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the Senate and committee hearings are available at

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SITTING DAYS—2011

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<td>1, 2, 3, 7, 8, 9, 10, 21, 22, 23, 24, 28, 29, 30</td>
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RADIO BROADCASTS
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- CANBERRA 103.9FM
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- PERTH 585AM
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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 Judith Anne Adams, Christopher John Back, Thomas Mark Bishop, Suzanne Kay Boyce, Douglas Niven Cameron, Patricia Margaret Crossin, David Julian Fawcett, Mary Jo Fisher, Helen Evelyn Kroger, Scott Ludlam, Gavin Mark Marshall, Claire Mary Moore, Louise Clare Pratt, Ursula Mary Stephens and Mark Lionel Furner

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
## Members of the Senate

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<th>Senator</th>
<th>State or Territory</th>
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<td>Abetz, Hon. Eric</td>
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<td>Adams, Judith Anne</td>
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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.

(2) Chosen by the Parliament of New South Wales to fill a casual vacancy to be filled (vice H. Coonan, resigned 22.8.11), pursuant to section 15 of the Constitution.

**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
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<th>Position</th>
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<tr>
<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>
</tr>
<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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<tr>
<td>Minister for School Education, Early Childhood and Youth</td>
<td>Hon. Peter Garrett AM, MP</td>
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<tr>
<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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<tr>
<td>Minister for Defence and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<td>Minister for Immigration and Citizenship</td>
<td>Hon. Chris Bowen MP</td>
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<tr>
<td>Minister for Infrastructure and Transport and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</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>
<td>Senator Hon. Joe Ludwig</td>
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<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<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
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
Senator Hon. David Bradbury 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 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 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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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 09:30, read prayers and made an acknowledgement of country.

MOTIONS

Mining

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (09:31): I seek leave to move a motion relating to the secret mining tax deal between the Leader of the Australian Labor Party and the Leader of the Australian Greens.

Leave not granted.

Senator ABETZ: Pursuant to contingent notice of motion, I move:

That so much of the standing orders be suspended as would prevent him moving a motion to provide for the consideration of a matter, namely a motion to give precedence to a motion to enable the Leader of the Government in the Senate (Senator Evans) to provide an explanation about the secret deal with the Prime Minister (Ms Gillard) and the Australian Greens relating to the mining tax.

The Green-ALP alliance came into being on the promise of transparency, openness and respect for the parliamentary process. Instead, we have a government that has introduced a carbon tax based on a lie and had it legislated through this place by the Green-Labor alliance. We now have a mining tax secured by a secret deal, the content of which only two people know: the Leader of the ALP and the Leader of the Australian Greens.

Leave not granted.

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The Green-ALP alliance came into being on the promise of transparency, openness and respect for the parliamentary process. Instead, we have a government that has introduced a carbon tax based on a lie and had it legislated through this place by the Green-Labor alliance. We now have a mining tax secured by a secret deal, the content of which only two people know: the Leader of the ALP and the Leader of the Australian Greens.

The Independents in the lower house who claimed that they would ensure parliamentary process was followed are so self-absorbed that they were willing to let the mining tax go through the other place last night without knowing what the underlying deal was. They are so self-absorbed that they actually believe they themselves are the wow factor in this parliament—Windsor, Oakeshott, Wilkie, the WOW factor. How on earth could they, who signed up to a deal for government openness and transparency, have voted for it? How could the lemmings of the Australian Labor Party have voted for a mining tax, not knowing what the underlying deal was?

This is a government that was elected on a lie and is addicted to secret deals and taxes. The situation is of course compounded by the government's gross incompetence. Any self-respecting House of Representatives member should have voted against that legislation last night, knowing that there was a secret deal, the content of which was not known. We witnessed the hapless Martin Ferguson on Lateline last night being unable to explain it—and he is the minister responsible. He did not know what was in the deal. He said, 'It is up to the Prime Minister.' Yet all the lemmings of the Labor Party and the so-called Independents in the House of Representatives voted for that mining tax. I indicate that not all the Independents voted for it, but the majority of them did.

This is arrogance writ large. This is an abrogation of parliamentary responsibility. This is a government that will do anything and say anything to stay in power. This is all about Ms Gillard keeping her job. It has nothing to do with the good governance of this country. In fact, it has the exact opposite implication—of bad governance—when two people are willing to do a secret deal, and everybody else, lemming like, is willing to follow. The coalition has taken a proper stance on this, by opposing it. We want to hear from the government what the deal is. Why can't it explain what the deal is today? Why does it have to wait for a few days? Guess what is going to happen in a few days. There is a notice of motion tomorrow that
the Senate not sit next week. That motion will get through, courtesy of the Green-Labor alliance, to ensure that there is no parliamentary scrutiny of this wicked secret deal perpetrated late at night.

But this is the party that says: 'We are the party that want transparency. We are the party that want openness.' Indeed, the Australian Labor Party was the party that wanted Operation Sunlight, that would let the sunlight shine in. Well, let the sunlight shine in on this sleazy secret deal. Let the Leader of the Government in the Senate, who has finally walked in, explain to the Senate why this deal was done, the basis of the deal and why the content of the deal has to be denied to the Australian people and the Australian parliament until we have risen. Why? Undoubtedly the government is that proud of this sleazy deal that it does not want to tell the Australian people what it is or want any parliamentary scrutiny of it!

This is putting a very, very bad year for Labor and the Labor-Green alliance into an even worse light. That they should finish the year with a sleazy secret deal that they will keep from the Australian public and the Australian parliament until the parliament has risen is something that deserves to be debated and explained to the Senate, the Senate being Australia's house of review. Since the Greens have got control of the Senate, we know that the Greens announce policy and Labor seek to implement it. (Time expired)

Senator WONG (South Australia—Minister for Finance and Deregulation) (09:37): What we see, again, is a desperate attempt by the opposition to try to distract and deflect attention from a position of opposition to a reasonable share of profits going to the Australian people. This is a position that Liberal members have described as insane. There are people in your party room who think your opposition to the mining tax is, I quote, 'insane'. That is not from me; that is from a member of the Liberal opposition.

What we are seeing today is yet more confected outrage, more allegations of conspiracies and more time wasting from an opposition that do not want to say to the Australian people, 'We stand for the vested interest', because that is the opposition's position. In fact, they so much stand for the vested interest that they are defending the vested interest even more than mining companies are. This is the insanity, to quote the Liberal MP who was reported in the newspaper, of the opposition's position. The opposition stands for higher taxes for small business, for lower superannuation payments for Australians, particularly low-income Australians, and for higher profits for mining companies.

Opposition senators interjecting—

The DEPUTY PRESIDENT: Order! Those on my left.

Senator WONG: I am not surprised that they want to interject, because even on their side they know that this is a ridiculous proposition. They know that they are standing with highly profitable mining companies and standing against low-income Australians—standing against small business. The opposition have a completely untenable position, and they know it. We have seen in the media in recent days a little bit of backgrounding, a little bit of off-the-record quoting and even a few names—the division within the coalition party room against the hardline position that Mr Abbott, aided and abetted by people like Senator Cormann, have forced on the Liberal party room.

It is starting to dawn on the coalition party room that they are actually going to have to go to the next election and say a number of...
things which are pretty untenable. They are going to have to go to their small-business constituency and say: 'We stand for high taxes. I know we were once the party of small business, but we now stand for higher taxes.' They are going to have to go to 8.4 million working Australians, I think it is, and say, 'We don't believe you deserve a superannuation increase.' And they are going to have to say that to the approximately 3.6 million low-income Australians, most of them women, who would get a tax break and an increase in their superannuation contributions funded by this package.

It is extraordinary, when we see the sorts of prices Australians are getting for their mineral resources, that those on the other side stand for highly profitable mining companies against working Australians. Those on the other side are prepared to hand back money that mining companies themselves have been prepared to pay. Those on the other side stand against more superannuation for workers, particularly for low-income Australians, and stand for higher profits for mining companies. No amount of distractions and assertions about conspiracies, such as we have seen this morning, is going to distract the Australian people's attention from the simple fact that the coalition stand for more profits for wealthy mining companies while we stand for higher superannuation for working families.

And that goes to the fundamental difference in values between our party and those opposite: we stand for fairness; they stand for more profits for wealthy mining companies. It is an untenable position. Your party room knows it. Many of them are starting to say it, and that is why you are seeking to distract attention now. (Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (09:42):

The opposition is in raucous mode today, because it lost its attempt to block legislation in the House of Representatives last night which will have an $11 billion benefit for the Australian people. It must be said that Australia is indeed the lucky country in that we have a mineral wealth that makes us, according to the United Nations, the wealthiest country on Earth, per capita, in terms of natural resources. It has been a very strong Greens point of view that those natural resources should be shared as far as possible by the Australian people. The coalition wants that money to flow to the already wealthy, unrestrained. What the Gillard government has done here is legislate to bring back some of the money to undoubtedly be able to fund health, education, security—

Senator Ian Macdonald: Unemployment benefits.

Senator BOB BROWN: Senator Macdonald says unemployment benefits, but he would have you see the mining companies not paying their dues. Instead, 60 or 70 per cent plus of the profits being made by these corporations would flow overseas.

Opposition senators interjecting—

The DEPUTY PRESIDENT: Order! Those on my left.

Senator BOB BROWN: We have listened to the opposition senators in silence.

Senator Ian Macdonald: Why didn't you tax them with the flood levy?

The DEPUTY PRESIDENT: Order! Senator Macdonald.

Senator Ronaldson interjecting—

The DEPUTY PRESIDENT: Senator Ronaldson, order!

Senator BOB BROWN: Senator Ronaldson is talking about grubbiness, for goodness sake.
Senator Ronaldson: You are a hypocrite.

Senator BOB BROWN: Then we have members of the opposition saying 'hypocrites' and continuing to interject. Isn't it interesting how the conservatives are the law breakers when it comes to the standards of this place. But there you go.

The issue at stake here is the welfare of the Australian people. When Independents Windsor and Oakeshott got a huge advantage for rural Australia through environmental assessments—which will now proceed—funded from outside this package, we thought that was a real win. In House of Representatives the member for Denison was able to negotiate lifting the applicability of this tax from companies with a $50 million profit to those with a $75 million profit. This meant that $20 million a year would be taken out of the revenue raised, which is a loss equivalent to two or three hundred nurses or teachers—a real loss on the ground for average Australians. We simply said to the government that we want that money to be made up. We want this to be revenue neutral.

The opposition did nothing about that for the Australian people. They would see public schools further de-funded. They would see more closures of hospital wards. They would fail to do anything to help public transport, pensioners or people on extraordinarily low unemployment benefits, in an age of high employment, and without help to people in rural and regional Australia, because the National Party is the friend of the big miners before it is the friend of farmers. We have seen that writ large in this debate.

We have been able to work out a formulation with the government that will ensure that schools and hospitals do get their dues. The government has said that it does not want the details of this arrangement announced for some days, until closer to the mid-year statement on the economy. We argued about that. We wanted to release the details last night. It is up to the government to release the details and when it does—

Senator Abetz: You are the government.

Senator BOB BROWN: Whatever Senator Abetz might say, he has failed the people of Tasmania and Australia on this matter. Being critical is no substitute for getting action. The Greens have got the action while he bellows from his—

Senator Abetz: I rise on a point of order. I would like to point out that Senator Bob Brown has only 15 seconds remaining on the clock to tell the chamber what is in the secret deal he has struck with the Prime Minister.

The DEPUTY PRESIDENT: There is no point of order. Senator Brown has the call.

Senator BOB BROWN: There is $100 million there that Senator Abetz opposes the Australian people getting. That I can tell you. This is a good arrangement. It is much better than the $70 billion black hole that Senator Abetz and his colleagues have engineered in their accounting to the Australian people. (Time expired)

Senator CORMANN (Western Australia) (09:47): When bad governments like the Gillard government do bad things, like the mining tax, through a bad process, things inevitably end up in tears, and after that they have to come up with secret deals to try to fix things up. They have to come up with a cover-up, one involving government secrecy. That is what we have seen ever since the Rudd government's Resource Super Profits Tax ended up in a big lot of tears. It was that government that came up with this massive new tax on the mining industry, without going through a proper process and without any consultation, excluding the states and territories—
**Senator Wong interjecting—**

The DEPUTY PRESIDENT: Order on my right! Senator Wong.

Senator CORMANN: And here we are now. We have Prime Minister Gillard sitting down with the three biggest mining companies, BHP, Rio and Xstrata, exclusively and in secret, to negotiate the design of the new tax. This was done exclusively and secretly with the three biggest taxpayers. Their competitors were excluded from the process and the state and territory governments were excluded from the process. The tax was designed in a way that meant those three big mining companies will not end up paying any tax. It will ensure that the whole burden is put on the smaller local miners. Let there be no doubt: the Gillard version of the mining tax is a bad tax from a bad government and it came out of a bad process.

Let us remind ourselves how this all started. It all started with the Henry tax review, which was supposed to be a once-in-a-generation opportunity for root and branch reform of our tax system. The Henry tax review was supposed to deliver a simpler, fairer tax system, whereas the Gillard version of the mining tax gives us a multibillion dollar new tax that is manifestly more complex and less fair.

