling booths and I heard the message loud and clear—anti-Labor and anti-carbon tax.

I will take you to a couple of the blog comments that appeared after this so-called protest. This is one by Tom yesterday at 2.57:

Saw this protest, was half a dozen "workers" until the media turned up and then this number increased significantly for 5 minutes while someone ranted and raved. And then it was over, everyone back on the union bus and back to work. More like sheep than true protestors!

Here is another comment:

Unions and their supporters protest about this but they wave the white flag when it came to the carbon tax, a tax that will decimate manufacturing in Australia. Don't complain when you have no jobs at all boys.

Of course, Paul Howes is the very man who on election night with me on the ABC tried to argue that the political assassination of Kevin Rudd had nothing to do with the massive swing against Labor at the last election.

The vote for Ms Gillard's carbon tax is illegitimate. It is prefaced on a lie. She knifed the former Prime Minister and now her faceless man is threatening to run me out of town. Well, let me tell you, Mr Howes: I will not be bullied. I was born and bred in Wollongong. I was there long before you were born or even came to the Illawarra. No-one, Mr Howes, is going to run me out of town. Your conduct yesterday, Mr Howes, demonstrates all the hallmarks of the classic union thug and bully. So today I have called on the Prime Minister and asked her whether she condones this sort of thuggish language and bullish behaviour. It demonstrates that Mr Howes has no respect for the office. He has threatened me, but I will not be intimidated.

Let me turn to the Steel Transformation Plan. This plan only helps the big steelmakers, BlueScope and OneSteel, while many smaller companies in the Illawarra and around Australia will be left out. The remaining businesses, which employ 80 per cent of Australia's steelworkers, will be excluded. So let's look at how this plan came about. It is really not about protecting steel jobs; it is only about protecting the job of one man. We know that Mr Howes went down to the steelworks at Port Kembla and told the workers down there that they had to cop the tax. But after lots of finger pointing at this meeting and very heated discussion he made a hasty retreat. All of a sudden we started to hear about this Steel Transformation Plan, using the funds destined for carbon tax compensation. This is about protecting the job of one man and one man only. Ms Gillard owes her faceless man
and this is his payback. It has very, very little to do with helping the steel industry. Indeed, it is only a stay of execution for the steel industry. As the coalition has repeatedly said, if you have no tax there is no need for compensation.

Yesterday we saw the spectacle of Labor celebrating this massive win with no thought whatsoever for what the impact is going to be on the Australian public. Having broken faith with the Australian people, they turned around and gave themselves a round of applause. Ms Gillard and others may now seek to push opportunistic political slogans like 'buy local'. What hypocrisy when the carbon tax is Labor's 'buy foreign content' plan. So what will Stephen Jones, the member for Throsby, and Sharon Bird, the member for Cunningham, say to the coal and steel workers of the Illawarra whose jobs are at risk because their industries are being deliberately placed at a competitive disadvantage? What will the member for Robertson, Deb O'Neill, and the absent member for Dobell, Craig Thomson, tell the Central Coast workers? What about Daryl Melham?

There is an article today titled 'Carbon tax costs worry Gosford and Wyong councils'. This article in the local paper highlights concerns that the councillors have about the carbon tax. But of course they cannot go and tell Craig Thomson about their concerns because he is the member you have when you do not have a member—the missing-in-action member. They said, 'We had a carbon tax rally. We couldn't even approach his office because the police were called to keep us away.' People from his constituency could not even get near his office to complain about the impact of the carbon tax on them. They could not even complain, so forget the Gosford and Wyong councils having any impact at all on Mr Thomson or the grand carbon tax pooh-bah himself, Greg Combet, in Charlton or Ministers McClelland, Burke and Ferguson. What are they going to tell their workers in the seats of Barton, Watson and Werriwa? That they are happily cheering and kissing each other?

I must say that the Daily Telegraph had it right when they called it the 'kiss of death'. I would not be feeling very comfortable if I were the Prime Minister after that kiss from Mr Rudd. But there you are. You are all standing there cheering while the costs of living and fuel will go up. The costs for small business will go up. The struggle for families in these electorates will get worse. Saying sorry will simply not be enough for this Prime Minister or this government. Go to an election. What are you scared of? Why don't you let the Australian public be the final judge and adjudicate on this toxic carbon tax?

Royal Life Saving Society of Australia

Senator BILYK (Tasmania) (20:09):
Tonight I rise to speak about something important to a number of members in this place, and that is the Royal Life Saving Society of Australia. In particular I want to speak about the release of its National drowning report 2011. As an ambassador for the society, as I know a number of other members and senators are, I was present for the launch of the National drowning report on 21 September at Parliament House in Canberra. The society undertakes some very important work in promoting water safety, and I am pleased to be able to support the organisation whenever I can.

The report reveals that 315 people in Australia drowned in the period between 1 July 2010 and 30 June 2011. When broken down, state by state, the number of drowning deaths were: 107 deaths or 34 per cent in New South Wales; 93 deaths or 30 per cent in Queensland; 38 deaths in Victoria; 37 deaths in Western Australia; 15 deaths in my
home state of Tasmania; 13 deaths in South Australia; eight deaths in the Northern Territory; and four deaths in the Australian Capital Territory. It is a tragic fact that drowning deaths are now at their highest level since 2003 and are 11 per cent higher than the average over a five-year period. The report shows that men are 3½ times more likely to drown than women and that the tendency of men in the 18 to 34 age group to drown is a particular concern. It also shows that 36 per cent of all drowning deaths across Australia occur in rivers, creeks or streams. This figure includes the 38 people who tragically lost their lives in the Queensland floods in December and January of this year.

The report highlights the challenges Australia faces to meet the Australian Water Safety Council's goal of a 50 per cent reduction in drowning by the year 2020. The report also indicates that there is a great need to focus on prevention strategies to counter river drownings and also drownings by people aged over 55 years of age and men aged 18 to 34. All areas of water safety need to be looked at in order to make a real impact on the number of drowning deaths.

There has been an alarming increase in the number of deaths in the 55-year-plus category with 117 in the 2011 report compared to only 82 deaths in 2008. The deaths in this category account for 37 per cent of all drowning fatalities in Australia. This age group most commonly drown in rivers, creeks and streams while undertaking a variety of activities, such as fishing, boating or swimming. The statistics in this age group are particularly concerning. They are concerning not only because they account for such a large number of deaths but because the figure is likely to rise. It is likely to rise because of Australia's ageing population and the fact that the baby boomer generation is approaching retirement. When talking about this age group, the society's chief executive officer, Rob Bradley, states:

Older Australians drown in a range of aquatic settings. Improving fitness and swimming skills, and increasing awareness of the impact of medication and pre-existing illnesses on their ability to stay safe are key strategies to prevent drowning …

Mr Bradley also emphasises the importance of people having a buddy system in place when they are involved in water activities.

Across all age groups, the report also examines the environments in which people drown, such as pools, waterways and the ocean. The society highlights the increased work that has been done to reduce the number of drowning deaths occurring in rivers, creeks and streams because of the dramatic increase in deaths in those circumstances. The number of fatalities in these circumstances have almost doubled since 2008, with 114 deaths this year compared to 58 three years ago. If the deaths that occur in lakes, dams and lagoons are added to this figure, deaths in inland waterways account for nearly 45 per cent of total drowning deaths.

In regard to the 18- to 34-year-old male category, which I mentioned before, alcohol is known to be a factor in more than 10 per cent of deaths and, in that 10 per cent, many of the alcohol readings were high. Many men in this age group continue to take unnecessarily life-threatening risks, including consuming alcohol or other drugs prior to undertaking water activities. Prescription drugs can be a factor in fatalities, especially if they are abused, and people should consult their doctor about the side effects of medications and about whether aquatic activity is suitable while taking their medication. Men in the 18 to 34 age group are also very difficult to reach with prevention messages. The society believes that secondary school students
should complete a lifesaving program, such as the Bronze Medallion, because such training is vital to develop strong swimming, water safety and basic rescue skills. This year's report shows a reduction of 15 per cent in children under the age of five drowning, but the society urges all adults to remain vigilant when supervising children around water as child drowning still remains at unacceptably high levels. The number of child deaths fluctuates and a low number of deaths in one reporting period is no reason for any of us to become complacent.

In the area of backyard pool safety, there has been a significant reduction in drowning deaths in Queensland in this reporting period. This has coincided with the Queensland government's reforms to legislation around backyard pools. The message of being vigilant about pool safety is starting to get through to Queensland pool owners via increased public awareness campaigns. They are required to register their pools and are subject to mandatory inspections. The society urges state and territory governments to review their policies and programs around pool safety and to continue to encourage people with backyard pools to comply with legislation or best practice.

Keep Watch, the society's program focused on child water safety, continues to urge all parents to supervise their children constantly when they are near water, and to learn CPR so that they are prepared should they ever need to resuscitate a child. The Swim and Survive program is a wonderful way to introduce children to the water and to teach them the importance of water safety.

Despite the common belief held by society, drowning deaths occur all year round. On average the summer period accounts for 41 per cent of deaths, spring for 22 per cent, winter for 20 per cent and autumn for 16 per cent. Vigilance around water is important regardless of the time of year. It is also important to remember that you do not have to intentionally go into water. Death often occurs when people fall or wander into the water, especially if they have been drinking. In the nought-to-four age group, 57 per cent of fatalities entered the water unintentionally, while in the 55-year-plus age group 14 per cent of deaths resulted from falling or wandering into water.