And there are serious question marks about the revenue that will be raised from it. The Senate, with the support of the Greens, I concede, has ordered the government to provide information about the mining tax revenue estimates. For the last 12 months we have been trying to get information from the government about their mining tax revenue estimates. What does the government say to us? It is secret information. You cannot have it. And do you know what they also say? 'Oh, it is commercial in confidence, because it is based on information provided by the three big miners with whom we have sat in secret negotiations.' So not only are the three big miners the only ones allowed to design the tax, to suit their needs, but also they are the only ones allowed to know the information about the mining tax revenue estimates. Not only is the Gillard government doing a cosy little deal with the big three mining companies so they do not have to pay any tax—they are completely cobbled by them—but the companies are the only ones allowed to know the revenue estimates. I call on the Greens to ensure that they force this government to come clean about the information on the revenue estimates, which they continue to try to keep secret.

We then have the cost of all of the promises that Labor have made and attached to the mining tax. Labor are very good at spending, they are addicted to spending, which is why they have to come up with ad hoc tax grab after ad hoc tax grab. Rather than going for genuine tax reform they have to go for the lazy grab for cash. This lazy grab for cash is being imposed on the mining sector, but they have already attached all of these promises to it. Not only have they attached a plethora of promises to it but the promises will cost significantly more than the revenue the mining tax is going to generate. Here you have another $40 billion tax that will leave the budget worse off. Only the Labor Party can come up with multibillion dollar new taxes that leave the budget worse off. And guess what? The Senate—again, I concede, with the support of the Greens—told the government to provide us information about the costing of all of the promises made. You have to provide the costings at least over the forward estimates so that we can assess the true fiscal impact of your mining tax package.

Guess what? The government, with absolute contempt and with absolute
arrogance, ignored an order of this Senate to provide the detail about the costings of all the promises attached to the mining tax. And guess what? There is an opportunity for the Greens to join with the coalition to enforce some openness and transparency on this government. This is a fiscal train wreck in the making and the government knows it, which is why it is going for cover-up and secrecy and why, of course, we are getting this dodgy, secret little deal behind closed doors without being prepared to put openness and transparency and sunshine in this place.

Let me finish by correcting this latest lie which Senator Wong has tried to perpetuate again. The superannuation increase is not funded through the mining tax. The superannuation increase will be funded by working families across Australia— (Time expired)

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (09:52): I will make one point, firstly. Senator Cormann, of course, questions the long-term viability of the mining tax funding a range of measures that we have announced: the superannuation guarantee, the effective elimination of the contributions tax on superannuation for low-income earners and some other measures which I might get to if I have time. But if Senator Cormann is so concerned on behalf of the Liberal-National Party coalition about long-term revenue impacts, why have they signed up to the superannuation guarantee? I am pleased to say that, after some 20 years, the Liberal Party have accepted compulsion. They have always opposed it in respect of superannuation, and I find it fascinating that Senator Cormann and others can complain about long-term sustainability when they have signed up to a major expenditure item on the budget over the long term—that is, the superannuation guarantee. I find their philosophical shift fascinating as well, but that is a matter for them to resolve. The good thing is that they are supporting the superannuation guarantee.

In terms of the costings for each measure, that was well explored at Senate estimates hearings by Senator Cormann, and I have to acknowledge that he did a sterling job. What was revealed at Senate estimates as we went through the costings of each of the measures announced in the tax package was that, on each and every occasion when it has been appropriate to update each of those measures in that tax package, this government has done so. And we have done so totally consistent with past practice, as Senator Cormann well knows.

Senator Cormann wants long-term costing estimates beyond the forward estimates. I did point out at estimates hearings to Senator Cormann that this was not the case in respect of the GST package. We did not get long-term forecasts beyond the budget estimates, and that was a major tax reform. We did not have the long-term costings forecast, and I must say that when in opposition I did ask for that in terms of Better Super, the tax-free super tax package, which had cost implications well beyond the forward estimates.

So we have followed exactly the precedents set and the consistent fiscal parameters of the previous government. There is one exception, and that does relate to the superannuation guarantee. The government has provided a projected cost—I do not have the figure here—of the superannuation guarantee beyond the forward estimates, which is I think a final figure for seven or eight years because it is phased in over seven or eight years. That is a good example of the open, honest approach to long-term fiscal
costing of a measure that does increase in cost. There is a significant cost to the budget in the superannuation guarantee, and that is brought about by the fact that the superannuation contributions tax is a cost to government revenue because the moneys flowing to superannuation via the superannuation guarantee are effectively taxed at a lower rate than income tax for a significant proportion of Australians.

While I am on this issue, another important element of the tax package is that Labor will effectively remove the contributions tax for some 3.6 million Australians. That is a very important reform because, effectively, low- and middle-income earners, two-thirds of whom are women, are overtaxed on their superannuation, and we intend to implement that reform. What is interesting is that the Liberal Party have signed up for the superannuation guarantee, despite their philosophical doubts, and I notice they had a bit of a debate in their party room about that, which was well leaked to the media today. Despite the Liberal Party's doubts, they claim, about the long-term fiscal sustainability of the increase in the super guarantee, they have still signed up to it. But they have signed up to it without the revenue, which is the mining tax.

So the Liberal Party are in an impossible position. They come in here and lecture us about long-term fiscal sustainability but they have signed up to a very significant budget measure over the long term that will cost the budget money, but they have refused to sign up to, and in fact are going to reverse, the mining tax that pays for it. (Time expired)

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (09:57): Every time we see the Labor Party do a deal a tune starts going through my head, and it is from Monty Python's Life of Brian. We have Bob Brown, who is like the leader of the Judean People's Front: 'What have the Romans done for us? What has the mining industry done for us? Oh, aqueducts, kept us out of recession, supported our standard of living. What have the Romans done for us?'

Terry Jones is obviously Tony Windsor: 'He's not the Messiah; he's just a naughty boy.' He is out the front there but is not the Messiah. They are just naughty boys.

The DEPUTY PRESIDENT: Senator Joyce, I remind you to refer to senators and members by their correct titles.

Senator JOYCE: Okay. We have Mr Rob Oakeshott, the member for Lyne, who reminds me of Eric Idle. He is always looking on the bright side of life no matter what is happening. Andrew Wilkie is obviously Graham Chapman and Michael Palin is Mr Adam Bandt. The problem is that it is just a fiasco. We have no idea who is running the show. It is a complete and utter fiasco. In fact, as we speak, I am looking at a quote from Senator Bob Brown. He said, 'We were very disappointed when the government reached an agreement with Andrew Wilkie.' We cannot have someone usurping his position as being the nuttiest person in the palace. That is his position. So he is very disappointed, so they are reserving their rights. Even as we speak we have got no idea where this is going to go. It is pandemonium palace. The minister has not a clue what they are going to do. This is where our nation is. This is how ludicrous it has become: 'We are reserving our position in the Senate.' So as we speak we have not an idea of what is going on here. They have usurped the role of government. This is no longer a government; it is just a rolling comical outfit. That is how the whole show is being run. Then they come out with these spurious claims.

Senator Wong interjecting—

Senator JOYCE: Who is going to pay the super? I would hate to tell you this,
Minister, but small business pays the super. That is who pays the super—not you, but small business—and you are lumbering them with that charge. As for the royalties, yes, we have a mining tax. It is called state royalties. But this is about your process of basically divesting the money of Western Australia and sending it to Canberra for one of your frolics. This is like divesting the wealth of Queensland and sending it down here for one of your frolics. They have a mining tax. It is called state royalties. It is part of their constitutional right, and you have decided that Western Australians do not deserve their right and they do not deserve their constitutional validity so you are taking it away from them. And if they dare take up their right you are going to take it off their GST. This is the nub of the matter: this is about you and this is about the left hand of the Greens-Labor Party-Independents alliance coming in and divesting the wealth of Western Australians and divesting the wealth of Queenslanders so that you can indulge yourselves in your mindless frolics that you go on with.

Even as we speak they are reserving their position. How insane is this government! How completely and utterly hopeless is it! Then we have Mr Windsor being asked at the door, 'Do you realise that you have just voted for an increase in tax on small business?' Mr Windsor: 'Well, I haven't spoken to Bruce.' By the way, that is Bruce Billson—because that is where you get advice from on the Labor Party's tax: from Bruce Billson! He has not spoken to Bruce Billson yet, but he voted for it. He voted for it, because that is what the Messiah does.

This is our mad world. The Australian people would know that we are not on autopilot and we are going flat out towards the ground. There is no-one running this show. There is no-one running the government. They have not got a clue. Let them stand up now and say that they have got the Greens' support. Let them come out now and say, 'It's all signed up.' They cannot tell you that because they have not got it. This is how ridiculous it is, and we have Senator Bob Brown smiling like a Cheshire cat. I do not know. It could go anywhere. All we have to do is stand out in the Senate courtyard and we will find out where the nation is going as it all madly rolls down the road with us $217 billion in gross debt. We borrowed $2 billion last week. They do not care. Someone else will repay it. Then in the same process they will come up with this moral outrage as to why they must divest Western Australians of their money, divest Queenslanders of their money and, ultimately, divest New South Welshmen of their money so that Canberra can administer it because Canberra is supposedly so much wiser than the people who actually dig the minerals out of the ground.

_Senator Wong interjecting—_

_Senator JOYCE_: Don't you think that if the Western Australians thought they wanted to raise the royalties, they would? Don't you think that if the Queenslanders thought they wanted to raise the royalties, they would? Do you think they need your advice?

The DEPUTY PRESIDENT: Order! The time for the debate has expired. Question put:

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

The Senate divided. [10:07]

(The President—Senator Hogg)

Ayes ......................32
Noes ......................35
Majority...............3

AYES

Abetz, E
Back, CJ
Birmingham, SJ
Boyce, SK

Adams, J
Bernardi, C
Boswell, RLD
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Senator CORMANN (Western Australia) (10:10): The coalition has a strong commitment to the establishment of a Parliamentary Budget Office, but our commitment is to the establishment of a strong and effective Parliamentary Budget Office. In fact, establishing a strong and effective Parliamentary Budget Office was a policy which we took to the last election. The shadow treasurer, Mr Hockey, introduced a private member's bill to establish a Parliamentary Budget Office earlier this year. But there was a big difference between the Parliamentary Budget Office put forward by Mr Hockey on behalf of the coalition and the one we are debating here today. The two bills could not be more different.

The coalition would have established a strong and effective Parliamentary Budget Office. The government's bill before us here today does not. The functions of the Parliamentary Budget Office under the government's bill are severely constrained. For example, the government's Parliamentary Budget Office is not allowed to prepare economic forecasts or prepare budget estimates. Why not? Without this capacity, how does the Parliamentary Budget Office prepare longer-term analysis of the impact of government policies on the budget? This undermines the whole purpose of the Parliamentary Budget Office, which is meant to inform the parliament through analysis of the budget cycle, fiscal policy and the fiscal implications of proposals.

I pause here for a moment because just before we started debating this bill we had a discussion about the government's mining tax proposal. I talk about the costings and the fiscal implications of the mining tax in the way the policy was first announced by the government and what has happened since. We had the original announcement by the government back in May 2010. The Henry
tax review had reported in December 2009 but the government sat on the report and released the report in May 2010 at the same time as making an announcement that they would pursue a resource super profits tax. We were told at the time that the resource super profits tax would raise $12 billion in the first two years. In 2012-13 and 2013-14 the revenue would be $12 billion. Then we were told there would be a whole series of promises attached to that mining tax revenue, a whole series of promises that we were told this particular tax would pay for.

We have got to look at this in the context of a government that at the time was desperate to be able to claim and create the illusion of an early surplus, 2012-13. When you look at the detail of the original announcement, most of the more expensive measures attached to the mining tax only started in the second year, 2013-14. So in 2012-13 there was a significant surplus in revenue and then moving forward the cost of the related measures was going to increase. But it was quite cunning and quite sneaky the way it was announced: you had revenue for the last two years of the forward estimates, and most of the costs of the related promises only started in the final year of the 2010-11 budget estimates, which was of course the 2013-14 financial year.

The government listed a whole series of costings, including $240 million for the proposed increase in compulsory super, which would go up in 2013-14 by a quarter of a per cent. That $240 million cost is because higher income earners who pay higher marginal tax will pay less tax when more of their money is forced into superannuation, which is taxed at a lower rate. There is a whole series of other costs that are listed.

To this day the only information from government that we have on the record for all of the measures is for the 2013-14 financial year. It would have been very useful for the parliament to be able to get independent advice from the Parliamentary Budget Office about the implications both on the revenue side and on the costing side at that time. I will try to go through it in sequence. The government, under significant political pressure because of the incompetent way they handled the announcement, because of the incompetent way they put the tax together and because of the incompetent way that the whole thing was played out, straightaway ducked for cover. They were not prepared to put information out into the public domain, and any information sought by the parliament was denied by the government. The Parliamentary Budget Office would have been able to give independent advice to the parliament as long as it was able to make its own estimates based on proper processes and proper and transparent assumptions. It should have been able to prepare its own economic forecast.

What happened next was that the government negotiated a secret deal—that is, exclusively and in secret—with the three biggest mining companies. It was intriguing because, even though the government made significant concessions to the three big mining companies, the fiscal impact of all those changes was only $1½ billion. All of us who were close to the mining tax development process were quite intrigued. How was it that the RSBT, with a higher rate, a broader base and a whole range of other more stringent features, was only going to raise $1½ billion more than the MRRT? It eventually came out, through investigations by a Senate committee questioning the then Treasury Secretary Ken Henry, that secretly and behind closed doors, without telling anyone, at the time of negotiating the deal the government changed their commodity price assumptions and a series of other
assumptions that were informing their mining tax revenue estimates. They did not 'fess up to that. They did not transparently provide that information at the time of announcing the deal; they just wanted to make it look like they had done this deal with hardly any impact on the budget.

Again, it would have been very useful for the parliament to be able to get proper, credible and independent advice from the Parliamentary Budget Office about what was going on at the time, and it would have helped inform the public debate. Mr Swan will always duck for cover. He will always try to hide. He will always try to perpetuate government secrecy whenever he is under pressure because one of his many stuff-ups is at risk of public exposure.

Now we are told that there is $10½ billion worth of revenue from the MRRT because the commodity price assumptions have been changed—based on information provided by whom? By Treasury? No, by the three big mining companies, who were also given the opportunity to design their own tax which just happened to suit their needs and make it harder for the smaller local miners to compete with them. We are told, 'Our revenue estimates for the mining tax were changed and our commodity price assumptions were changed based on data provided to us by the three big mining companies who designed the tax, but you're not allowed to know what the commodity price assumptions are.' This is government secrecy gone mad yet again.

I call on the Greens to seriously reflect on this. We have the circumstance now where we have revenue estimates based on assumptions provided by the three big companies who were given exclusive access to negotiate the design of the tax, and they are the only ones allowed to know what the government's revenue assumptions are. Surely we need a Parliamentary Budget Office that has the strength, the capacity and the capability under the legislation to develop its own estimates that can be put out for scrutiny, to develop its own forecast so that the public can know what is what.

And it gets worse, because there are serious doubts now as to whether the three mining companies that sat around the table with the Prime Minister and the Treasurer to negotiate the deal will pay any tax. One of the features that the government gave them was to be able to effectively deduct costs based on the market value of their assets. The government has given those three big mining companies a big tax shield not available to the smaller miners. We want to have information about these sorts of issues from a strong and effective Parliamentary Budget Office. This government clearly does not want that. This government does not want the Parliamentary Budget Office to interfere with its complete dedication and commitment to keeping things secret and covering things up. That would be a real problem for this government.

Let us look at the costing side. As I mentioned earlier the only costs we have officially and on the record for a full financial year for all the measures are the 2013-14 figures. In relation to some measures, like the proposed increases in compulsory super, it is true that it was mentioned in a footnote in the budget papers that by 2019-20 the cost of an increase in compulsory super to 12 per cent would be $3.6 billion. It is true that since the legislation was introduced that, in relation to that measure, the government has stated in its explanatory memorandum that the cost in 2014-15 is going to be $500 million. But why is the government not prepared to give us the costings for all of the promises they have attached to the mining tax over the current forward estimates? Can somebody
explain to me how the government can get away with refusing to provide information to this parliament about costs of promises they are putting through the parliament throughout the current budget forward estimates?

Now that we are in the 2011-12 financial year there is an additional financial year that comes into play, which is 2014-15. What we know based on the information the government have released so far is that in 2013-14 the revenue from the MRRT is expected to be $4 billion. We know, based on the government's own figures in the budget, that the cost of all of the promises that they have attached to the MRRT in 2013-14 will be $6.1 billion, so there is a $2 billion shortfall. We also know that the impact of decisions in Western Australia, South Australia, Tasmania and New South Wales to increase royalties is about $1 billion in 2013-14, so there is already a $3 billion shortfall in 2013-14. We also know that right now we are in a period where we have record terms of trade—the best terms of trade in 140 years—and commodity prices are high. But Treasury expectations are that those commodity prices will come down over time and that revenue from the mining tax will come down over time, but the cost of all of the related measures will continue to increase. So we have got a circumstance here where we have got highly volatile downward-trending revenue from a tax that is linked to a whole series of promises, the cost of which is going to increase and increase. It is a fiscal train wreck in the making.

We have not been able to get the government to even give us the facts and figures as to what their assessment is of what the cost of their promises will be in 2014-15, the final year of the current budget estimates. We have pursued it in Senate estimates—Senator Sherry was quite right. We asked the question and they said: 'We have not got that information. When we costed these promises, we only costed them for 2013-14 because that was the final year of the then budget estimates and we then do not recost it. It goes into the base.' What the Executive Director of the Revenue Group from Treasury said was: 'We do not recost this all the time unless we are specifically asked. It just goes into the overall pot.' This is in relation to measures that have not been approved by the parliament yet and are attached to a tax which has not been approved by the parliament yet. We are asked to make decisions without having the proper information before us.

A proper, strong and effective Parliamentary Budget Office, given the capacity to prepare their own economic forecasts and prepare their own budget estimates around key measures like this, would be able to seriously assist the parliament in making judgments on behalf of the Australian people. At the moment, quite frankly, the government is getting away with this cover-up and secrecy approach because we just keep banging our head against the wall and the government just ignores us. The Senate passed an order for the production of information a couple of weeks ago with a deadline of 8 November to produce the costings over the current forward estimates for all of the promises Labor has attached to the mining tax. The coalition and the Greens voted together to force the government to provide that information. Arrogantly and treating the Senate with complete contempt, the government have not even said: 'Look, we are still working on it. We will give it to you a bit later.' They have just completely ignored it. The deadline ran out on 8 November and the government have just completely ignored it. The reason the government are ignoring these proper requests from the Senate is that they know
they can get away with it. This is a very bad precedent. I have got to say that governments of both persuasions, whether it was the Howard government, the Keating government or the Hawke government, complied with these sorts of orders for the production of documents. Every now and then there was a bit of jiggling around about scoping it and everything else, but they complied. Here, not only did they not comply, they did not even send in a holding response. How arrogant is that? The point here is that we need a better process to be able to resolve these sorts of deadlocks.

When the Gillard government signed their alliance with the Greens we were told that, 'Whenever there is a deadlock between the parliament and executive government about the release of information, we are going to send it to the Information Commissioner for him to settle these sorts of disputes. The Information Commissioner is going to arbitrate about whether certain information should indeed be released or whether it should not be released.' That has been a complete failure because after the government refused to provide information about their mining tax revenue estimates, commodity price assumptions, production volume assumptions and so on—information that state governments like Western Australia, Queensland and others, who have got revenue that is sensitive to variations in those sorts of variables, publish as a matter of course in their budget papers, but which Treasurer Swan keeps secret because he has got something to hide—the Information Commissioner said he could not do it. That process the Greens and the Labor Party entered into as part of their alliance negotiations is not working. It is not happening. We are now 14 or 15 months down the track and it has not happened. I am saying we need to have a Parliamentary Budget Office which has got teeth and the proper capacity to do these sorts of jobs.

The bill before the Senate also gives limited powers to the Parliamentary Budget Office to gather information. The Parliamentary Budget Office must enter into memorandums of understanding with relevant departments to determine what information they can get and when they can get it. The Parliamentary Budget Office will have to negotiate an arrangement with every single government department and agency from which it requires information. These departments and agencies will not be compelled to make these arrangements. The Parliamentary Budget Office will have no leverage to compel these arrangements to be made. It stands to reason that the arrangements that are finally made will be structured to be in the best interests of the government, government departments and agencies wanting to protect information, not in the best interests of the Parliamentary Budget Office. There is a significant risk that the Parliamentary Budget Office will find itself hobbled in its ability to obtain the information and documents it needs to do its job, the same way we in the Senate continue to be hobbled and constrained in our ability to obtain information and documents and do our job.

The bill before the Senate sets out confidentiality arrangements which will be different for policy costings during the caretaker period compared to other times. No reason has been given for this different treatment. The standard policy costings function will be confidential unless otherwise indicated by the member or senator. In contrast, the function provided during the caretaker period will not be confidential. So requests for costings will be immediately published on the websites of the Treasury and/or the Department of Finance and Deregulation. The result of the costings
exercise would also immediately be published on the websites. That is not conducive to good process and it is not of course the way the government itself operates. Non-government parties would not be able to get costings done and then choose when to release a policy. Non-government parties would not be able to change their mind and reassess the merits or otherwise of various options and to release policies following some sensible reconsideration because they will be made public immediately, even though they might not have run their proper course. There is no facility for confidentially testing the costings of a range of policies and then choosing which ones will be policy undertakings for public release, and there is no right of consultation with or review by the department—their view is the final word.

The government’s bill is clearly inadequate and flawed and the coalition will propose a series of amendments to address these flaws. The establishment of a Parliamentary Budget Office is an important step in enhancing the quality of fiscal management and policy processes in Australia, but this bill falls well short of what Australia needs.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (10:30): I support the legislation to establish a Parliamentary Budget Office. Nobody will forget the furore in the 2010 federal election campaign when the coalition refused to have its policies costed by Treasury under the provisions of the Charter of Budget Honesty. Instead, the coalition went to a private firm of accountants-auditors. None of us will forget that, when Treasury did an analysis of those costings after the election, there was a massive black hole. The accountants-auditors, WHK Horwarth, said that when they were provided with the Liberal Party’s election policies they checked them based on the assumptions provided. But the assumptions provided were not made public. Of course an accounting firm is going to look at the assumptions provided to check the figures, but if those assumptions are not made public we do not have a level playing field. If you provide ridiculous assumptions, your ridiculous outcomes can be signed off by a firm of auditors.

So there was a major furore in the election campaign. At the time the Greens held a press conference to reiterate our policy, which had been in place for a long time, that we needed a Parliamentary Budget Office that provided to non-government parties of all kinds and Independent members an opportunity to have budget measures costed and an iterative discussion of those measures over time, and at least the community would then have some confidence that, when the government’s costings done by Treasury are released and so are the costings of the Liberals, the Nationals, the Greens, the Independents or whoever put out policies during an election campaign, the figures are reasonably based and that there is no duplicity or attempt to con the public through the underlying assumptions. That is why we reiterated that part of our policy platform in the election campaign.

The Senate will recall that after the election, when no one party won government, the Greens signed an agreement to give our parliamentary confidence and supply to the Labor Party and to the Prime Minister, Julia Gillard. In our written agreement with the government, article 4.3 states:

Establishing within 12 months a Parliamentary Budget Office within the Parliamentary Library with the structure, resourcing and protocols being the subject of decision by a special committee of the Parliament which is truly representative of the Parliament.
That was clearly part of the agreement that Prime Minister Gillard signed with the Greens in order to remain Prime Minister, and I am pleased that that undertaking is now being given effect in legislation. It has been part of a process, having been subject to a decision of a special committee of the parliament. It was recognised in the agreement with the government that the process would include every aspect of the parliament—everybody's views.

I reiterate for the purposes of this debate that the Joint Select Committee on the Parliamentary Budget Office had on it representatives from all sides of politics. The chair, Senator John Faulkner, received the thanks of every member serving on the committee for the fair way he chaired the inquiry and for the comprehensive nature of the inquiry. The deputy chair was the Hon. Christopher Pyne, who is the Manager of Opposition Business in the House of Representatives. So the deputy chair was not a novice in parliamentary politics and elections, as we might have thought was the case after listening to the contribution of Senator Cormann. Kelly O'Dwyer MP from the Liberal Party in Victoria was also on the committee, as was Senator Barnaby Joyce from the Nationals. From the Independents there was Mr Robert Oakeshott. I was on the committee representing the Greens, and the Labor Party had not only the chair, Senator John Faulkner, but also Senator Doug Cameron and three members from the lower house—Anna Burke, Nick Champion and Yvette D’ath. We can see that the committee was made up of experienced parliamentarians from across all sides of politics who in many cases had been through not just one but several elections and who understood the process.

The Greens’ commitment to a Parliamentary Budget Office particularly concerned making sure policies could be professionally costed and worked through so that the community had the ability to make judgments in an election context. The incredible thing is that the report of that committee, which made a number of recommendations that have now been given effect in the legislation—and I congratulate the Labor government on allocating the funding to not only bring the legislation but give it effect, to have an independent parliamentary budget officer employed and an office set up—was unanimously supported. It is very interesting that Senator Cormann and the rest of the coalition now do not agree with it, because, at the time, there was no dissenting report, there were no additional comments from the coalition. They were happy with the report of the committee at that time.

There is only one reason why the coalition are now running away from supporting what they supported as a result of that process—

Senator Cormann: You're doing the Labor Party's bidding again.

Senator MILNE: that is, they are afraid of having their policies costed, going into the next election, because they have a huge budget hole which they will not be able to credibly cover up—

Senator Cormann: You may as well join the Labor Party.

Senator MILNE: if they have to have their policies costed. I know Senator Cormann is embarrassed.

Senator Joyce said one interesting thing when he was speaking earlier today; he said the burden of the superannuation changes would fall on small business. That is very interesting, because Senator Cormann has been completely overthrown and humiliated by his own party, which have said that they
will take on the superannuation changes. If Senator Joyce is worried about small business bearing the cost, who is to bear the cost under the coalition's plan to take on the nine to 12 per cent superannuation increase? Who is it going to be? That is a question the coalition have refused to answer to this day. If Senator Joyce is so worried about small business then let us hear from him—he will be speaking in just a moment—or from Senator Cormann who is going to pay for the superannuation increase.