I want to mention some other statistics before I finish. Sixteen per cent of deaths in the 15- to 34-year age group occurred at the beach, and in the 55-year-plus age group 14 per cent of deaths occurred while using watercraft. In the reporting period, 19 international tourists drowned while in Australia and eight Australians drowned outside of their home state or territory. The international tourists were from a variety of countries: Ireland, China, India and Germany.

The statistics I have just spoken about cannot be ignored. To do so would be at our own peril. These statistics show that drowning can happen to both males and females. It can happen to people of all ages and it can happen in a variety of locations. This is why we all need to be vigilant around water. There are many steps we can take to reduce the number of drowning deaths. We should swim in pairs or groups. We should always watch children and other weaker swimmers around water. We should act sensibly and make sure that we do not go into the water after consuming alcohol. We should always assess the conditions at the beach or the river before we go in the water. Of course, as last summer's flood tragedy has proven, we need to be cautious in times of extreme rain conditions. We should not drive through floodwaters or swim in drains.
Drowning is an all-too-regular event and it is one that we need to do everything possible to prevent. I am proud to be an ambassador for the Royal Life Saving Society's important work and I congratulate them on their efforts in making people more aware of the dangers we face in and around the water. I urge everyone to be sensible in and around the water. As I have said, this is important not only in the hot summer months but all year round because we know that drowning can happen at any time of the year. Water safety is everyone's responsibility and together we can reduce the number of fatalities that occur in the water.

Employment

Senator MADIGAN (Victoria) (20:18): Tonight I would like to speak on a matter which I believe should be at the forefront of every senator's mind when we consider legislation in this house—that is, the dignity of work and the sense of self-worth and community responsibility gainful employment delivers. Whether we are considering the current carbon tax legislation, which I do not intend to speak about tonight, or legislation on land, water, minerals or communities, in fact almost any bill we examine, we will be considering issues that affect Australian workers, families and communities involved in the manufacturing and farming sectors.

Manufacturing involves real people, real jobs, real skills and real prosperity. It also delivers tangible social and economic benefits. Approximately 100 years ago in Ballarat, my home town, HV McKay set up, having come from Elmore, which is north of Bendigo, and built the famous Sunshine Harvesters. After he left Ballarat he set up the famous HV Mackay Sunshine Harvester Works, the largest implement works in the Southern Hemisphere, which is where the harvester case came from. As much as I would have disagreed with Hugh McKay on his industrial relations stance, he did provide worker housing and let workers pay off their homes. He did have some sense of community responsibility, which is still in evidence today with the homes that are dotted around Sunshine and Albion.

Australian businesses are not competing on a level playing field, yet they are competing. Many businesses across the length and breadth of Australia are at the technological cutting edge. Our manufacturing sector feels that it is under siege and our farming sector feels like it is being taken for granted. Quite frankly, almost every worker and farmer I have spoken to believes they have been forgotten by some members in both the Senate and the House of Representatives, not just under this government but under successive governments. As I said in my first speech, during my time here, however long that may be, I hope to take steps to change this situation and restore the confidence of Australia's industry to the best of my ability for the betterment of Australian families and workers. One of the ways I hope to achieve this is by raising the awareness of members of both houses of the daily pressures facing Australian workers, manufacturers and farmers. It is for that reason that I advise that I will be seeking to establish a manufacturing-farming sector parliamentary program similar to the one that we are all aware of for the ADF, which has so successfully raised among parliamentarians the level of understanding of and support for the sacrifice and devotion of members of our defence forces for the protection of our country and its people.

Australian workers, whether they work in the agricultural sector or the manufacturing sector, are the people whose hard work and devotion keep our nation alive—they pay taxes and they contribute to local
communities. These people are losing their jobs. Just today, 20-odd workers in my home town of Ballarat lost their jobs at ECM, where the privatised workshops of the Country Fire Authority used to build the fire trucks for Victoria. Also, a couple of months ago another 25 workers lost their jobs at Walkabout clothing. Each day I go to my office, which is opposite Centrelink in Ballarat, I see people walking into Centrelink to apply for benefits or to collect them, and I see the despondent look on their faces. When people lose their jobs there are mental health problems like depression, there is drug and alcohol abuse and there is vandalism. We quite often talk here about the cost of things to our nation and what it does to the bottom line, but the worst cost is in people. We also talk about intergenerational unemployment. If you go into the working suburbs of Ballarat you see the look on these people's faces when they are walking home at night and there is a total sense of despondency. It should cut all of us to the quick to think that people feel life is so hopeless.

As you would imagine, after sitting through several months in the Senate I was unsure how senators and members would view my proposal for this manufacturing-farming sector parliamentary program. I had my doubts whether I could get anyone to consider the idea, let alone get bipartisan support. However, I can report with great pleasure that I have found considerable support from senators and members from all parties. I can also report that, having spoken to many businesses—small, medium and large—there is an overwhelming enthusiasm for the program, and they have asked to be included in its establishment. These groups, representing hundreds of businesses and many thousands of people, can see how beneficial it would be for every aspect of their industry to be opened up, showcased and examined by their parliamentarians.

The opportunity to experience the day-to-day lives of workers, farmers, their families and communities across the length and breadth of Australia would help to give each of us a greater insight into how much our decisions affect their lives. I am hopeful to announce the details of the proposed program early in December in Ballarat, and I have already received a great response from many here and in the other house. With this level of support, I am sure that the program will be seen as worthwhile and will receive the support it must have from the government and the opposition.

Kingston Community Cabinet

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (20:26): I rise tonight in the adjournment debate to highlight the highly successful community cabinet that was held recently in Kingston in southern Tasmania. The community cabinet was hosted by my colleague the federal member for Franklin and Parliamentary Secretary for Community Services, Julie Collins MP, with the community cabinet taking place at the newly constructed Kingston High School. Julie Collins, as everyone would know, is an extremely hardworking and dedicated local member, and I congratulate her for holding a successful community cabinet.

The community cabinet was also attended by my colleagues the federal member for Lyons, Dick Adams, and Senators Anne Urquhart, Catryna Bilyk and Lisa Singh. The community cabinet was a wonderful opportunity for the Prime Minister, Julia Gillard, and members of the ministry to travel to Franklin and its surrounds to meet and talk directly with Tasmanians on issues that are affecting them. The community cabinet at Kingston High School proved to be extremely popular, with people signing up to attend the community cabinet at a record
pace. I believe we may even have set a record for the fastest filling of a community cabinet event. This highlights the passion and interest Tasmanians have in being politically engaged and involved in policy debate.

On Monday, 3 October, around 300 people filled the recently opened Kingston High School auditorium to the brim, with people even sitting in the aisles to get a seat due to the overwhelming enthusiasm for the event. The session began with a welcome from the principal of the Kingston High School, Ms Gourley, who was delighted that her new school had been chosen to host such a prestigious event. I would also like to thank Ms Gourley and everyone involved from the Kingston High School for their hospitality and professionalism in hosting such a successful event.

Before the formalities of the community cabinet got underway, we were treated to some outstanding musical performances from the students of Kingston High School, firstly, to a wonderful rendition of *Advance Australia Fair*, performed as a duet by Harriet and Zoe. This was followed by a solo musical instrumental piece by Nick, who blew the audience away with his gifted and talented performance playing multiple instruments, including the didgeridoo and the guitar at the one time. These performances showcased the wonderful talent at Kingston High School.

After these two outstanding performances the Prime Minister and her ministers were faced with the unenviable task of having to follow these young people and their musical items. The Prime Minister spoke about her vision and plans for the future of the nation, with particular focus on the transition of our economy towards a clean energy future and on the limitless potential of our National Broadband Network to increase productivity and drive growth whilst also delivering better health outcomes with great educational possibilities. The Prime Minister also highlighted that Tasmania was in the enviable position of featuring so prominently in the rollout of the NBN compared to the rest of Australia, presenting us with the opportunity to capitalise on its capabilities before the rest of the country. This was particularly pertinent given that earlier in the day the Prime Minister and the member for Franklin, Julie Collins, had announced the rollout of stage 3 and the connection of another 90,000 Tasmanian homes to the NBN.

The Prime Minister spoke about her passion and vision for the introduction of a national disability insurance scheme in Australia and the benefits this would bring to people living with disability. She also spoke about local issues, including the challenges currently facing the Tasmanian economy and the intergovernmental agreement on the Tasmanian forestry industry. The Prime Minister then introduced her ministerial colleagues, who all outlined their portfolio responsibilities and what they had been doing in Tasmania that day and highlighted events and activities they had planned for the next day in Tasmania. I really think this is one of the great aspects of community cabinet—for ministers to visit an area and have the opportunity to meet with local organisations and constituents and to attend events. As each minister described what they had been doing during the day with different local members and senators, it was evident that it represented a vast cross-section of activities and programs operating in southern Tasmania. This allows ministers to see firsthand projects that local MPs have been highlighting in parliament or raising with individual ministers.