I want to run through this black hole that a parliamentary budget office, costing policies, would need to look at. For example, among the promises the Leader of the Opposition has made which will worsen the budget balance, there is: $3.2 billion to fund his so-called Direct Action Plan to pay polluters to reduce emissions; $25 billion lost from not collecting revenue from the large polluters, by getting rid of the emissions trading scheme; $11 billion lost from not collecting revenue from the largely foreign owned mining companies that have been the subject of discussion in recent times; another $1.7 billion lost from not collecting revenue from higher income earners to contribute to rebuilding after the Queensland floods; and $37 billion to fund the election commitments they have made to date. That all comes to at least $70 billion over the forward estimates, and now you have to add on to that the superannuation backflip. So it is no wonder that the coalition do not want a parliamentary budget office now. Even though they say they do, is it any wonder they do not? The reason they do not is that they want to continue to go to a private firm of auditors or accountants to provide assumptions which are never made public so they can come out with a whole lot of nonsense in terms of policies.

The point here is that a parliamentary budget office gives the community some degree of confidence that they can compare the promises made in election campaigns to what happens after elections, and about where that money is going to come from.

We have a situation here where the coalition have said that they want to go for small government. They want to get rid of 12,000 public servants, but that will have to increase if they are going to make up $70 billion in budget costs—not to mention, as I said, the $70-plus billion because of the additional superannuation that has to be funded. They are going to cut that level of public servants, but their Direct Action Plan will require a whole bureaucracy to operate it. That will be the 12,000 plus or minus however many they get to manage that bureaucracy that they have said they want to establish.

That is the context of this discussion. We have a coalition that is afraid to front up to a parliamentary budget office with its election policies to have them costed. One of the issues that they have on the table is confidentiality. This was thrashed out at length, as Senator Joyce would know, in the committee process, and it was agreed that, given the resourcing levels of the Parliamentary Budget Office, once an election was called it would be impossible for the office to be able to conduct the iterative negotiations that are necessary to cost policies. That is why it was unanimously agreed—everyone on that committee agreed—that in the years leading up to an election is when policies can go in, and discussions can be held, and remain confidential. But, once an election is called, if you put those policies in as a package, they will be made public.

That is consistent with the Charter of Budget Honesty. This is not a new idea. This was discussed at length in terms of fairness, levels of resourcing for a parliamentary
budget office and consistency with the Charter of Budget Honesty, and it was agreed that we would see how this operated in the context of the next election. And, as with all of these kinds of structures, there will be reviews into the future after that experience.

Today, Senator Joyce has been swept aside by the coalition’s absolute desperation to avoid the scrutiny of either Treasury or the Parliamentary Budget Office, because the options on the table, which have been put very clearly, are that, if you are a registered political party in the parliament, you put forward your election costings to either Treasury or the Parliamentary Budget Office. One of the important reasons for the Parliamentary Budget Office is that those costings that you get done between elections remain confidential. If you have to put them to Treasury then they do not remain confidential, and you run the risk in that circumstance of the government anticipating what your election policies might be. So everybody recognised that it was important to have the capacity for the government, opposition parties and members to do their work and to protect that within the context of the allocated resourcing. Whilst, as I acknowledged just a moment ago, I appreciate the Labor Party putting up the money to establish the Parliamentary Budget Office, it will still not be a huge bureaucracy and it will not be able to deal with a massive onslaught in an election campaign of a whole variety of possible policies. So I agree with what we came up with in the committee after considerable discussion with all concerned.

What is more, it was not just the members of parliament on the committee who got to express a view. The committee asked for the political parties themselves to come before the committee and set out to the committee what their concerns might be about contesting elections, whether from a government or an opposition point of view. This was one of the fairest committees that I have been part of in the parliament in terms of listening very carefully to everybody’s views and working hard to come up with a consensus report.

On that basis, I find it extraordinary that the coalition can now run away from that. This just reiterates to me that the coalition have no idea at all how they are going to make up the $70 billion black hole they already have plus the superannuation funds they already have. And we have the promises from the Leader of the Opposition that he is going to increase pensions, cut taxes, find $70 billion plus the superannuation funding, and it is all going to come from some magic puddling that they put to some private auditing firm with assumptions that nobody can actually test against those policies. It is essentially a strategy to try to protect them from the scrutiny that they deserve on their economic policy.

To date, the coalition have been able to get away with their 30-second grabs: ‘Yes, we are going to cut taxes. Yes, we are going to increase pensions. No, we are not having carbon pricing. Yes, we are going to pay the polluters. Yes, we are going to provide all of this. Yes, we are going to cut public servants but we are not telling you where or by how much.’ What are they going to do to health services? What are they going to do to education services around the country? It has not been possible to have that scrutiny. I do not want us to end up in the next election campaign in 2013 with a coalition standing up saying, ‘We can do all of these things and it is within this context that we have released, signed off by these auditors and chartered accountants,’ or whoever. No, we want some level playing field here so that the community is not conned on this. They were conned about the mining tax by the huge advertising campaign that the big miners
were able to mount. The community was completely conned and it is only now that the community has found out that 'Twiggy' Forrest, who was one of the people fronting that campaign, has not paid corporate tax in seven years and does not expect to pay anything under the new MRRT. He led the campaign when he has not paid a cent in corporate tax for seven years. Gina Rinehart has become the richest person in the world—and she is running a campaign saying the Australian community does not deserve to have money from its own resources in order to provide health and education services!

We need to get real here. The Parliamentary Budget Office is an important parliamentary reform. The Greens took it on as a policy. We put it in the agreement with the Prime Minister in order to deliver a good government. The Labor Party became government as a result of this agreement, which provided for carbon pricing and a Parliamentary Budget Office. I congratulate the government for taking the agreement seriously and delivering on the undertaking the Prime Minister made when she signed it, and that was to deliver a Parliamentary Budget Office in 12 months after having established a committee on which representatives of all parties were there. It was a consensus decision and there should be consensus support for a major parliamentary reform. I reiterate, the only reason there is not consensus is the coalition are cowards—they are running away from scrutiny.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (10:50): I do not know where to start after a piece like that. Yes, of course, we support a Parliamentary Budget Office. We obviously support one that does the job, that allows us the capacity to act in a way where we are not confined and not exploited, but this process would leave us open to exploitation. There are a whole range of things that I will go into later on.

I want to touch on why we need a Parliamentary Budget Office. We need a Parliamentary Budget Office to deal with the issues which are the complete and utter rolling fiasco that you see at the moment with this government. We could start with the carbon tax. A policy costing on the carbon tax would be a good thing for the Parliamentary Budget Office to look at. We know that when they modelled it they took into account that the whole world, in one global position, would be participating in a carbon tax. Then we had the President of the United States of America out here merely a week ago saying that we were taking a very bold position and that we were very courageous, which is code for, 'You are completely and utterly off your head.' We are going down the path of a carbon tax of $23 a tonne when we know that no-one else in the world is doing it. We are out there. We are better than a lemming. At least lemmings take other lemmings off the cliff. We are doing this by ourselves—a solo lemming job. It would be good for the Parliamentary Budget Office to look at the implications and costings of that.

It would also be good for the Parliamentary Budget Office to have a look at the mining tax and the implications of that. This is another thing that we are just supposed to accept. As I have said before, the Greens have this passionate dislike of mining. It is very much pythonesque. It is very much Life of Brian. I always remember the demise of Brian, when John Cleese said, if I can use an analogy: 'Your death will stand as a landmark in the continuing struggle to liberate the parent land from the hands of the imperialist mining aggressors, excluding those concerned with drainage, medicine, roads, housing, education, viticulture and any other miners contributing
to the welfare of Australians of both sexes and hermaphrodites. Signed on behalf of the people's liberation front or the people's front of Judaea. I would just like to add a personal note of my own admiration for what you are doing for Australia in what must be a very dark and hard time for you."

The Greens have this pathological dislike of mining. They always ask: what has mining done for Australia lately? Well, quite a bit—Ballarat, Bendigo, wealth, keeping us out of the recession, regional development. It is our largest export. These are just a few of the minor things. I do not know whether we could put aqueducts and viticulture up there with them, or medicine, I suppose. But the Greens have a pathological dislike of mining. In this pathology of theirs, they are willing to play this crazy game with the Australian people—and with the Labor Party, which they are playing with like a cat plays with a ball of twine. Right as we speak, we and the Labor Party have no idea whether the mining tax is going through or not.

I also want to address a few other things, including this statement about the $70 billion black hole. It is one of these things where, if they keep saying it enough, ultimately people will believe them. That is their process, but it is not working. You can see that in the polling. People do not credit the Labor Party with anything anymore. People think they are completely and utterly incompetent. Obviously what they are doing is taking into account the loss of revenue streams, which is fair enough, but they have failed to take into account the loss of expenditure streams. If you take out the loss of expenditure streams, you will find that if you got rid of the carbon tax you would be about $4.3 billion better off over the forward estimates to 2014-15. Australia would be better off without a carbon tax. We would actually have money in the bank.

Now we are seeing in the latest reports on the mining tax that it is going to cost about $13 billion over the forward estimates for all they have promised, but at the best it is only going to raise about $11.1 billion. At the very best it could raise that much. So what is the purpose of this? This is the only crowd I have ever met who can bring in a tax which costs the country money. It is just beyond belief. It is like going to the shop and buying an ice cream and delivering them more than you took away. It is a perverse form of economics. The reason they get themselves into these ridiculous traps is that they are beholden to the Greens, who have no real desire to run the country. Julia Gillard is like Romulus Augustus; she is there when the Vandals come in. They love the trappings of office but they have no desire for the real responsibilities of running the country, but the Labor Party is foolish enough to let them run it for them, and to do it from a courtyard near them every day.

I would love the Parliamentary Budget Office to look at the NBN. I see that the take-up rate in Armidale has been as low as one in 50 homes. They always put Armidale up as the light on the hill. One in 50 homes has taken it up. That is not a very good business plan. This thing is starting to walk a lot like a white elephant and make noises a lot like a white elephant, and what it is doing to the budget smells a lot like what a white elephant would do. This thing has just launched itself at us.

We heard a statement from Senator Conroy. A spokesman for Senator Conroy said the take-up rates were ‘no longer a relevant issue’. They are if you believe in business plans, which they did not have. This thing is a $36 billion network which we never did a cost-benefit analysis for. It is absolutely remarkable. Then we have to add the lease payments on top of that and any interest costs on top of that. And by the way,
on closer examination—and this is something that has not been seen—they are issuing the debt just for Australian government securities outstanding, just like any other debt. So this debt is just going to be smacked on with all the other debt, which currently stands at $217 billion gross. I noted that the other day and I thought maybe they were issuing their own bonds, but they are not. It is just AGS. You will be able to see it. It will be out there with all the other money that we have borrowed, and we cannot finance it. That would be a good thing for the Parliamentary Budget Office to look at.

Given the precarious position the world is in, the Parliamentary Budget Office could look at the global situation and the issues that are before us at the moment. We believe in a Parliamentary Budget Office, but we believe in one that allows us the capacity to have greater scrutiny of the information, because the opposition, whoever that is, is always at a disadvantage compared to the government. The government have their own Parliamentary Budget Office; it is called the Treasury. They can walk in and out every day and everything they say is confidential. We have to allow for the fact that with the much smaller resources of a PBO we have to have something that will give us some sort of fair ground to work on, which will mean a greater confidentiality in how we work with them and not having to be tied up with memorandums of understanding and with ultimate disclosure to the public.

Treasury, of course, is an arm of government and has hundreds of millions of dollars in resources. We have to allow for the fact that with the much smaller resources of a PBO we have to have something that will give us some sort of fair ground to work on, which will mean a greater confidentiality in how we work with them and not having to be tied up with memorandums of understanding and with ultimate disclosure to the public. The coalition's PBO, for instance, provides complete confidentiality for all requests from MPs and senators. It will allow non-government members and senators to engage in discussions with the PBO as well as allowing views to be changed in a private domain. The Parliamentary Budget Office would not be permitted to publish costings without the permission of the non-government member or senator. These are the sorts of protections you need when you do not have what they have, which is Treasury.

Both parties were asking for a Parliamentary Budget Office. The issue is not about whether we have a Parliamentary Budget Office; it is about the form the Parliamentary Budget Office takes. Now more than ever we need one. We do not know when the next election is going to be. It could be at any point in time. It could be when Mr Rudd retires or ultimately throws teddy in the dirt—and that is the end of that
and the balloon goes up—and we have an election, or when someone decides that they have had enough and they see themselves falling at the high jump, and they pull the pin. We could have an election at any time. So it is important that we get the proper Parliamentary Budget Office through.

Just to go back to another issue: there is no $70 billion black hole. This is the sort of thing that you need a PBO for: to dispense with these ludicrous claims that the Labor Party make ad nauseam in the perverse belief that if they say something that is incorrect enough times then somehow people will believe them. When the finance minister or the Treasurer do that, it shows that they are inherently desirous of misleading the Australian people, because they know what the truth is but they say something which obviously is entirely different.

We need an independent arbiter to go out and say: 'What the finance minister said to you is not correct. There is not a $70 billion black hole.' In fact, to be honest, the finance minister would not have a clue. The finance minister is great with the wondrous flowery statements and the back of the Weeties packet rhetoric, but when you get down to the details of an issue she is completely and utterly at sea. We saw that with the carbon tax. That is why they love to guillotine these debates: to try to avoid displaying to the Australian people the fact that they are ignorant of the technical details of their legislation. If you ask them a technical question, they will never have an answer. They just do not know the answer. What they have are grandiose, rhetorical, BlackBerry-delivered talking points and that is where basically it stops.

If a finance minister was worth their salt, we would not be $217 billion in gross debt. We would not have borrowed $2 billion just last week. We would be in a better financial position. Even as we speak, the Treasurer is trying all these little tricks. They are pulling forward expenditure from future years and jabbing it into this year to try to somehow save themselves down the track from an impossible scenario. They are just not competent and could not possibly give you a surplus. They could no more give you a surplus than sprout wings and fly around the chamber. It is beyond their capacity.

I remember back when they started talking about a surplus. Why do I say this? Because week on week, you see a structural deficit in what they do. Because their actions and the way they are conducting themselves have not structurally changed then, quite evidently, they are going to end up in a position of a resultant deficit down the track. It is a simple rule of accountancy. If you keep acting like you acted yesterday, you will end up in the same destination as you were going yesterday.

That is a problem with the Labor Party: they have failed to grasp the nettle of really dealing with the issues with their structural day-to-day finances, their cost controls. If you want to look at where the holes are, it is beyond just the ceiling installation program, the building the education revolution and all the other waffle; all those other $900 cheques that went out and the $22.8 billion in a day, or whatever it was—in fact, it is worse than that.

They cannot control their day-to-day costs. The best reflection of that is when you see them issuing securities to try to prop up their structural deficit, and they do it week after week after week. Two years ago, I remember looking at where they were going and I thought they were heading to oblivion. When I looked at my analysis from two years ago, their position now is worse. The debt unfortunately for Australia is going to be the great truth serum. You cannot get
away from debt. You can use all your Weeties packet rhetoric to get away from debt.

Senator Conroy: You just keep adding state debts in there to make your point. Don't forget to add the local councils in!

Senator JOYCE: They always get upset when you mention debt because they know that that is where they are vulnerable. They do not understand that they are $217 billion in gross debt. Do you understand that, Minister Conroy?

Senator Conroy interjecting—

Senator JOYCE: All of it—you fool! All of it. That is it. That is how stupid he is. There is $217 billion of Australian government securities and how much of that is Commonwealth? The whole lot.

Senator Conroy interjecting—

Senator JOYCE: That is the classic example of how completely and utterly incompetent they are. He just asked on the Australian Office of Financial Management website, a Commonwealth government website, 'What Australian government securities are outstanding? How much of that is federal debt?' The whole lot, you clown. And they are running the country, and that is what we are seeing in the person who sits in proxy—

The ACTING DEPUTY PRESIDENT (Senator Furner): Order! I call the chamber to order. Senator Joyce, address your comments through the chair.

Senator JOYCE: They cannot help themselves.

Senator Williams: Mr Acting Deputy President, I have a point of order. You did not mention the interjections, consistently and loudly, of Senator Conroy. I suggest you make your address also to Senator Conroy.

There is no point of order. I called the chamber to order.

Senator JOYCE: Thank you, Mr Acting Deputy President. This is why the whole of Australia is so concerned about the carbon tax. This single frolic to change the temperature of the globe from a room in Canberra, issuing to the Australian people a broad based consumption tax delivered by every power point in their house to make every aspect of their cost of living dearer—a tax on all the people of Blacktown, of Ipswich, of Pennant Hills and the people of Rockhampton and of Gladstone, a tax that says you can have cheap wages or cheap power. We have now decided that cheap power is not for us so it is either cheap wages or no jobs.

In the past the party of Curtin and Chifley would never have agreed to something as absurd as that but this is not the party of Curtin and Chifley any more. It is the party of Senator Bob Brown, Mr Tony Windsor and Mr Adam Bandt. That soul that it once possessed was of an incredible party. There are two statues of Curtin and Chifley down near Old Parliament House. What would those men say if they walked into what we have here at the moment? They would say, 'Who are these people? Who's running the show? What happened? What happened to it all? Where did it all go?' The party has been sucked into these nutty positions. It said the right thing before the election when it said they were not going to have a carbon tax. That seems a logical thing to do. No-one else in the world is having it.

Then the real dynamic of who is running the show became present—the political vandals, the Visigoths and the Ostrogoths turned up and they started to run the show. The result is the carbon tax, the mining tax—a mining tax which even as we speak shows we do not know where we are. We do not know whether Bob Brown is supporting it or not. It is lunacy. You should have kept your dignity and said, 'No, enough of this farce.
Enough of it. No, it stops and it should have stopped yesterday.’ After that press conference, the Prime Minister should have said, ‘No, this is where the lunacy stops. No more being run by courtyard press conferences. We are taking back the reins and we are going to run the show.’

Of course, we did not get that. The lunacy still rolls on. We will go to Christmas with this Pythonesque form of lunacy. What has the mining tax done for us lately? Nothing except kept us out of recession; developed as our major export.

We need a Parliamentary Budget Office. We need it on fair terms. We have not got it on fair terms in this current bill. There is obviously a distinct strategic advantage for the position of the Greens-Labor Party-Independents alliance. They have their parliamentary budget office but we do not have a fair parliamentary budget office. It is very important for the Australian people to know that we believe in a parliamentary budget office. We believe in one that is fair, that we can work with. We believe in one which does not compromise our negotiations and our capacity to work with that organisation.

We acknowledge that the Greens-Labor Party-Independents alliance has an immense strategic advantage. The glee club has an immense strategic advantage because they have the Treasury at their disposal. We have to make sure that what we get is something that we can show to the Australian people so that we can dispense with these fallacious statements like the $70 billion black hole. We need it so that we can do it.

Senator Conroy: Andrew Robb said it was true.

Senator Joyce: As they know, if you want to understand what the Labor Party is, it is the carbon tax, it is the mining tax, it is the NBN and, as we speak, $270 billion—

(Time expired)

Senator Faulkner (New South Wales) (11:11): It would come as a real surprise to anyone listening to this debate—that is, if there is anyone listening after Senator Joyce’s contribution—to realise that this is a second reading debate on the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011. I am going to break with the precedent of Senator Joyce and actually address the legislation that is before the chamber.

After the last election, an agreement for a better parliament—parliamentary reform—was negotiated between the political parties and Independent members of the House of Representatives. That agreement included commitments about the resources of the parliament, including the establishment of a Parliamentary Budget Office. I share with the chamber the wording of the agreement:

A Parliamentary Budget Office be established based in the Parliamentary Library to provide independent costings, fiscal analysis and research to all members of parliament, especially non-government members.

It goes on:

The structure, resourcing and protocols for such an office be the subject of a decision by a special committee of the parliament which is truly representative of the parliament.

That agreement stands in the names of Mr Christopher Pyne MP, Mr Anthony Albanese MP and Mr Rob Oakeshott MP.

To progress the commitment in the agreement to establish a special committee of the parliament, a Joint Select Committee on the Parliamentary Budget Office was established. I chaired that committee. The Deputy Chair of the committee was Mr Pyne. The committee members represented the Australian Labor Party, the Liberal Party of Australia, the National Party and the
Australian Greens. Mr Oakeshott, an Independent in the House of Representatives, also served on the committee. Unusually for such a parliamentary exercise, that joint select committee brought down a unanimous report in March this year. Twenty-eight recommendations of the report were agreed to by each and every member of that joint select committee.

Senator Milne: It was a consensus.

Senator Faulkner: Senator Milne comments, correctly, that it was a consensus. It was a unanimous report. In July, the government responded to the joint select committee's report. Of the committee's 28 recommendations, all were accepted; 23 were agreed and five were agreed to in principle. The government had announced in its budget this year that it would provide $24.9 million over four years to establish the Parliamentary Budget Office. In late August this bill was introduced into the House of Representatives, embracing the commitments contained in the agreement for a better parliament—parliamentary reform—and the recommendations of the Joint Select Committee on the PBO. Now the legislation is opposed by the coalition. It is really no wonder that people become cynical about politics and politicians.

Senator Ian Macdonald: Yes, when you promise not to introduce a tax and then introduce it.

Senator Faulkner: Let us look at the record. We know that you are a particularly divisive force in the chamber, Senator Macdonald, and you appear to have a great deal to say—most of it nonsense. But as far as the establishment of a PBO is concerned, let us run through the record. Here is the record. Mr Turnbull, when he was Leader of the Opposition, renewed Mr Turnbull's call for a PBO and included the establishment of a PBO in his election platform for last year. Former Liberal senator Guy Barnett introduced a private senator's bill into this chamber, the Parliamentary Budget Office Bill 2010, again to establish a PBO. The coalition signed a broad cross-party agreement after the 2010 election which included a commitment to a PBO. The coalition agreed to the establishment of a joint select committee. The coalition served on that joint select committee, including representatives at a senior level: the Leader of the National Party in the Senate and the Manager of Opposition Business in the House of Representatives, Mr Pyne, who was the deputy chair of the committee.

The Liberal Party provided a submission to the joint select committee. The committee brought down a unanimous report embracing the letter and the spirit of the Liberal Party submission to that committee. The government, I believe acting in absolute good faith, agreed with the joint select committee's recommendations. The government then funded the Parliamentary Budget Office in this year's budget and the government then introduced enabling legislation for the establishment of the PBO into the parliament. That is the legislation we are debating today.

This is not or should not be a partisan measure. It will work in the interests of all parties in this parliament. This legislation does not in any way offend the critical values of enhancing transparency of process, of ensuring the principle of equity of access to PBO services and of maintaining the separation of the parliament and the executive. This is very good legislation. I believe that the processes leading up to the introduction of this legislation have also been in accordance with parliamentary best practice.
So where do we find ourselves now? Well, the shadow Treasurer, Mr Hockey, informed the House of Representatives on 12 September that 'the coalition would not submit its policy costing to either the Treasury or the PBO prior to the election'. He said, 'We will ask the Australian people to form a view on policies as they stand.' This approach is not in anyone's interests. It is certainly not in the interests of the opposition. Do not forget that the Treasury found an $11 billion hole in the costings of the policies that Mr Hockey and the coalition presented at the last election. How could it be in the interests of a serious opposition to turn its back on the policy development assistance provided by a PBO and the costing resources that are provided by a PBO? That is a service to the parliament that is independent and a service to the parliament that is rigorous. It is a service that would be absolutely confidential outside election periods and fully transparent, as it should be, during election campaign periods.

In my view, the opposition is acting against its own interests, it is acting against the public interest and it is acting against the national interest by opposing this bill and turning its back on the services offered by an independent Parliamentary Budget Office. I will make a prediction in this chamber—and I have a very good record as far as the predictions I make in the chamber go—

**Senator Ian Macdonald:** In your opinion.

**Senator Faulkner:** I do. I have a very good record. Just look at the predictions I made about the fate of a few Liberal Party ministers. All of them came to pass. I do not make many predictions, but I am going to make another one; let's see if it comes true, Senator Macdonald. I predict that it is the opposition that will suffer most as a result of the decision it is taking in the parliament this week to oppose this bill. It is an absolutely inexplicable and wilful decision that the coalition is making—an attitude that is absolutely unable to be sustained or explained, an attitude and approach of not submitting costings to the PBO. I predict that in the next election campaign, just like in the last one, the opposition will inevitably face the charge that its election campaign policy costings lack credibility. That is what you are doing by taking this approach. Inevitably, the opposition's motivations in doing so will be questioned—and they should be, in my view. The opposition's approach to this bill means that this is a bad day for parliamentary integrity. The opposition's approach on this bill means that this is a bad day for integrity in politics.

**Senator Ian Macdonald (Queensland) (11:25):** I follow on from where Senator Faulkner left off. He is talking about integrity in politics! How about this for integrity? A day before the last election the Leader of the Australian Labor Party gets up, hand on heart, and swears and promises to the people of Australia, 'There will be no carbon tax under a government I lead.' Within three or four months she has changed her view completely. Here we are, one year later, with a government that she is leading—for the moment—and with the carbon tax she promised never to introduce. And Senator Faulkner deigns to lecture us about integrity in politics!

The thing I can say about Senator Faulkner's speech—and I congratulate him for it—is that he just did a 20-minute filibuster which will continue to deprive the opposition of the ability to debate, scrutinise and hold the government accountable not only for the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011 but for another five bills that are going to be rammed through this parliament today without a word of debate. As we have
seen in the last two days—and this is a disgrace and a condemnation of the Australian Labor Party and the Greens—there have been nine bills, I think, passed in this chamber with not one word of debate. Because of a guillotine by the Greens and the Australian Labor Party, there have been nine bills passed through this parliament with not one word of debate on them. We are going to see the same today and we are going to see the same tomorrow. And the Australian Labor Party still tries to pretend that it is a democratic party. The only democratic Labor Party member in this chamber is the representative of the DLP, who at least understands that you cannot ram legislation through this chamber without even one person having the opportunity to speak on it and to hold the government accountable.