The question-and-answer session was extremely fulfilling, with questions from the
floor again focusing on a wide and varied range of topics including climate change, asylum seekers, the forest industry, road safety, children with disabilities and foreign aid, and even one question from a parochial Tasmanian—not that there are many of those, as I am sure Senator Colbeck will agree! The session was highly informative, with a number of people in the audience commenting to me after the community cabinet how worthwhile and successful it had been. A lovely lady that Senator Urquhart and I sat next to in the audience even sent through an email thanking us for making special seating arrangements for her hearing impaired husband so that he was able to sit at the front of the room within easy view of the person conducting sign language, giving him an opportunity to grasp the proceedings.

Whilst the 'official' community cabinet event involving the question-and-answer session with the Prime Minister and her ministerial colleagues was extremely well received, the informal meet-and-greet session over a cup of tea and a sandwich also proved to be extremely popular. This provided an informal setting for the Prime Minister and ministers to mingle and meet local constituents. Many people took this opportunity to seek out a minister to chat about a topic they were interested in. The Prime Minister also proved a big hit during the informal meet and greet, with people taking the rare opportunity to get up close for a chat with the Prime Minister, and a few even managed to sneak in a photograph or two. Prior to this mingling session there was an opportunity for individuals, community groups and other organisations to have formal face-to-face meetings with the Prime Minister and her ministers.

As I mentioned earlier, before the Prime Minister and her ministerial colleagues attended community cabinet, they spent the day in the local community. The Prime Minister's first event for the day was the official opening of stage 1 of the Glenorchy Art and Sculpture Park, GASP. The GASP project is a fantastic local project which is designed to connect the world-class Museum of Old and New Art, MONA, via a walking path, which includes a breathtaking boardwalk across Montrose Bay, shelter areas and a jetty for ferry access. The GASP was also recently successful in gaining funding to complete state 2 of the project through the Regional Development Australia Fund. As a long-time supporter of GASP, I was delighted that the project was able to secure this funding and I look forward to watching the project continue to grow.

I had the opportunity to host the Minister for Mental Health and Ageing, Mark Butler, at an aged-care conversation in Hobart. Minister Butler is conducting over 30 aged-care conversations around Australia, listening to views and thoughts from consumers, unions and the sector on how we best support our ageing population into the future. The Hobart forum was extremely well attended, with over 140 people sharing their views and experiences. The Minister for Mental Health and Ageing also visited Lifeline for afternoon tea and a chat with staff and volunteers about their highly successful Chats program and their 24-hour counselling service. Chats is a wonderful program targeted to older people living independently and is about having fun, meeting new people and building relationships which create a feeling of friendship, support and connection.

I also had the pleasure of attending Princes Street Primary School with the Minister for Foreign Affairs, Kevin Rudd, to talk to students about being a good global citizen and about Australia's role in the world. The students were fascinated by the topics of discussion and asked some very
good questions. The foreign minister also conducted a foreign aid roundtable discussion with key Tasmanian stakeholders, which was hosted by Senator Anne Urquhart and the state member for Lyons, Rebecca White.

The day after the community cabinet, Julie Collins and I joined the Minister for Health and Ageing, Nicola Roxon, to deliver an election commitment at the Royal Hobart Hospital, where we officially opened Tasmania's first public PET scanner. The minister also announced over $17 million of funding to provide more beds and services for southern Tasmania. I was also able to show Minister Roxon firsthand the roaring success of the Building the Education Revolution when she officially opened the new BER facilities at Holy Rosary Catholic Primary School in Claremont. It was also a significant occasion for the school as they are celebrating their 50th birthday this year. I acknowledge the Principal, Ms Kate O'Driscoll, and the staff and students at Holy Rosary Catholic Primary School for their warm hospitality.

I would like to acknowledge all the hard work of everyone involved in organising the Kingston community cabinet, which made it such a successful event. I look forward to the next community cabinet in Tasmania. (Time expired)

Senate adjourned at 20:36

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Literary instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]

Australian Prudential Regulation Authority Act—Australian Prudential Regulation Authority (Confidentiality) Determination No. 16 of 2011—Information provided by life insurers and friendly societies under Reporting Standard LRS 100.0, LRS 120.0, LRS 210.0, LRS 300.0, LRS 310.0, LRS 330.0, LRS 340.0, LRS 400.0, LRS 420.0 and LRS 430.0 [F2011L02063].

Civil Aviation Act—Civil Aviation Safety Regulations—Instrument No. CASA EX110/11—Exemption—take-off with residual traces of frost and ice [F2011L02062].

Commissioner of Taxation—Public Rulings—
Product Ruling—Addendum—PR 2011/5.


Financial Sector (Collection of Data) Act—
Financial Sector (Collection of Data) (Reporting Standard) Determinations Nos—


Higher Education Support Act—Higher Education Provider Approval No. 6 of 2011—Academy of Information Technology Pty Ltd [F2011L02051].

Insurance Act—Insurance (Prudential Standard) Determinations Nos—
2 of 2011—Prudential Standard GPS 001 Definitions [F2011L02054].


Migration Act—Migration Regulations—
Instrument IMMI 11/051—Alternative English language proficiency tests to the International English Language Testing System (IELTS) for student visa purposes [F2011L02058].

Superannuation Industry (Supervision) Act—
Select Legislative Instrument 2011 No. 130—
Superannuation Industry (Supervision) Amendment Regulations 2011 (No. 2) [F2011L01360]—Explanatory statement [in substitution for explanatory statement tabled with instrument on 5 July 2011].


Departmental and Agency Appointments

Order for the Production of Documents

The following documents were tabled pursuant to the order of the Senate of 24 June 2008, as amended:

Departmental and agency appointments and vacancies—Budget (Supplementary) estimates—Letters of advice—

Families, Housing, Community services and Indigenous Affairs portfolio.

Health and Ageing portfolio.

Immigration and Citizenship portfolio.

Prime Minister and Cabinet portfolio [2].

Sustainability, Environment, Water, Population and Communities portfolio.

Departmental and Agency Grants

Order for the Production of Documents

The following documents were tabled pursuant to the order of the Senate of 24 June 2008:

Departmental and agency grants—Budget (Supplementary) estimates—Letters of advice—

Department of Immigration and Citizenship.
The following answers to questions were circulated:

**Defence**

(Question Nos 503 and 779)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 21 March 2011:

As at 31 December 2010 (QON 503) and 30 June 2011 (QON 779):

(1) With reference to the acquisition of the first 14 F-35 Joint Strike Fighter (JSF) aircraft:
   (a) what is the expected expenditure on the acquisition;
   (b) what is supplied as equipment, supporting systems, weapons, services or infrastructure to the Australian Defence Force (ADF);
   (c) when will these aircraft be delivered;
   (d) when will they become fully operational; and
   (e) what is the estimated through-life support and operating costs for these aircraft over an expected 30 year period of operation.

(2) When will the remaining 86 F-35 JSF be purchased (as referenced in the Defence White Paper 2009, p. 78, paragraph 9.60, ‘The Government has decided that it will acquire around 100 F-35 JSF, along with supporting systems and weapons. The first stage of this acquisition will acquire three operational squadrons comprising not fewer than 72 aircraft’).

(3) With reference to the acquisition of the remaining 86 F-35 JSF aircraft:
   (a) what is the expected expenditure on the acquisition;
   (b) what will be supplied as equipment, supporting systems, weapons, services or infrastructure to the ADF;
   (c) when will the aircraft be delivered;
   (d) when will they become fully operational;
   (e) where will the JSF squadrons be based, and when; and
   (f) what is the estimated through-life support and operating costs over an expected 30 year period of operation.

(4) What savings would be made by cancelling the purchase of 24 F-35 JSF aircraft and purchasing 24 Super Hornets.

Senator Chris Evans: The honourable senator has asked two questions on the same subject six months apart. The Minister for Defence has provided the following answer to the honourable senator's questions:

(1) With reference to the acquisition of the first 14 aircraft:
   (a) The first 14 JSF, with infrastructure and support required for initial training and testing, will be acquired at an estimated cost of $2.8 billion (then year price and exchange rate of $0.83). The aircraft are anticipated to cost approximately $1.6 billion (then year price and exchange rate of $0.83) including some contingency. Some additional contingency is approved in the broader Stage 1 acquisition against risks and cost uncertainty. The figures are in 'Then Year' Australian dollars (i.e. they take inflation into account).
(b) The acquisition comprises:
   (i) initial pilot training in the United States;
   (ii) initial spares associated with 14 aircraft;
   (iii) auxiliary mission equipment (such as weapons adaptors);
   (iv) training equipment and simulators to support operational testing;
   (v) weapons to support commencement of operational testing;
   (vi) support equipment associated with 14 aircraft;
   (vii) facilities design and environmental planning activities;
   (viii) initial contributions to a mission systems reprogramming facility;
   (ix) information technology integration;
   (x) initial contributions to shared JSF Program costs;
   (xi) ongoing Defence Science & Technology Organisation support activities;
   (xii) operational test activities in Australia; and
   (xiii) ongoing industry support initiatives.

(c) On current plans, the initial 14 aircraft will be delivered through 2014 to 2017.

(d) The aircraft will not become fully operational until at least 2018.

(e) Assuming an operational life out to 2046, the estimated through life and operating cost of the 14 aircraft (including capability upgrades but not including acquisition cost) will be approximately A$9 billion (Then Year).

2. A decision on purchasing the next batch of aircraft and all necessary support and enabling capabilities – leading to a total of no fewer than 72 aircraft to form the first three operational squadrons and a training squadron is planned for 2012. A decision on acquiring the fourth operational squadron to bring the total number of JSF aircraft to around 100, will be considered at a later date in conjunction with the Government’s decision on the timing of withdrawal of the 24 Super Hornets.