I am looking forward to the support of the Greens for the amendments that have been foreshadowed by Senator Cormann and which the coalition will be moving to make the Parliamentary Budget Office the way it should be—truly independent and truly able to perform its duties as a Parliamentary Budget Office. Those amendments that Senator Cormann has foreshadowed and that will be moved by him on behalf of the coalition will make the process that is set up under this bill proper. They will make it independent, they will make it confidential and they will make it useful, and they should make this a bill that will attract Greens support. In spite of Senator Milne's speech earlier—which seems to have been written for her by the Labor Party—I remind her that on 23 September Lenore Taylor and Peter Martin reported:

The Greens have offered to amend legislation setting up a parliamentary budget office to avoid a boycott threatened by the Coalition when it failed to secure changes in the lower house.

So I look forward to your support, Senator Milne. Perhaps I should look forward to the amendments you might be going to move? You have not flagged that you are going to be moving amendments. I assume from that that perhaps you have lost your enthusiasm for making this Parliamentary Budget Office proper, independent and confidential.

What happened in the last couple of months that might have made the Greens political party change its mind, I am not quite sure. Perhaps it was just another one of those dirty, dodgy deals which seem to be being done by the Greens and the Australian Labor Party every day. We heard on the news this morning that the Greens and the Labor Party had done a deal to get the mining tax through the other chamber. Nobody knows what the deal is. It is not being revealed to the Australian people—certainly not to the Australian parliament. Nobody will be able to scrutinise it. They might release some details next week, after the parliament has risen for the parliamentary recess of two or three months.

Listeners may recall that, when Ms Gillard became Prime Minister this last time, it was to be 'a whole new paradigm'. Remember the words? A whole new paradigm of accountability and openness and everybody understanding what was happening. Yet, last night, what do we get? A dirty, dodgy, midnight deal between the Greens and the Labor Party to get through a mining tax which is actually going to cost the budget bottom line. The way this government operates is just a shambles. You only have to talk to any member of the public to understand what a shambles this is and why Australia is currently lacking any confidence whatsoever.

I see Senator Waters sitting there. Perhaps she will be participating in this debate and perhaps she will be alerting the Senate to the amendment the Greens said they were going to move to make this bill and the process
more appropriate. Quite contrary to what Senator Faulkner filibustered about in his 15 or so minutes, the coalition actually supports a proper Parliamentary Budget Office. In fact it was the coalition's initiative; it was an initiative which the coalition took to the last election. It was part of our policy and it is still part of our policy. Senator Faulkner quite rightly mentioned that the coalition actually introduced a private member's bill to set up the Parliamentary Budget Office. Was it supported by the Labor Party? Was it supported by the Greens political party? It was an election commitment. We brought it forward as we said we would. We brought it to this parliament, with no support from the Greens and no support from the Australian Labor Party. Yet suddenly they bring in this watered-down version which they know will not work, which they know will not be accepted and which even the Greens have said needs amendment. So I certainly look forward to the amendments.

I appreciate the fact that Senator Cormann has been through the bill at some length and has indicated the coalition's position on it. I acknowledge that Senator Cormann will be moving the coalition's amendments and more explicitly detailing them in the Committee of the Whole, but I will briefly touch on a couple of the proposed amendments. The current bill, the bill before this chamber, relates to functions of the Parliamentary Budget Officer. Item 16 of schedule 1 precludes the Parliamentary Budget Officer from preparing economic forecasts or preparing budget estimates—it actually precludes him from doing that. Proposed section 64E states that the Parliamentary Budget Officer 'must use the economic forecasts and parameters and fiscal estimates' contained in the most relevant recent economic reports. These proposed provisions essentially constrain the Parliamentary Budget Office to using only the 'official' economic and budget forecasts in its work. They would seem to constrain it from undertaking any independent assessment or analysis of the economic or fiscal impacts of policy proposals. They would also seem to prevent it from preparing longer run economic or budgetary projections beyond the period of the forward estimates. These proposed sections seem to be at odds with the purpose of the Parliamentary Budget Officer as outlined in proposed section 64B, which states that the purpose of the Parliamentary Budget Officer is to provide independent analysis of the budget cycle, fiscal policy and the financial implications of proposals. So Senator Cormann will later be moving amendments to those clauses to give the Parliamentary Budget Office the power to prepare its own economic forecasts and budget estimates or to have regard to existing forecasts or budget estimates as it sees fit. That will allow the Parliamentary Budget Office to fully meet its objective of providing truly independent analysis of fiscal policy and the financial implications of proposals.

There are seven amendments to be moved by Senator Cormann and, as I mentioned, he will detail those later. But I will just to refer to another provision about confidentiality. We want to make it clear what information can be publicly released by the Parliamentary Budget Office in the normal course of its duties and what information cannot be released without the explicit direction of the senator or member who has put up the proposal being costed. These amendments will allow the office to get on with its job of publishing independent analysis of the budget cycle and fiscal policy whilst preserving that confidentiality of costing information on policy proposals from MPs and senators that is so essential if this arrangement is going to work. It is essential that the Parliamentary Budget Office be able
to accept proposals from senators and members, to cost them, while keeping them confidential to the senator or member. The senator or member can then have a look at the costings and might well say: 'I thought that was a good idea. Now that I see from this independent office what it is going to cost, perhaps I am not going to proceed with the idea because it is outside the budget parameter I was anticipating.' That is why these things have to be confidential until such time as they are announced as the policy and then, of course, the costings are made public. What could be fairer than that?

The way the Greens and the Labor Party want to handle this is that, if you have an idea and you take it to the Parliamentary Budget Office and say, 'Cost this,' you immediately see the costings on the finance department's website. Even if you then decide, 'Because of the costs related to it, I am not now going to proceed,' it will still be there. You can imagine with the dishonesty of the Labor Party and the way they go on—and we never expect any honesty from the Greens—that all sorts of deliberately wrong assumptions will be made. That is why the private member's bill that we put up, our policy announcement—and, I repeat, we thought of this first—and our amendments show that this has to be a confidential arrangement until such time as they become policy issues and then are released to the public.

People say, 'Why wouldn't you trust the Australian Labor Party and their advisers?' I repeat: why would anyone in Australia trust a government whose leader promised before the last election never to introduce a carbon tax and, immediately she was elected, introduced that carbon tax? Why would you believe anything the Labor Party or the Greens say about any budgetary matter?

I heard Senator Faulkner talking about costs of government and fiscal responsibility. I remind Senator Faulkner that in 1996—when the last Labor government was thrown out on its ear—the then Labor Prime Minister promised us that everything was okay with the budget, that it was balanced. But, when we got into power at the 1996 election, the first thing we discovered was that we had been lied to, that there was actually a $10 billion deficit in that year alone, in 1996. There had been figures of debt bandied around but the true figures had been kept from the Australian people. We found that the last Australian Labor Party government had run up a total debt of some $96 billion. If the Labor Party were running a business—and they never would because none of their people have ever been in business; they have only ever been union hacks or Labor Party functionaries and would not understand business—they would have been declared bankrupt. Then the new government led by John Howard and Peter Costello came in, and, over a space of eight tough years, paid off Labor's $96 billion debt and, more than that, through sound financial management and good economic judgment the Howard government actually put aside $60 billion for the future rainy day. It took the Rudd government less than two years to blow the $60 billion credit we had set aside and to run us into debt and deficit. Now here we are just four years later with a gross government debt of over $200 billion. We have a net government debt of over $107 billion. Obviously, it will be left to the next coalition government to start paying off Labor's profligacy yet again.

Labor simply cannot be trusted with money. They cannot be trusted with the Parliamentary Budget Office. They cannot be trusted with the parliamentary process. And the Labor Party and the Greens have just introduced a carbon tax, which they
promised would never be introduced, and what do we find? As a result of this carbon tax, our carbon emissions are going to go up by 2020. We are going to be emitting more carbon and we are going to have this huge carbon tax which will increase everybody's costs of living and make electricity prices soar. That is the sort of financial management you get from the Labor Party and the Greens.

Last night the House of Representatives passed the mining tax, which is going to increase the deficit on the bottom line of the budget. How is that for great financial management? The Labor Party are the only party in the world that could introduce a tax which, in the end, means we are worse off. That is typical of Labor Party mismanagement of funds.

This initiative of the coalition for the Parliamentary Budget Office is a good one and with the amendments the coalition propose this will be a good addition. I look forward to the Greens support for our amendments because the Greens said publicly that they would support sensible amendments that would make this bill proper and they would sign on to it. We know how hypocritical the Greens political party are. We know how they say one thing one day and another thing another day. We hear them railing against the multinational miners. Then we have a look at the flood tax imposed by this parliament earlier this year. Who paid the flood tax? Individuals. Did BHP, did Rio Tinto, did Xstrata, did Coles or Woolworths?

No. The Greens let those big multinational companies that they now rail against off the hook. They gave them a free ride. Yet here they are doing dirty deals with the Labor Party at midnight to get that stupid tax through the other place.

This Parliamentary Budget Office with the coalition's amendment will be a real plus. It will be a real positive for the whole parliamentary and election processes that will bring some fairness, openness and accountability into the system—something we promised before and something we tried to introduce via a private member's bill that neither Labor nor the Greens supported. It is something that we hope we will achieve today if, as I anticipate, the Greens will support our amendments.

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (11:45): I rise to contribute to the debate on the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011. It is pleasing to see this place debating the idea of the establishment of a Parliamentary Budget Office, but it is a great shame that, like so many good ideas that come before this Gillard-Brown Labor government, the government is taking a good idea and turning it into something very bad and smelly.

The coalition has been calling for a Parliamentary Budget Office for many years. Indeed, the member for Wentworth a number of years ago when he was shadow Treasurer led the charge for this. I also believe that my then fellow Tasmanian senator, Guy Barnett, took a great interest in the Parliamentary Budget Office, and many others on this side of the chamber have been calling for a Parliamentary Budget Office, for good reason. Such a move would continue the coalition's proud record of budget transparency, most recently highlighted when we won government in 1996 through the implementation of the Charter of Budget Honesty.

At that time there was very good reason for us to do this. Having won government in 1996, we found that there was a $96 billion black hole that the previous Hawke and
Keating governments had left us. In the lead-up to that election the fiscal situation that the government had presided over, as presented to us and to the Australian voting public at that time, was quite different from the reality that we found when we got into government. It was so different that I will not be overstating it to say that the then government had misrepresented the fiscal position, with the end result that the incoming government in 1996 found that the fiscal flexibility it had to deliver its program was severely undermined and reduced. Essentially, the Australian public had been duped by the previous Labor government over the latter's fiscal handling of the economy. As a result of that, the then Howard government moved to set up the Charter of Budget Honesty to ensure that in the lead-up to any future elections the opposition of the day, together with the public, would have an accurate and full understanding of the true fiscal position of the government. This would mean that the public could make informed choices and that the opposition of the time could formulate its legislative agenda and its program as a new government in the full knowledge of the true fiscal position of the government and its capabilities.

This leads me onto the Parliamentary Budget Office. This idea takes the delivery of transparency to a new height. However, the government's proposed delivery of a Parliamentary Budget Office leaves a lot to be desired. Two bills to establish a Parliamentary Budget Office have been brought before parliament in recent times: the shadow Treasurer introduced a private member's bill to establish a Parliamentary Budget Office on 22 August and, surprisingly, the government introduced its own bill on 24 August—just two days later. Having examined both bills—and I think the coalition's view is that ours is not going to get up—we will propose amendments to the government's bill to try to take what is a good idea executed very poorly and try to fix the mess and turn it into something that will actually deliver the outcomes that a Parliamentary Budget Office should deliver. In the instance that we are not successful, the coalition will not be supporting the government's bill in an unamended state, because we do not believe that it will deliver what is intended nor the benefits that should flow to parliament and to the Australian people from having a properly-running and effective Parliamentary Budget Office.

The government has chosen to amend existing acts in order to establish its Parliamentary Budget Office. Schedule 1 amends the Parliamentary Service Act 1999. This schedule establishes the Parliamentary Budget Office and includes its purpose and functions, its access to information and its oversight arrangements. It outlines employment conditions and arrangements for the Parliamentary Budget Officer and introduces a requirement for a Parliamentary Budget Officer to prepare an annual report. Schedule 2 amends the Charter of Budget Honesty Act 1998. This schedule amends the charter to clarify the processes associated with the provision of policy costings during a caretaker period, including requests made before polling day and requests made on or after polling day. It also amends the definition of 'caretaker period' within the charter so that it is consistent with the definition in the guidelines on caretaker conventions. Schedule 3 amends the Freedom of Information Act 1982, the Remuneration Tribunal Act 1973 and the Long Service Leave (Commonwealth Employees) Act 1976. This schedule exempts the Parliamentary Budget Officer and the PBO under the Freedom of Information Act 1982 and amends the Remuneration Tribunal Act and the Long Service Leave (Commonwealth Employees)
Act to ensure that these acts encompass the position of the Parliamentary Budget Officer. That is how the government is proposing to structure the change that will deliver the Parliamentary Budget Office.