3. With reference to the acquisition of the remaining 86 JSF aircraft:
   (a) The expected acquisition cost for 86 additional JSF aircraft, which includes all project costs, is approximately A$13.5 billion (Then Year) Significant additional contingency is approved against risks and cost uncertainty.
   (b) The acquisition breakdown is broadly similar to the first 14 aircraft but comprises the full support capability:
      (i) initial spares associated with remaining aircraft;
      (ii) auxiliary mission equipment associated with remaining aircraft;
      (iii) additional training equipment and simulators to support four operational squadrons and a training squadron;
      (iv) weapons for use in initial operational testing and training;
      (v) support equipment associated with remaining aircraft;
      (vi) facilities construction and noise mitigation activities;
      (vii) remaining contributions to a mission system reprogramming facility;
      (viii) remaining contributions to shared JSF Program costs.
   (c) On current plans, the bulk of the aircraft to form the first three operational squadrons and a training squadron will be delivered through 2018-2022.
(d) On current plans, the first three operational squadrons will achieve Full Operational Capability by 2021. The fourth (and last) operational squadron will not be operational until post 2020 as determined by Government consideration of AIR6000 Phase 2C scheduled for “not earlier than 2015”.

(e) The indicative plan is as follows:
   (i) RAAF Base Williamtown - first operational squadron in 2018,
   (ii) RAAF Base Tindal - second operational squadron in 2019,
   (iii) RAAF Base Williamtown - training squadron in 2019,
   (iv) RAAF Base Williamtown – third operational squadron in 2020, and
   (v) RAAF Base Amberley – fourth operational squadron in 2022-23.

(f) Assuming an operational life out to 2046, the estimated through life and operating cost of the 86 aircraft will be approximately A$36 billion (Then Year).

(g) The procurement cost of 24 Super Hornet (aircraft only) would be expected to be approximately A$180-200 million less than the cost of 24 JSF.

Defence

(Question No. 504)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 22 March 2011:

As at 31 December 2010:

(1) Is it still planned to acquire 12 submarines as per the White Paper direction 'the Government takes the view that our future strategic circumstances necessitate a substantially expanded submarine fleet of 12 boats in order to sustain a force at sea' (Defence White Paper 2009, p. 64, paragraph 8.40).

(2) What plans and strategies are in place to man the 12 future submarines given the great difficulty in 2010, of manning and operating our current submarines.

(3) What is the expected cost of acquiring 12 future submarines, over the next:
   (a) 12 months;
   (b) 5 years;
   (c) 10 years; and
   (d) 15 years.

(4) What funding has been provided to assist in the planning for the 12 future submarines.

(5) When is it expected that the first pass approval will be provided to advance the purchase of the 12 future submarines.

(6) What is the expected through-life support and operating costs of a fleet of 12 future submarines over a 30 year operating period.

(7) When is it envisaged that the first of the 12 future submarines will be launched and fully operational.

(8) What is the expected cost per year of maintaining and operating our 6 Collins Class submarines until they are de-commissioned, broken down by year until 2025.

(9) What is the specific phasing-out program for the existing Collins Class submarines.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

(1) Yes.

(2) In 2010 there were three sustainably crewed Collins Class Submarines operating.
In response to the 2008 Submarine Workforce Sustainability Review, the Chief of Navy agreed to implement all the Review’s recommendations and in early 2009 established the Submarine Sustainability Program to execute remediation actions, over a five year, five-phase Submarine Sustainability Strategy.

Since the launch of the Submarine Sustainability Program, it has proved to be a highly effective framework for implementing the 29 Review recommendations and realising intended benefits. The Submarine Sustainability Program is primarily concerned with workforce-related reforms that benefit submariners and their families. The Submarine Sustainability Program has implemented more than two-thirds of the 29 recommendations and is still aiming to achieve the objective of growing a fourth submarine crew without undermining workforce growth in other areas critical to maintaining an effective submarine capability. The Submarine Sustainability Program is the foundation for expanding the submarine workforce to meet Future Submarine capability requirements.

(3) Until the submarine to be acquired, the support concept and the exact acquisition model are determined; it would be premature to speculate on the likely cost. The public DCP lists the main acquisition of SEA1000 as greater than $10 billion. Considerable work on scope, schedule and cost is required before more detailed data could be made available.

(4) The Minister for Defence has authorised a total of $19.306 million (Dec 11 Price Basis) for the Future Submarines Program.

(5) Current planning is that the Future Submarines Program will be considered by Government more frequently than less complex Defence acquisitions. Given this planned approach, there may not be a first pass approval as described in the Kinnaird process.

(6) These costs cannot be specified until the preferred submarine design and its associated usage-upkeep cycle is known.

(7) The date will depend on the submarine design and acquisition strategy agreed by Government.

(8) The costs provided are the estimates over the 10-year forward period, which is the estimating horizon, employed by Department of Defence.

Table 1 details DMO’s maintenance and support costs for the Collins class submarine, which are primarily incurred for contracted services to support the platform. These costs also include provision of Escape and Rescue Services, the Submarine Escape and Rescue Training Facility and support to the combat system.

Table 1. Current Funded DMFP FYs 2011-12 to 2020-21

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Reference: CN 10 Milestone 20120120 (DMO)

The expected operating budget for the six Collins Class submarines in each of the financial years 2011-12 to 2020-21 is detailed in the Table 2. The methodology used is consistent with the recent answer to QON 76 (asked by Senator Johnstone on 31 May 2011). The Operating costs include the cost of suppliers, facilities and personnel in both Defence and DMO deemed to directly contribute to the submarine capability along with rations, fuel, and EO (firings and sustainment costs).

This table does not include sustainment and project costs.

QUESTIONS ON NOTICE
Table 2. Estimated Future Submarine Capability Operating Costs

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Note: Excludes Sustainment Costs for Collins Class (CN10)

(9) Current planning is for the first Collins Class submarine to be withdrawn from service in 2026. This is subject to an exhaustive assessment of the estimated life of the Collins, yet to be effected by Defence. It is intended that the Collins Class submarine withdrawal program will be closely coordinated with the introduction into service of the Future Submarines; the schedule for which is yet to be determined. The transition plan will be designed to minimise the impact on overall submarine availability, the period of transition and the associated costs.

Defence: Submarines
(Question No. 633)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

Given that the replacement of the Collins Class submarines is scheduled to begin in 2024-25, what is the current schedule to retire each of the Collins Class submarines?

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator’s question:

The Collins Class Submarine life of type is currently planned to extend to around 2031, with the fleet being progressively withdrawn from service around 2025.

The life of the Collins Class is notional rather than fixed and will be influenced by the ongoing supportability and relative capability of the Collins Class

Defence: Staffing
(Question No. 637)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

How many staff were employed in the SEA 1000 Project office for the 2008-09, 2009-10 and 2010-11 financial years.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator’s question:

In 2008 – 09, the full year average strength was 7.5.
In 2009 – 10, the full year average strength was 26.33.
In 2010 – 11, the full year average strength was 37.25.

Defence
(Question No. 638)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

What are the staffing projections for the SEA 1000 Project office for the 2011-12, 2012-13, 2013-14 and 2014-15 financial years.
**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

The current funded SEA 1000 workforce allocation for forward years is as follows:

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<tr>
<th>Year</th>
<th>APS</th>
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<th>CDG Military</th>
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<tr>
<td>2011-12</td>
<td>37</td>
<td>9</td>
<td>11</td>
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**Defence**

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

What funding was allocated to the SEA 1000 Project office in 2008, 2009 and 2010.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

Approved funding for the Future Submarines Program to date is as follows:

- December 2008—$4.670 million;
- October 2009—$10.840 million; and
- June 2010—$4.026 million.

Out turned to a February 2011 price basis the total approved funding is $19.522 million.

**Defence**

(Question No. 640)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

What is the projected spending in the SEA 1000 Project office for the period of 2011 to 2015.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

Funding for SEA1000 is outlined in the Defence Capability Plan (DCP), a classified document. A public response cannot be provided.

**Defence: Submarines**

(Question No. 641)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

With reference to the Defence White Paper 2009, which states that the Collins Class replacement submarines will be assembled in South Australia:
(1) Is this still the case.
(2) Why not describe the submarines as being 'built' in South Australia.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

(1) Yes.
(2) As was the case with the Collins Class submarines and the Air Warfare Destroyer (AWD) projects, it is expected that Future Submarines will be assembled from components and possibly modules manufactured in a number of locations around Australia and overseas. Final assembly will take place in South Australia. The term 'built' would therefore be misleading.

Defence: Submarines
(Question No. 642)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

Given that it was stated at the Submarine Institute of Australia Conference in 2010 that the design experience of the United Kingdom, with regard to their future submarines, was greatly enhanced by having significant input from groups who would potentially be involved in the servicing of the submarines: what involvement have such groups had in the SEA 1000 project to date, and/or in the future.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

A key lesson learned from the Collins Program is that insufficient attention was paid to supportability during the design phase. It is intended that suitably experienced companies will be engaged during the design and development of the Future Submarines to minimise the likelihood of sustainment issues.

Defence: Submarines
(Question No. 643)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

(1) What is the current build schedule to ensure that the first of the Collins Class replacement submarines is fully operational by 2025.
(2) What is the current delivery schedule for the remaining 11 submarines as defined in the Defence White Paper 2009.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

(1) Current planning is based on 2nd Pass in late 2016. The exact schedule will depend on the capability required and the solution chosen. The phasing out of the Collins Class and the introduction of the future submarines will be managed to avoid any capability gap.

(2) The delivery schedule for the remaining submarines will be developed to minimise transition issues from the Collins Class and to take account of Industry capacity and Navy's ability to generate crews for the new submarines.
Defence: Submarines
(Question No. 644)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

(1) Has the Scorpene Class submarine been considered as a military off-the-shelf [MOTS] replacement for the Collins Class submarine.

(2) What would be the estimated cost of purchasing 12 of this class of submarine as the 'new' submarine.

(3) What are the advantages and disadvantages of purchasing this class of submarine.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

(1) Yes.

(2) The cost estimate provided to Defence by the supplier of "Scorpène" is commercial-in-confidence and cannot be made available publically.

(3) Advantages: Proven design and possibly a relatively shorter delivery time compared with some other potential options.

Disadvantages: The design does not meet Australia's broad needs as outlined in the Defence White Paper.

Defence: Submarines
(Question No. 645)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

(1) Has the HDW 209 Class (or an export variant) submarine been considered as a military off-the-shelf [MOTS] replacement for the Collins Class submarine.

(2) What would be the estimated cost of purchasing 12 of this class of submarine as the 'new' submarine.

(3) What are the advantages and disadvantages of purchasing this class of submarine.

Senator Chris Evans: The Minister for Defence has provided the following answer to the honourable senator's question:

(1) The HDW Type 209 class of submarine is a 1960s vintage design that has not been offered to Australia and is not among the submarines considered as an off-the-shelf option for the Future Submarines.

(2) No estimate is available.

(3) No assessment has been made.

Defence: Submarines
(Question No. 646)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

(1) Has the Spanish S-80 Class (or an export variant) submarine been considered as a military off-the-shelf [MOTS] replacement for the Collins Class submarine.
(2) What would be the estimated cost of purchasing 12 of this class of submarine as the 'new' submarine.

(3) What are the advantages and disadvantages of purchasing this class of submarine.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

(1) Yes.

(2) The cost estimate provided to Defence by the supplier of "S-80" is Commercial in Confidence and cannot be made available publically.

(3) Advantages: The design is under construction for another Navy, therefore Australia would not be the parent.

Disadvantages: The design is not at sea yet and is therefore unproven. The design does not meet Australia's broad needs as outlined in the Defence White Paper.

**Defence: Submarines**

(Question No. 647)

**Senator Johnston** asked the Minister representing the Minister for Defence, upon notice, on 29 April 2011:

(1) Has the Japanese 'Soryu' Class (or an export variant) submarine been considered as a military off-the-shelf [MOTS] replacement for the Collins Class submarine.

(2) What would be the estimated cost of purchasing 12 of this class of submarine as the 'new' submarine.

(3) What are the advantages and disadvantages of purchasing this class of submarine.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

(1) No. The Japanese do not export submarines.

(2) No estimate is available.

(3) No assessment has been undertaken.

**Department of Parliamentary Services**

(Question No. 682 supplementary)

**Senator Faulkner** asked the President of the Senate, upon notice, on 9 June 2011:

(1) With reference to Department of Parliamentary Services (DPS) staffing numbers and staff management policies:

(a) what is the current number of full-time equivalent (FTE) staff and at what levels are these positions classified;

(b) what is the projected number of FTE staff and associated classifications for the next 3 financial years;

(c) for each calendar year since 2005, can figures be provided for:

(i) the number of staff separations from DPS,

(ii) the number of separations in the following categories: termination, resignation, retirement (age), retirement (other) or death, return to home agency, end of non-ongoing employment, and transfer or promotion to another agency, and

(iii) the number of incidents of bullying reported to or recorded by DPS;
(d) what measures (in detail) have been taken by DPS to address complaints and incidents of bullying in the workplace;
(e) have any incidents of bullying been identified through staff exit surveys; and
(f) what measures does DPS use to assess the success of measures to counter bullying in the workplace.

(2) With reference to the treatment by DPS of billiard tables and other equipment from the former staff recreation room:
(a) apart from the two billiard tables sold through ALLBIDS Auctions, what has become of all other furniture, fittings and fixtures from the former staff recreation room, including the following items:
   (i) pool table,
   (ii) ping pong table,
   (iii) dart board and cupboard,
   (iv) trophy cabinets and trophies,
   (v) piano,
   (vi) tables,
   (vii) chairs,
   (viii) light fixtures,
   (ix) carpet,
   (x) accessories, and
   (xi) any other items;
(b) for all items disposed of, can the following details be provided:
   (i) any heritage assessment, significance or expert advice undertaken, assessed or obtained before disposal,
   (ii) the manner of disposal,
   (iii) whether any intermediary such as an auction house was used in the disposal,
   (iv) the original value,
   (v) the valuation prior to sale, and the basis of that valuation and of the original valuation,
   (vi) any reserve set,
   (vii) the value realised through sale,
   (viii) the destination of any funds realised, and
   (ix) any other details available including the date of sale, provenance and ownership of the item, and identity of the purchaser;
(c) if any items from the former staff recreation room were retained, can details be provided of the retained items, including their current location and plans for future use; and
(d) was Old Parliament House contacted before the sale of the billiard tables; if so, when and with what response; if not, why not.

(3) With reference to the construction of the Parliament House briefing room:
(a) how many DPS staff were displaced by the construction of the briefing room;
(b) where are those displaced staff currently located; and
(c) how many of those staff have moved, or will move, into the new office accommodation on the site of the former staff recreation room.
(4) With reference to the asset management policies and practices of DPS, including, but not limited to, the Parliament building itself, and its furniture and artworks:

(a) can details be provided of any charter for managing Parliament House and related assets, including governance arrangements and authority to dispose of items;

(b) can an account be provided of the disposal policies and procedures followed by DPS, including: the procedures involved for initiation and consideration of disposal proposals, the decision-making processes, the valuation of items to be disposed of, the basis on which the value of assets is assessed as appreciating or depreciating, and procedures for ensuring value for money is achieved in the disposal process;

(c) when items are disposed of for sale, is there any policy in relation to the disclosure during the sale process of the Parliament House provenance of the items;

(d) does DPS maintain a register of assets, including artworks; if so, how are items recorded and updated;

(e) when was the last full audit of DPS assets conducted, by whom was it conducted and what was the outcome, including the number, value and significance of any items missing or unaccounted for and action taken to locate them;

(f) can details be provided of any original Parliament House items disposed of since 2000, including the reason for disposal, the value of the items and the manner of disposal; and

(g) in relation to furniture, can details be provided of any items of furniture that have been replaced since the building opened in 1988, together with:

(i) the reason for replacing them,
(ii) the date of replacement,
(iii) details of plans for future replacement of furniture as reported in the press on 21 May 2011,
(iv) the rationale for the planned replacements,
(v) the original value of the items to be replaced,
(vi) the cost of planned furniture replacement,
(vii) an assessment of how the quality and design of the replacement furniture compares with the original furniture, and
(viii) procedures for ensuring that the design elements of the original furniture are maintained in the replacement furniture.

(5) With reference to the Bertoia diamond chairs and other original outdoor furniture at Parliament House:

(a) can details be provided of any original outdoor furniture that has been disposed of, including:

(i) any heritage assessment, significance or expert advice undertaken, assessed or obtained before disposal,
(ii) manner of disposal,
(iii) whether any intermediary such as an auction house was used in the disposal,
(iv) original value,
(v) the valuation prior to sale, and the basis of that valuation and of the original valuation,
(vi) any reserve set,
(vii) value realised through sale,
(viii) destination of any funds realised, and
(ix) any other details available, including: the date of sale, provenance and ownership of the item, and identity of the purchaser;
(b) if original outdoor furniture has been retained, can details be provided of its current location and any future plans in relation to it;
(c) can details be provided of any new outdoor furniture that has been acquired; and
(d) can the following details be provided in relation to the Bertoia diamond chairs:
(i) how many have been sold or otherwise disposed of,
(ii) what were the proceeds of any sale,
(iii) is DPS satisfied that value for money was achieved in any sale of the Bertoia diamond chairs,
(iv) if any Bertoia diamond chairs were disposed of, did DPS undertake a heritage assessment of the items before the sale, and
(v) if a heritage assessment was undertaken, by whom was it undertaken and what qualifications or expertise did they have.
(6) With reference to the terracotta pot plant holders previously located throughout Parliament House:
(a) what is the current location of the terracotta pot plant holders and are there any future plans in relation to them;
(b) if any of the terracotta pot plant holders have been disposed of, can the following details be provided:
(i) whether any heritage assessment, significance or expert advice was undertaken, assessed or obtained before disposal,
(ii) the manner of disposal,
(iii) whether any intermediary such as an auction house was used in the disposal,
(iv) the original value,
(v) the valuation prior to sale, and the basis of that valuation and of the original valuation,
(vi) any reserve set,
(vii) the value realised through sale,
(viii) the destination of any funds realised, and
(ix) any other details available, including: the date of sale, provenance and ownership of the item, and identity of the purchaser; and
(c) what is the estimated value of the original collection of terracotta pot plant holders.
(7) With reference to the heritage management of Parliament House:
(a) has Parliament House been nominated for Heritage Listing; if so, can full details be provided;
(b) is DPS satisfied that it has discharged all of its responsibilities to ensure that Parliament House complies with the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), the Commonwealth Heritage List, the Commonwealth Heritage Management Principles, and the National Heritage List; if so, how has this been achieved; if not, why not;
(c) what strategies does DPS employ to ensure that:
(i) the original design elements of Parliament House, and
(ii) the integrity of the original design and construction of Parliament House, are maintained to the appropriate standard for the estimated 200 year life of the building, and how are these documented and reported;
(d) can copies be provided of the current and all previous versions of the Heritage Strategy for Parliament House, including the date of each draft, and its current status and author/s;