Our opposition to it stems from the fact that it fails to deliver on a number of aspects that we believe a Parliamentary Budget Office should deliver. I will run through the difference between the government's position as represented by this bill and the coalition's position as represented in the bill that we put forward. One of the key differences is providing the Parliamentary Budget Office with independence from the Treasury and the Department of Finance and Deregulation. The government's position is that the PBO ought to be established under the government. It would deliberately ensure that the PBO is functionally little more than an extension of the Treasury and the Department of Finance and Deregulation, because it would require the PBO to make arrangements in writing to obtain information and documents, preventing the Parliamentary Budget Office from preparing economic forecasts and budget estimates.

Contrast this with the coalition's position: we have made a conscious decision to ensure that the Parliamentary Budget Office is an independent body separate from the Treasury and the Department of Finance and Deregulation. It would be an independent statutory body. Under our proposal it would have strong powers to obtain information from government departments and government agencies. It would be able to provide analysis of economic forecasts and budget estimates.

Another key difference is in the powers granted to the Parliamentary Budget Office to obtain information. Under the government's bill, the PBO will be required to make an arrangement in writing with the head, however described, of a Commonwealth body to obtain information and documents relevant to the Parliamentary Budget Office's functions. In other words, it will need to agree to a memorandum of understanding. A Parliamentary Budget Office established under the coalition's proposal would not be constrained by memorandums of understanding put forward by government departments, who may very well wish to protect their positions, or agreements which stipulate what information the Parliamentary Budget Office may or may not have. The coalition's proposal would provide considerable information-gathering powers and secrecy for the Parliamentary Budget Office, which we consider vital if you are going to give it the teeth to achieve its fundamental purpose.

Another key difference is that the government's bill restricts the functions which can be performed by the Parliamentary Budget Office. Under the government's bill, the PBO will be specifically prevented from preparing economic forecasts and budget estimates, whether at a whole-of-government, agency or program level. This point seems to be at odds with the government's explanatory memorandum, where the mandate of the Parliamentary Budget Office has been described as 'to inform the Parliament by providing independent and non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals'. Contrast this with our proposal, under which the PBO would be able to provide objective and impartial advice on the Commonwealth budget and budget cycle, including the impact of major policy announcements.

Another key difference is the confidentiality of policy costing performed during and after an election period. Under the government's proposal, as represented in the bill that we are debating today, the policy costing options put forward do not differ
from what is currently available under the Charter of Budget Honesty Act 1998 during the caretaker period. The Parliamentary Budget Officer must publicly release any policy costing request as soon as possible after receiving the request during the caretaker period and on or after polling day. The government has also taken the extra step of ensuring that requests for the costing of policies or the withdrawal of policies to be costed, or the analysis of the budget, or costings and analysis for parliamentary committees and the results of any other work done in the performance of the functions of the Parliamentary Budget Officer made during the caretaker period and on or after polling day are publicly released by the Parliamentary Budget Officer. Contrast this with our position. The coalition's Parliamentary Budget Office provides for complete confidentiality for all requests from MPs and senators. This would allow non-government members and senators to engage in discussions with the Parliamentary Budget Office as well as allowing views to be challenged in the private domain. The Parliamentary Budget Officer would not be permitted to publish costings without the permission of the non-government member or senator.

That is one of the key differences between our proposal and that of the government. One of the real advantages of a Parliamentary Budget Office is that it should be answerable to parliament and not to the government of the day. It is a tool to equip members of parliament to properly do their job, to properly cost proposals they may wish to put before parliament for consideration and to enable them to do that in a way that allows them to properly plan it without exposing what they are doing to the public. The reality is that members of parliament from time to time may have ideas that they think are good ideas, ideas that they want to work through. But having worked through them they might find they are not fiscally possible in the current fiscal climate. This Parliamentary Budget Office would give members of parliament an opportunity to actually examine those issues without fear of that idea being exposed as fiscally irresponsible even though they might have initially approached it with the best of intentions and only found out after referring it to the Parliamentary Budget Office that it was going to cost more than they had anticipated. That then leaves it open to their political opponents to make political mayhem out of the fact that they were looking at it in the first place, which I think would tend to lead to a reticence on the part of members of parliament to actually put things forward to the Parliamentary Budget Office because they would be concerned about what might happen to it afterwards. As a result, potentially good ideas that they could be exploring and using the office to assist them with would never be explored and never come to fruition, even though they may have been a good ideas.

The idea of a Parliamentary Budget Office takes the delivery of transparency to a new height, but the problem lies in the way the government is seeking to deliver that. The primary role of a Parliamentary Budget Office should be as an independent assessor of government fiscal claims. The fact is that Treasury is not an independent assessor of government fiscal claims. That is not a criticism of Treasury. Treasury should never be considered a body independent of government. It is a government department that works to the Treasurer and the government and it is charged with responsibility for delivering policy decisions that are made by the government. That is the way it should be. A necessary consequence of that is that Treasury's role is to help the government deliver those policy decisions.
To the extent that it is possible whilst retaining its integrity, it will present accurately and truthfully the information, data and modelling results with the best possible face that can be put forward in terms of assisting the government to deliver what it is doing. That is Treasury's role: they will go through the data, they will look at modelling and they will use it in the best possible way they can to assist the government to deliver its policy outcomes. That is not a criticism; it is just a fact.

Our Parliamentary Budget Office would be quite different in that respect because it would be answerable to parliament, not to the government of the day. As such, there is a potential through a Parliamentary Budget Office for us to have a completely objective, completely non-biased and fearless office whereby parliament can establish the reality of fiscal claims, claims about the current state of the economy and claims about the potential impacts that government policy decisions may have in the real world, without the constraint that is placed upon Treasury of effectively being servants to their political masters. An equivalent to the Parliamentary Budget Office has been employed in a number of other countries, including the United States, where they have the Congressional Budget Office, and Canada and Korea. They all have slightly different models and they do things slightly differently, but they are all independent. I do not think the proposal before us today delivers the same degree of independence that we see in any of those places, particularly those places where the system works well. In all of those organisations scope exists for an independent assessment of claims about costings, the fiscal position, macroeconomic positions like growth projections and so on, and they provide an additional assessment and a more independent assessment of those sorts of issues than you would get from their central treasury departments.

If we look at the last four years, we can see that this independent aspect of a Parliamentary Budget Office is sorely needed in Australia. Government projections on growth, program costings, the impact of spending and policies on employment and other measures have consistently failed to be reflected by outcomes. In some cases extraneous affairs have intervened, and the classic example of that is the global financial crisis. Fair enough, to some extent things that occur outside the control of government do have an impact on projections and the results delivered at the end of budgetary periods. But in most cases, and even during the depths of the global financial crisis, it is very easy to identify that many of these projections are based on what can only be described as heroic assumptions—such as record terms of trade or commodity prices continuing to rise ad infinitum or unseen periods of record growth or even other countries doing certain things—and it is patently obvious to any informed observer that the likelihood of such projections being delivered is almost nil. A Parliamentary Budget Office, if set up in the right way, would hopefully be able to conduct objective assessments of the issues, using the same information and data available to government agencies, and come to conclusions less influenced by the need to serve their political masters. This highlights the main advantage of a Parliamentary Budget Office—its masters are parliament and not the government.

There will be a small reversal of the trampling by the government of the role of parliament if a proper Parliamentary Budget Office is put in place. There has been a trampling of democracy in this place, particularly in recent days. The Greens have combined with the Labor Party to guillotine
debate on bills in a way that I do not think this parliament has ever seen before. People point to the time we had majority government, between 2005 and 2008, but I do not think in any case any bill was passed through this place without one word of debate at any stage of its passage. In the last few nights we have seen bill after bill after bill guillotined—rammed through this place without any opportunity for any second reading debate, any committee stage or any third reading debate. There has not been one word said on any of these bills despite the fact that they are making changes that are important to the people of this country. They may have unintended consequences, they have huge impacts on Australians, and yet this place has had no opportunity to debate them.

That issue is not the subject of this bill, but I highlight it because a Parliamentary Budget Office does, if properly implemented, give an opportunity to redress some of the balance that has been lost in the last four years under Labor, and even more so in the last year under the Labor-Greens government parties, and to give a little bit of power back to parliament to ensure that parliament can properly assess claims that government is making and properly test the programs and projects that government is seeking to implement.

Over the last four years this government has been able to get away with murder in a budgetary sense. It makes claims and if those claims are backed up even semantically by Treasury the media swallow them. But the media never go back afterwards and ask why those claims were not met in reality. Very few projections or claims made by Treasury in their modelling over the last four years have been followed by figures anything like what was forecast. As I say, some of that is because of extraneous matters but a lot of it is because of heroic assumptions built into the modelling in the first place. Blind Betty could see they were heroic and unlikely to be delivered in reality.

This Parliamentary Budget Office proposal started off with good intentions. I think a properly constructed and well set up Parliamentary Budget Office would be of immense value to Australia and to the Australian parliament and would deliver fantastic outcomes for the people of Australia, but once again this government has taken a good idea and ruined it. I commend the opposition's proposed amendments and hope that the parliament will adopt them. (Time expired)

**Senator BIRMINGHAM** (South Australia) (12:05): As always, it is a pleasure to follow Senator Bushby, who makes arguments in this place that are well considered, well constructed and really do highlight very sensible points of concern about legislation that comes before this chamber.

**Senator Feeney:** You flatterer, you!

**Senator BIRMINGHAM:** You will never catch me doing that to you, Senator Feeney. Never live in fear of that.

**Senator Bushby:** On uranium, maybe.

**Senator BIRMINGHAM:** Perhaps on uranium. It is disappointing that in this debate on the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill we are considering a flawed bill when there was such great potential and great opportunity. This proposal has the capacity, if we get it right, to change the way politics and the polity in this country work. It has the capacity to ensure we have a higher standard of debate, a higher standard of policy making, particularly during our election campaigns. Unfortunately, it looks like the government is going to get this wrong and miss its opportunity. This had the opportunity of being perhaps the one good,
lasting thing to come out of minority government. There is not much to be said for the minority government we have functioning at present. There is not much to be said for the way the other place works, with its mishmash of crossbenchers determining what the government does. But when the crossbenchers, in negotiating minority government, said we should have a Parliamentary Budget Office, when they chose to adopt the policy first announced by the member for Wentworth on behalf of the coalition as a key criterion for whomever formed government, they grabbed hold of something that has great potential to ensure that oppositions, minor parties, Independents and backbenchers in this place are empowered to make far more constructive contributions to policy making than the current regime allows. However, this legislation fails to take that opportunity and make the most of it. In fact, it fails to make anything effective of that opportunity. If we do not fix this legislation by adopting these good amendments proposed by Senator Cormann then frankly it will probably be a waste of time to pass this bill. We will not achieve any of the good outcomes that could have come of it. However, if we adopt Senator Cormann's sound amendments we have a real potential to change the way campaigns and policy making work in this country.

Let me look from my own portfolio space at some of the policy making that we have seen in recent years. There are many, many lessons to be learnt from the multiple train wrecks that were once flagship environmental programs of the Rudd and Gillard governments. There are many lessons that can be learned. Some of them you can perhaps summarise in cliches, such as that we need to look before we leap. Any government and any party should take a serious look, and a decent Parliamentary Budget Office would help to take that serious look. Or we could make other cliched phrases about making haste slowly. However, this government has charged headlong into some very poor policy lines and promises.

A classic policy that I have spoken about many times in this place, but which has not had the same public exposure as some of the higher profile debacles like the Home Insulation Program, is the Green Loans Program. The Green Loans Program was a quintessential Kevin 07 promise. It offered 200,000 Australians interest-free loans to make them feel good about buying a more environmentally friendly fridge or the like. It came at the not insubstantial cost of $300 million but, importantly for the Labor Party, running in the 2007 election campaign, because of the way the policy was structured, the $300 million was a fixed cost and the budget impact of the program was capped. That meant that, when they announced it, they got the positive headlines from announcing a policy that would make a difference to the environment and their policy did not carry the risk that their costings could be wrong.

We see all too often in modern election campaigns that the parties, whoever they are, are restricted very much to announcing policies and campaigns that have a guaranteed fixed cap on their costing. Why are they restricted to those? Because every party in an election campaign fears being pinged with some type of budget error or mistake. It is far, far easier to say, 'We are going to give out X number of grants at X dollars,' which is a capped policy. That ensures that you do not run into any campaign trouble. Is that good policy? Frequently, it is not. Green Loans, of course, was a classic example of a bad policy. The policy turned out to be a complete and utter dog of a policy. Yes, it cost taxpayers around
the $300 million that the Labor Party claimed in the lead-up to the 2007 election that it would, but instead of delivering 200,000 loans it delivered 8,000 loans—same cost; fewer loans.

The 2010 election had its own version of this policy from the Labor Party. There were none of those old power hungry fridges from Kevin 07’s campaign. Instead, in the 2010 election, Green Loans was traded in for real Julia’s cash-for-clunkers scheme. Cash for clunkers had of course the same type of policy formula: 200,000 cars were to be taken off the road, thanks to a $2,000 rebate. It was the classic construction of a safe policy for an election campaign designed purely to get newspaper headlines during the campaign and to avoid any threat that the costings could possibly be wrong. Simple costings: 200,000 cars; $2,000 rebate. There is your fixed cap. Absolutely no risk whatsoever.