(e) who was consulted in the preparation of the Heritage Strategy for Parliament House;

(f) is there any independent or expert oversight of Parliament House in relation to heritage management and design integrity;

(g) does DPS retain spare original building materials, fixtures and fittings to meet the requirement of the building throughout its 200 year life; if so, can details be provided, including quantities of such materials and their original value;

(h) has DPS disposed of any spare original building components, materials, fixtures and fittings; if so, can full details be provided, including: the rationale for the disposal, whether any heritage assessment was undertaken, the manner of disposal, the original value of the materials, and the value realised from the sale or disposal;

(i) in managing projects to upgrade physical security or disability access or in undertaking modernising works, what procedures does DPS employ to manage the heritage aspects of the work; and

(j) are architects engaged by DPS required to provide:

(i) written reports to confirm how their new work conforms to the design integrity of Parliament House, and

(ii) heritage impact statements as part their work.

Senator Hogg: The answer to the honourable senator's question is as follows:

I refer to Senate Question on Notice 682 (Senator Faulkner), the response to which we provided to the Senate on 8 July 2011.

One component of the Questions related to terracotta pots in and around Parliament House.

DPS officers have now become aware of some further information about terracotta pots, and we advise that some terracotta pots may have been disposed of via public auction around 1995/1996 by the Joint House Department.

While we can find no record of the transaction we have become aware that the Parliament House Construction Authority originally acquired around 1300 pots. DPS records indicate that we have around 900. The estimated date of disposal is based upon information provided by former staff members.

Defence

(Provision No. 714)

Senator Ludlam asked the Minister representing the Minister for Defence, upon notice, on 27 June 2011:

(1) What is the Australian Government's understanding of the circumstances in which the US would be willing to use its nuclear forces in Australia's defence.

(2) Is it the Australian Government's understanding that the US would be prepared to use its nuclear forces both pre-emptively and responsively in relation to both nuclear and non-nuclear (chemical, biological, conventional) threats to Australia.

(3) What specific nuclear and non-nuclear threats does Australia face that could be countered or addressed by the use of US nuclear weapons.

(4) Does Australia consider the policies outlined in the [2010 NPR] report to be in conformity with Article VI of the Treaty on the Non-Proliferation of Nuclear Weapons and international humanitarian law.
(5) On what basis does the department assert, in paragraph 6.34 of the Defence White Paper 2009, that Australia is 'able to rely on the nuclear forces of the United States to deter nuclear attack on Australia'.

(6) Has the US Government ever offered an explicit guarantee directly to Australia that it would be prepared to use its nuclear forces in Australia's defence; if so, when and in what form was such a guarantee made.

(7) What practical steps, if any, has Australia taken since 2007 to reduce the role of nuclear weapons in its defence doctrines.

(8) What role do the US military bases situated in Australia, including the joint facility at Pine Gap, play in supporting US extended nuclear deterrence.

(9) Aside from hosting US military bases, in what other ways, if any does Australia provide support to US extended nuclear deterrence.

(10) How many and what class of US submarines will be involved in the Talisman Sabre 2011 military exercises in July, and will they be armed with nuclear weapons.

(11) Does the presence of nuclear-armed vessels in Australian waters pose a security risk to the Australian public.

(12) Will the Talisman Sabre 2011 military exercises include preparations for joint military activities involving the use or threat of use of nuclear weapons.

(13) What information, if any, does the department offer its personnel in relation to the lawfulness or otherwise of using or threatening to use nuclear weapons in armed conflict.

(14) Has the Australian Government offered any advice or other information to the 'Future Fund Management Agency' in relation to nuclear weapons, cluster munitions or anti-personnel land mines; if so, what was the content of such advice.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

(1) and (2) The United States Nuclear Posture Review 2010 (NPR) declares that the United States will only consider the use of nuclear weapons in extreme circumstances to defend the vital interests of the United States or its allies and partners.

The NPR declares that the United States will not use or threaten to use nuclear weapons against non-nuclear weapons states that are party to the Nuclear Non-Proliferation Treaty (NPT) and in compliance with their nuclear non-proliferation obligations. The United States would counter chemical or biological weapons attacks against it, or its allies, with a conventional military response.

In regard to states which possess nuclear weapons and states which are not in compliance with the NPT obligations, the NPR states that there remains a narrow range of contingencies in which US nuclear weapons may still play a role in deterring a conventional, chemical or biological attack against the United States or its allies and partners.

The United States has also declared it will continue to strengthen conventional capabilities and reduce the role of nuclear weapons in deterring non-nuclear attacks, with the objective of making deterrence of nuclear attack on the United States or its allies and partners the sole purpose of U.S. nuclear weapons.

Australia welcomed this change in declaratory policy as a significant reduction of the role of nuclear weapons in US national security strategy and made clear the view that Australia would be comfortable if the United States were to reach its objective of making deterrence of nuclear attack the sole purpose of its nuclear weapons, subject to the significant work required to establish the conditions to do so safely.
(3) The 2009 Defence White Paper states (at para 6.23) that Australia will most likely remain a secure country over the period to 2030 and (at para 4.59) that stable nuclear deterrence will continue to be a feature of the international system for the foreseeable future, and in this context extended deterrence will continue to be viable.

The White Paper notes a possibility that states of concern could develop the capability to couple long-range ballistic missiles with WMD warheads. The White Paper notes also that extended nuclear deterrence will be part of our defence against WMD proliferation, alongside other measures such as customs and export control regimes, and counter-proliferation activities.

(4) Australia welcomed the United States' Nuclear Posture Review (NPR) 2010 as another very substantial step by the United States towards meeting its obligations under Article VI of the Nuclear Non-Proliferation Treaty, while maintaining an effective deterrent both for the United States, and for its allies, including Australia.

For the time being, Australia accepts that nuclear weapons are part of the strategic environment.

Australian defence policy acknowledges the value to Australia of the protection afforded by extended nuclear deterrence under the US Alliance.

Under this, as long as nuclear weapons exist, we can rely on US nuclear forces to deter nuclear attack on Australia.

Australia supports the commitment in the NPR to pursue further reductions in the number of nuclear weapons and delivery vehicles held by the United States and Russia in the wake of entry into force of the New Strategic Arms Reduction Treaty, including non-strategic and non-deployed nuclear weapons aimed at achieving substantial further nuclear force reductions.

Australia also endorses the commitment to engage over time other nuclear weapons states, in a multilateral effort to reduce and eventually eliminate all nuclear weapons.

Australia is pleased that the NPR rejects the development of new nuclear weapons or the pursuit of new military missions or new capabilities for nuclear weapons, while taking measures to sustain a safe, secure and effective arsenal.

Australia welcomed the NPR's reaffirmation of President Obama's pledge in Prague in April 2009 that the United States will not resume testing of nuclear weapons and will seek ratification and entry into force of the Comprehensive Test Ban Treaty.

(5) and (6) The ANZUS Treaty states that the Parties will "act to meet the common danger". As close allies, Australia and the United States consult on security matters of importance, including the policy of extended nuclear deterrence. The United States policy of extended nuclear deterrence to its allies is contained in its public statements on its nuclear policy, most recently in the 2010 Nuclear Posture Review.

(7) As a non-nuclear weapon state, Australia's military and defence doctrine contains no reference to nuclear weapons other than to emphasise the US guarantee under extended nuclear deterrence.

Australia has consistently called for deeper and irreversible reductions in the number of nuclear weapons held by all nuclear-armed states, and the reduction of the role of nuclear weapons in national security strategies.

Australia is working hard to achieve the entry into force of the Comprehensive Nuclear Test Ban Treaty.

Australia is also working for the negotiation of an effectively verifiable Fissile Material Cut-off Treaty and, pending that, a moratorium on the production of fissile material for weapons purposes.

Australia is active in efforts to implement strengthened non-proliferation measures, such as support for the IAEA's Additional Protocol and effective export controls.
Australia is working with others in the international community to reinforce the vital importance of full compliance with the NPT's non-proliferation obligations, in particular by Iran and North Korea.

Australia is an active participant in the Proliferation Security Initiative, which seeks to prevent illicit trafficking in weapons of mass destruction, their delivery systems and related materials.

Together with Japan, Australia established the International Commission on Nuclear Non-Proliferation and Disarmament. The Commission's independent report, launched in Tokyo in December 2009, has been seen as a major contribution to global disarmament and non-proliferation efforts.

While the Commission was not set up, or its report written, to reflect Australian Government policy, much of its analysis, action agenda and recommendations are in step with the Government's own nuclear non-proliferation and disarmament policies and priorities.

Australia and Japan have also established the Non-Proliferation and Disarmament Initiative (NPDI) to help drive implementation of non-proliferation and disarmament outcomes of the 2010 Nuclear Non-Proliferation Treaty (NPT) Review Conference.

(8) and (9) Australia hosts joint facilities with the United States. The Defence White Paper 2009 states (at para 11.12): the Joint Defence Facility at Pine Gap "will continue to contribute to the intelligence collection capabilities of both countries, support monitoring of compliance with arms control and disarmament agreements, and underpin global strategic stability by providing ballistic missile early warning information to the United States".

(10) and (11) One United States Los Angeles class nuclear powered submarine participated in Talisman Sabre 2011. The United States has a policy of neither confirming nor denying whether such vessels are carrying nuclear weapons or not.

(12) No.

(13) All ADF personnel are required to undergo training in the Law of Armed Conflict, which includes training in the lawful mechanisms and means of conduction warfare.

(14) The investment decisions of the Future Fund Board of Guardians (the Board) are made independently of Government. The Department of Finance and Deregulation regularly consults and shares information with the Future Fund Management Agency (the Agency) on an ongoing basis, including on the issues referred to in the question.

Defence

(Question No. 780)

Senator Johnston asked the Minister representing the Minister for Defence, upon notice, on 5 July 2011:

As at 30 June 2011:

(1) Is it still planned to acquire 12 submarines as per the White Paper direction 'the Government takes the view that our future strategic circumstances necessitate a substantially expanded submarine fleet of 12 boats in order to sustain a force at sea' (Defence White Paper 2009, p. 64, paragraph 8.40).

(2) What plans and strategies are in place to man the 12 future submarines given the great difficulty in 2010-2011, of manning and operating our current submarines.

(3) What is the expected cost of acquiring 12 future submarines, over the next: (a) 12 months; (b) 5 years; (c) 10 years; and (d) 15 years.

(4) What funding has been provided to assist in the planning for the 12 future submarines.

(5) When is it expected that the first pass approval will be provided to advance the purchase of the 12 future submarines.
(6) What is the expected through-life support and operating costs of a fleet of 12 future submarines over a 30 year operating period.

(7) When is it envisaged that the first of the 12 future submarines will be launched and fully operational.

(8) What is the expected cost per year of maintaining and operating our 6 Collins Class submarines until they are de-commissioned, broken down by year until 2025.

(9) What is the specific phasing-out program for the existing Collins Class submarines.

**Senator Chris Evans:** The Minister for Defence has provided the following answer to the honourable senator's question:

You previously asked the same questions under Senate Question on Notice No.504 on 22 March 2011. This response has been provided to you and remains extant. Based on your most recent question, the following update to the response is provided as follows:

(1) Same as response to QoN 504.

(2) In 2010 there were three sustainably crewed Collins Class Submarines operating.

In response to the 2008 Submarine Workforce Sustainability Review, the Chief of Navy agreed to implement all the Review's recommendations and in early 2009 established the Submarine Sustainability Program to execute remediation actions, over a five year, five-phase Submarine Sustainability Strategy.

Since the launch of the Submarine Sustainability Program, it has proved to be a highly effective framework for implementing the 29 Review recommendations and realising intended benefits. The Submarine Sustainability Program is primarily concerned with workforce-related reforms that benefit submariners and their families. The Submarine Sustainability Program has implemented more than two-thirds of the 29 recommendations and is still aiming to achieve the objective of growing a fourth submarine crew without undermining workforce growth in other areas critical to maintaining an effective submarine capability. The Submarine Sustainability Program is the foundation for expanding the submarine workforce to meet Future Submarine capability requirements.

(3) Same as response to QoN 504.

The Minister for Defence has authorised a total of $19.306 million (Dec 11 Price Basis) for the Future Submarines Program.

(5) Same as response to QoN 504.

(6) Same as response to QoN 504.

(7) Same as response to QoN 504.

(8) The costs provided are the estimates over the 10-year forward period, which is the estimating horizon, employed by Department of Defence.

Table 1 details DMO's maintenance and support costs for the Collins class submarine, which are primarily incurred for contracted services to support the platform. These costs also include provision of Escape and Rescue Services, the Submarine Escape and Rescue Training Facility and support to the combat system.

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Reference: CN 10 Milestone 20120120 (DMO)
The expected operating budget for the six Collins Class submarines in each of the financial years 2011-12 to 2020-21 is detailed in the Table 2. The methodology used is consistent with the recent answer to QON 76 (asked by Senator Johnstone on 31 May 2011). The Operating costs include the cost of suppliers, facilities and personnel in both Defence and DMO deemed to directly contribute to the submarine capability along with rations, fuel, and EO (firings and sustainment costs).

This table does not include sustainment and project costs.

Table 2. Estimated Future Submarine Capability Operating Costs

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Note: Excludes Sustainment Costs for Collins Class (CN10)

(9) Current planning is for the first Collins Class submarine to be withdrawn from service in 2026. It is intended that the Collins Class submarine withdrawal program will be closely coordinated with the introduction into service of the Future Submarines; the schedule for which is yet to be determined. The transition plan will be designed to minimise the impact on overall submarine availability, the period of transition and the associated costs.

First Home Saver Accounts
(Question No. 1013)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 22 August 2011:

With reference to the First Home Saver Accounts, including program and administrative expenses, what is the total amount budgeted for this program for each of the following financial years: (a) 2011-12; (b) 2012-13; (c) 2013-14; and (d) 2014-15.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

The administered expenses for the program for the financial years requested are shown on page 212 of the Treasury's portfolio budget statement. http://www.treasury.gov.au/documents/2027/PDF/08_ATO.pdf

Departmental funding for the ATO's administration of the First Home Saver Accounts measure was agreed as part of the 2008-09 Budget. The ATO's departmental resourcing for 2011-12 is $12.503 million as set out on page 159 of the 2008-09 Portfolio Budget Statements – Treasury Portfolio. This funding is ongoing from 2012-13.

Prime Minister: Staffing
(Question No. 1111)

Senator Humphries asked the Minister representing the Prime Minister, upon notice, on 12 September 2011:

(1) Have staffing numbers in agencies within the Ministers portfolio been reduced as a result of the efficiency dividend and/or other budget cuts; if so, in which areas and at what classification.

(2) Are there any plans for staff reduction in agencies within the Ministers portfolio; if so, can details be provided i.e. reduction target, how this will be achieved, services/programs to be cut etc.

(3) What changes are underway or planned for graduate recruitment, cadetships or similar programs, and if reductions are envisaged can details be provided, including reasons, target numbers etc.
Senator Chris Evans: The Prime Minister has provided the following answer to the honourable senator's question:

Department of the Prime Minister and Cabinet:
(1) Current staffing numbers have not been reduced as a result of the efficiency dividend.
(2) The 2011-12 Budget indicates that departmental staff would increase by 200 largely due to Machinery of Government (MoG) changes. Once one-off factors are taken into account (such as the Commonwealth Heads of Government Meeting, MoG changes, and establishment of the National Mental Health Commission), the department has estimated that average staffing levels will fall slightly over the year from levels as at June 2011 due to a range of factors and it is difficult to isolate the separate impact of the efficiency dividend.
(3) No changes are proposed to the current graduate recruitment or cadetship programs.

Office of National Assessments:
(1) There has been no specific target for staff reductions to achieve savings, however, staffing levels are being closely monitored and managed.
(2) The Office does not have any staff reduction plans in place.
(3) ONA does not currently have a graduate or cadet program, however it is currently investigating a range of recruitment opportunities through the development of a recruitment strategy.

Office of the Official Secretary to the Governor-General:
(1) The Office has reduced staffing levels by around 14 per cent over the past 3 years through natural attrition to achieve a number of efficiency measures. Due to the range of factors it is difficult to isolate the separate impact of the efficiency dividend.
(2) The Office does not have any staff reduction plans in place.
(3) No changes are underway or planned in relation to graduate recruitment, cadetships or similar programs.

Refer to QONs 1116, 1133, 1135, 1140 and 1148 for answers from other PM&C portfolio ministers.

Arts: Staffing
(Question No. 1116)

Senator Humphries asked the Minister representing the Minister for the Arts, upon notice, on 12 September 2011:
(1) Have staffing numbers in agencies within the Ministers portfolio been reduced as a result of the efficiency dividend and/or other budget cuts; if so, in which areas and at what classification.
(2) Are there any plans for staff reduction in agencies within the Ministers portfolio; if so, can details be provided i.e. reduction target, how this will be achieved, services/programs to be cut etc.
(3) What changes are underway or planned for graduate recruitment, cadetships or similar programs, and if reductions are envisaged can details be provided, including reasons, target numbers etc.

Senator Arbib: The Minister for the Arts has provided the following answer to the honourable senator's question:

Australia Business Arts Foundation Ltd
(1) No.
(2) No.
(3) The Australia Business Arts Foundation Ltd does not have graduate recruitment, cadetships or similar programs.
Australia Council
(1) No.
(2) No.
(3) None.

Bundanon Trust
(1) No.
(2) No.
(3) None.

Australian Film, Television and Radio School
(1) No.
(2) No.
(3) None.

Australian National Maritime Museum
(1) No.
(2) No.
(3) None.

National Film and Sound Archive of Australia (NFSA)
(1) No.
(2) Yes, up to 7 ASL positions in 2011-12 will be reduced however the areas, services and classifications cannot be provided as the NFSA is relying on natural attrition for these staff reductions.
(3) None.

National Gallery of Australia (NGA)
(1) Yes, staffing levels have been reduced as a result of the efficiency dividend, however it is not possible to quantify the exact numbers as these changes are affected by other internal staffing and funding decisions.
(2) In order to remain within budget the NGA must reduce its average staffing level. This will be achieved through a combination of strategies including: reducing the number of casual staff; not replacing some non-ongoing staff at the termination of their contracts; deferring for as long as possible the replacement of some ongoing positions; and natural attrition of ongoing staff.
(3) The NGA does not have any graduate recruitment or cadetship programs.

National Library of Australia (NLA)
(1) Yes staffing numbers have reduced as a result of the efficiency dividend. It is not possible to quantify the exact changes because such decisions are mixed in with a range of other internal staffing and funding changes.
(2) No.
(3) None.

National Museum of Australia (NMA)
(1) Yes. Staffing numbers have been reduced at the NMA as a result of the alignment of strategic priorities with available resources. The efficiency dividend is one part of the budget environment the agency has to address. It is difficult to quantify the exact impact of the efficiency dividend component on the changes since the staffing decisions are based on a range of internal structural, resourcing and funding changes.
(2) The NMA’s projected budgets for the outyears assume staffing reductions as follows: six positions in 2012-13 and six positions in 2013-14, all to be achieved through natural attrition. At this stage there are no reductions planned for 2014-2015.

(3) None.

**Museum of Australian Democracy (MOAD) at Old Parliament House**

(1) No.

(2) There are currently no reduction targets. The MOAD continues to review how to best achieve its objectives while operating within the limits of the funding identified in the forward estimates.

(3) Not Applicable. The MOAD currently has no programs of graduate recruitment, cadetships or similar, so there will be no impact.

**Screen Australia**

(1) No.

(2) No.

(3) Screen Australia does not have graduate recruitment, cadetships or similar programs.

Refer to QONs 1111, 1133, 1135, 1140 and 1148 for answers from other PM&C portfolio ministers.

**Innovation, Industry, Science and Research: Staffing**

(Question No. 1126)

**Senator Humphries** asked the Minister for Innovation, Industry, Science and Research, upon notice, on 12 September 2011:

(1) Have staffing numbers in agencies within the Ministers portfolio been reduced as a result of the efficiency dividend and/or other budget cuts; if so, in which areas and at what classification.

(2) Are there any plans for staff reduction in agencies within the Ministers portfolio; if so, can details be provided i.e. reduction target, how this will be achieved, services/programs to be cut etc.

(3) What changes are underway or planned for graduate recruitment, cadetships or similar programs, and if reductions are envisaged can details be provided, including reasons, target numbers etc.

**Senator Carr:** The answer to the honourable senator’s question is as follows:

**DEPARTMENT OF INNOVATION, INDUSTRY, SCIENCE & RESEARCH**

(1) In the 2011-12 Budget and across the forward estimates there have been no specific reduction in staffing numbers as a result of the efficiency dividends and or other budget cuts.

(2) No target has been set for staff reductions to achieve savings. Staffing changes are a result of decisions made by the Government as part of the Budget process. Other than Budget decisions which are disclosed in the Portfolio Budget Statement there has been limited impact on specific functions within the Department.

(3) There are no plans to change or reduce graduate recruitment or cadetship programs in operation in the Department.

**IP AUSTRALIA**

(1) As an agency that derives 95 per cent of funding on a cost recovery basis, IP Australia is not subject to the efficiency dividend.

(2) None related to the efficiency dividend. IP Australia will reduce staff numbers over the next four years as workload levels return to steady-state. This should see a reduction of approximately 50 staff (5 per cent), via natural staff turnover.

(3) IP Australia does not run a formal graduate program, though the majority of examiner vacancies are filled by people with university qualifications. There is no intention to alter recruitment from
existing steady-state workload projections which will see small offers to recruit for any natural attrition of staff beyond workload decrease projections.

AUSTRALIAN RESEARCH COUNCIL (ARC)

(1) There has not been a reduction of staffing numbers as a result of the efficiency dividend and/or budget cuts. The effect of the efficiency dividend has been managed through changes to the staffing profile (i.e. both classification and categories).

(2) Some vacant positions will now not be filled as a result of the budgetary position.

(3) The ARC does not have graduate recruitment, cadetships or other similar programs.

AUSTRALIAN INSTITUTE OF ABORIGINAL AND TORRES STRAIT ISLANDER STUDIES

(1) The Institute is currently reviewing its overall structure as a result of the efficiency dividend.

It is noted that the Institute received one-off funding for the Digitisation project which ended at 30 June 2011.

This funding employed 36 staff. Consequently, the Institute applied to the Minister for Finance for an operating loss of $3.2 million. This was approved and allows the Institute to continue to employ the affected staff for the 2011-12 year. However, without funding beyond the 2011-12 year, the Institute may potentially need to reduce staff members accordingly.

(2) This cannot be quantified until such time as the review is completed which is expected to be late October/November.

(3) N/A at this point in time.

Innovation, Industry, Science and Research: Staffing

(Question No. 1143)

Senator Humphries asked the Minister for Innovation, Industry, Science and Research upon notice, on 12 September 2011:

(1) Have staffing numbers in agencies within the Ministers portfolio been reduced as a result of the efficiency dividend and/or other budget cuts; if so, in which areas and at what classification.

(2) Are there any plans for staff reduction in agencies within the Ministers portfolio; if so, can details be provided i.e. reduction target, how this will be achieved, services/programs to be cut etc.

(3) What changes are underway or planned for graduate recruitment, cadetships or similar programs, and if reductions are envisaged can details be provided, including reasons, target numbers etc.

Senator Sherry: The Minister for Innovation, Industry, Science and Research has provided the following answer to the honourable senator's question:

Please refer to the answer provided to Senate Parliamentary Question on Notice 1126.

Special Minister of State for the Public Service and Integrity: Staffing

(Question No. 1148)

Senator Humphries asked the Minister representing the Special Minister of State for the Public Service and Integrity, upon notice, on 12 September 2011:

(1) Have staffing numbers in agencies within the Ministers portfolio been reduced as a result of the efficiency dividend and/or other budget cuts; if so, in which areas and at what classification.

(2) Are there any plans for staff reduction in agencies within the Ministers portfolio; if so, can details be provided i.e. reduction target, how this will be achieved, services/programs to be cut etc.
(3) What changes are underway or planned for graduate recruitment, cadetships or similar programs, and if reductions are envisaged can details be provided, including reasons, target numbers etc.

**Senator Wong:** The Special Minister of State for the Public Service and Integrity has provided the following answer to the honourable senator's question:

Australian National Audit Office:

(1) There has been no specific target for staff reductions to achieve savings, however, staffing levels are being closely monitored and managed.

(2) The ANAO does not have any staff reduction plans in place.

(3) No changes are underway or planned in relation to the graduate recruitment, cadetships or similar programs.

Australian Public Service Commission:

(1) There has been no specific target for staff reductions to achieve savings, however, staffing levels are being closely monitored and managed.

(2) The APSC does not have any staff reduction plans in place.

(3) No changes are underway or planned in relation to the graduate recruitment, cadetships or similar programs.

The Office of the Inspector General of Intelligence and Security:

(1) There has been no specific target for staff reductions to achieve savings, however, staffing levels are being closely monitored and managed.

(2) The OIGIS does not have any staff reduction plans in place.

(3) The OIGIS does not currently have a graduate or cadet program.

Office of the Commonwealth Ombudsman:

(1) There has been no specific target for staff reductions to achieve savings, however, staffing levels are being closely monitored and managed within the Office to achieve efficiencies.

(2) The 2011–12 Portfolio Budget Statements includes an average staffing level of 149. The current forward estimates show reductions in employee benefits expense in 2012–13 as a result of terminating measures for the Northern Territory Emergency Response and Christmas Island Processing Oversight. Staffing numbers will reduce in line with these terminating measures.

(3) No changes are underway or planned in relation to the graduate recruitment, cadetships or similar programs.

Refer to QONs 1111, 1116, 1133, 1135, and 1140 for answers from other PM&C portfolio ministers.

**Finance and Deregulation**

(Question No. 1171)

**Senator Abetz** asked the Minister for Finance and Deregulation, upon notice, on 13 September 2011:

With reference to the department and all agencies within the Minister's portfolio:

(1) What was the total cost of allowances for government employees or contractors working at sea for the 2010-11 financial year.

(2) What is the daily allowance for working at sea.

(3) How many days in total were spent at sea in the 2010-11 financial year.

**Senator Wong:** The Minister for Finance and Deregulation has provided the following answer to the honourable senator’s question:
(1) Not applicable.
(2) Not applicable.
(3) Not applicable.

Special Minister of State
(Question No. 1198)

Senator Abetz asked the Minister representing the Special Minister of State, upon notice, on 13 September 2011:

With reference to the department and all agencies within the Minister's portfolio:

(1) What was the total cost of allowances for government employees or contractors working at sea for the 2010-11 financial year.
(2) What is the daily allowance for working at sea.
(3) How many days in total were spent at sea in the 2010-11 financial year.

Senator Wong: The Special Minister of State has provided the following answer to the honourable senator’s question:

Please refer to the Minister for Finance and Deregulation’s response to Question No. 1171.