All politicians chase a good headline in an election campaign. There is no sin there; that is the expectation. However, the need to minimise the potential for arguments or risks or the threat around costings blowouts is leading parties to submit and pursue what are, frankly, mickey mouse programs and bad policy. I am sure if those on the other side were inclined to do so they could give examples of policies of ours that have a similar construction with a similar capped cost, because we operate within the same paradigm and with the same concern not to suffer those types of potential cost blowouts. These debates about policy costings are as ubiquitous during election campaigns nowadays as the inevitable debates about leaders’ debates. You see it during an election campaign: there will be a sustained debate about when the leaders will debate, how many debates they should have, who should moderate a debate, whether there should be an audience or not and which network will broadcast it. The same thing happens with costings. Throughout an election campaign there is constant argy-bargy between the government of the day and the opposition of the day, whoever they may be, about whether or not the other side will have a budget blowout or a budget problem. What happens when we have those debates is that frequently we forget to debate the merits of the policies being proposed. This legislation, if we get it right, has the capacity to stop having those mindless debates about whether one side or the other has a budget blowout in one of their policies and allows us to debate the merits of the policies. More important than getting away from having debates about costings is what those policies are. Serious reforms, if any of us in this place are being honest, are by their very nature complex. Serious reforms involve complex assumptions to achieve estimates of their budget impacts that are virtually guaranteed by their nature to be contestable. Treasury, with all of their models, as we so often see, get forecasts wrong as often as they get them right. Yet the media, somehow, expect both parties to produce bulletproof costings during election campaigns. That, of course, is an impossible task. If the Treasury cannot do it you cannot expect that the parties are going to produce bulletproof costings unless the parties simply produce the Mickey Mouse policies that I described before.

Imagine, from opposition, trying to model the budget impacts of serious welfare reforms to reduce effective marginal tax rates and to increase the incentive to move people from welfare to work. These are the types of reforms that are often talked about but rarely seriously pursued. From opposition, during an election campaign, the risk to your political campaign, frankly, would currently be too great to bear. It would be too risky to pursue that type of very
complex reform where the impact is not just on the welfare benefits that are paid out but on the tax receipts that government has and on money that might be spent on programs to assist people in that transition from welfare to work. They are complex policies. So all political parties find it far easier to propose a capped back-to-work program grant targeted to a limited number of recipients instead of the fundamental structural reforms that we should be talking about far more often in this place, and particularly in the public arena during election campaigns.

I would argue that experience with programs like Green Loans and the cash-for-clunkers scheme dramatically strengthens the case for establishing a strong, independent and confidential Parliamentary Budget Office. As I indicated, such a proposal was mooted by Malcolm Turnbull in 2009 and taken to the 2010 election by Tony Abbott. It has been embraced by the Independents in their negotiations thereafter, and I am pleased that the Labor Party and the Greens came to the party and accepted it as a good proposal. A good Parliamentary Budget Office has the potential to provide independent costings to all parties—to backbenchers, Independents and crossbenchers, not just to party leaders and the leadership machine. Although such costings will not be bullet proof, because, as I said before, even the costings of Treasury are far from bullet proof, they should provide sufficient armour to the parties pursuing those costings to encourage greater bravery in policy development and to encourage people to pursue real and complex reforms, even from the opposition benches, the crossbenches and even—dare I say it—from the backbenches of opposition or potentially of government.

If we get this right, it may well be that future party leaders will rue the day this legislation was passed because ambitious backbenchers will be able to get complex policy reform proposals costed and argue the case with evidence to help back them up. Most importantly, if we get this right, we may, in future debates—especially in future election campaigns—get to debate ideas themselves instead of simply being bogged down in debates about whether the costings underlying such ideas hold up or simply stack up.

Unfortunately, there was little in the final deal struck with the Independents that will leave a positive mark or a positive legacy on our body politic—but this had the potential to be it. Equally unfortunately, though, there was little in that deal that outlined the detail of how such a Parliamentary Budget Office should or would work. Regrettably, now we come to debate the legislation before us, we see that it fails in the detail to achieve the lofty aims that we should be striving for in the type of reform we want to achieve.

Most critical in this, and it has been raised by all the other speakers and it is tackled in Senator Cormann's amendments which he moved on behalf of the coalition, is this issue of confidentiality. When you are making policy, when you are trying to consider policy options and when you want to get those policy options costed, it is essential that the information is treated in a confidential way because you may not choose to go ahead with it. Once modelled, once you get the costings back, political parties may look at it and say, 'The cost of this measure is too great.' Frankly, isn't that what we want out of this proposal? Isn't it that, when informed of the cost of some policy measures, we want political parties to rule them out, to say the cost is too great and therefore to not proceed. Under this legislation there is a risk that such proposals would then be made public and that the political party which internally had decided not to pursue a certain policy option, had decided that they were not going to go ahead
with it, would then be faced with publicly having to justify why they were considering it in the first place. They would be faced with the newspaper headlines of 'Coalition considers' or 'Labor considers' or 'Greens consider XYZ', and the huge budget cost that comes with it. That, of course, would mean that parties would be less likely to use the services of this Parliamentary Budget Office. That would undermine greatly what you would hope to achieve from it.

The government of the day, when it comes to the release of information, often relies on a clause in the freedom of information laws that relates to deliberative matters. When the government of the day, working through Treasury, is getting policy options costed, the opposition, the media or others may go along and make FOI applications to try to see what the government is doing or considering. Frequently you get a response to the freedom of information request—I know this because I receive them often—saying they will not release this information under the clauses of the FOI laws that relate to 'impact on deliberative considerations', matters that are under deliberation, the fact that the government is still making up its mind.

The same really should apply here. If a party chooses not to go ahead with a policy then it should never be made public unless that party chooses to make it so themselves. That would seem to me to be a core and fundamental aspect. I would urge those on the crossbench in particular to think sensibly about the benefits that could be had if we get this legislation right, to think about it with clear eyes, to think about it in the real world of politics, where some things have to remain confidential. Sometimes good ideas do not turn out to be that good after all and so you ditch them. In that world, you do not want those ditched ideas to drag you down during a campaign—and nor should they, because you have made a rational decision, once informed by all of the facts, to cast them aside.

Senator Cormann is pursuing a range of sound amendments that deal with the concern about confidentiality that I highlighted. His amendments also deal with the powers the Parliamentary Budget Office will need to be able to get information out of government, empowering it to effectively advise on policies and costings and ensuring that its functions allow it to consider, have regard to and develop proper economic forecasting and budget estimates—the types of things that we should want from this.

I appeal to the crossbenchers, to the Greens in particular but also to the government: have lofty ambitions for this. This legislation could have the potential to change the way our debates around politics work in this country. It could allow us to debate good policy, good ideas, real reforms and radical reforms in the future, rather than be dogged by mickey mouse policies and election campaigns that, frankly, are all too often meaningless and do not achieve the types of reforms we should be considering in this country. Adopt Senator Cormann's amendments. Support Senator Cormann's amendments. We have the potential to get a great deal out of this, to have an effective Parliamentary Budget Office that can work for the benefit of politics and raise the standard to a level that I believe all Australians would welcome. That is what you should do. The challenge lies with all of those opposite. (Time expired)

Senator RYAN (Victoria) (12:25): It is a pleasure to follow Senator Birmingham in this debate. I would like to make a number of points. I have had some experience with budget offices overseas, having visited the Canadian budget office last year and having learnt from the development of that budget.
office and the way its role has slightly changed over time. I will go into that shortly.

Senator Birmingham referred to the sorts of debates we have in Australia during our election campaigns. One of the things about Australian election campaigns and Australian politics when compared with those of many other Western democracies is the focus upon economics. There are few other democracies that have as extensive a consideration of the cost of policy initiatives. Senator Birmingham quite rightly referred to the problem now of fighting over the policy costings, but that is a reflection of a recent trend that in itself is actually quite positive. Too many countries around the world are in trouble today because they have not focused on the costs of policies and initiatives. Political parties have had abstract ideas without trying to communicate to the people what the cost of those policies may be, and the electorate is no better off for that in the long run. The Australian electorate has in fact been very well served by the two major parties over the last 30 years and by a political debate that has always tried to ensure, at least on this side of the chamber, that the cost of a policy or initiative is outlined.

What has happened of late is that we have started to debate what the cost of a policy might be rather than having competing policies, competing for the use of limited government resources. That is a reflection of the increasing professionalisation of politics, for lack of a better way of putting it. Costing policies is now increasingly resource intensive. It is not something that can easily be done outside the resources of the Treasury and the Department of Finance and Deregulation. That is a challenge that has existed for oppositions all through the Western world.

What this Parliamentary Service Amendment (Parliamentary Budget Office) Bill would do, with the incorporation of the amendments to be moved by Senator Cormann, is to start to redress that. It would take us back to a situation where the electorate would not be faced with people arguing over the cost of a particular policy as the government—particularly this government—tries to limit the flexibility of the opposition. That has been particularly the case under the current government, as it has sought to distract people from what it itself has been up to. This bill tries to give the electorate a real choice between competing uses of limited government resources. That is something that Australian politics has done quite well over the last few decades and it is something that western Europe and the United States would probably have benefited from. They might not have found themselves in the fiscal situation that they are in.

I am a firm believer that it has actually been the quality of political debate over most of the last 30 years in Australia that has put pressure upon governments to maintain responsible fiscal settings. While some economists and some parties that sit at the end of this chamber may complain about the previous government’s focus upon the elimination of debt, we know that irresponsible government borrowing does not just ensure a happier day today and a short-term economic quick fix; it has massive penalties in the future. A dollar borrowed today is merely a dollar of tax deferred plus interest. So, when governments borrow amounts of money and when they are wasted and when they are spent irresponsibly, you do not eliminate the payback. You do not eliminate Judgment Day. You simply put it off. In western Europe, we are now seeing the true cost of that on a generation in a country like Spain, with unemployment at chronic levels of over
20 per cent generally and nearly 50 per cent, facing austerity regimes merely because governments have run up too much debt. That is a generational inequity.

The coalition strongly support the amendments to be moved by Senator Cormann. We have form in this regard. It was the coalition that introduced the Charter of Budget Honesty after the 1996 election, when the then Labor government did everything it could leading into the 1996 election to hide the true state of the books from the people—and there was no mechanism for the true state of the books to be made known. The coalition legislated that and it has informed our political debate ever since, but it has not kept up with the times.

The increasing need for serious resources to cost complex policies has meant that we do need to move with the times, and a real Parliamentary Budget Office is an important part of this. It is sad that the government has not lived up to these particular ideals. Several years ago, not long after I commenced in this place, when the opposition proposed a Parliamentary Budget Office, the idea was ignored and dismissed by the government. Yet, now, they come to us with an illusion of a Parliamentary Budget Office, as they do in so many other areas—the illusion of economic reform and the illusion of fiscal sustainability—in order to try to have a political quick fix with their partners in government down the end of this chamber and in the other place. This shows the double standards of the Greens with the government.

The release of requests for costings that apply to members of parliament under this proposed Parliamentary Budget Office, which we are seeking to amend, does not apply when the government seek different proposals to be costed by Treasury and the Department of Finance and Deregulation. I note the Greens' commitment to transparency has seemed to stop now that they have access to Treasury via their deal with the government. They are not as keen on transparency generally now. My colleagues speaking earlier outlined the outrageous situation of the guillotine being imposed on multiple unrelated bills every night that we sit in this place this week, and the farce of last night where at one point even the government did not know how it was voting on a bill and we nearly had to have a recommittal, and the question had to be put again.

Now that the Greens sit with the government, now that they have access to the Prime Minister more than most members of the government backbench, they are not as keen on transparency in debate. The carbon tax modelling details have not all been released because the government and their Greens allies do not want real scrutiny of that economic modelling. That is a pertinent point with regard to this bill, because this Parliamentary Budget Office is seriously curtailed in the activities it can undertake, because the government do not want serious scrutiny of their economic assumptions and modelling. Last night, we saw legislation passed in the lower house following a secret deal with the Greens in the dead of night. The House of Representatives was not informed about what the deal was. The member for Melbourne was on the television this morning saying, 'It's up to the government to release it.' If you are party to the deal, you can release it too. The Greens' commitment to transparency is nothing but a sham. They have access to Treasury through their deal with the Prime Minister.

There are problems with this bill in the sense that it does not create a truly independent source of advice for members of parliament. The memorandums of understanding that this bill institutes, as opposed to the rights to access information,
which are incorporated in the amendments to be moved by Senator Cormann, ensure that the information that the Parliamentary Budget Office can have is really at the whim of the executive. Those MOUs have to be undertaken by agreement, whereas a real Parliamentary Budget Office has access to all the information held by the department. If we look at the carbon tax modelling, this will mean that the government could refuse to release all the assumptions, as they are refusing to the Senate and the House of Representatives, that underpin the carbon tax modelling. Yet, under a Parliamentary Budget Office that we would seek to establish, that would not be available to the government to prevent the PBO having access to it.

The provisions about publishing requests are particularly pernicious. This is the fundamental flaw in the bill, in my view. The Parliamentary Budget Office should actually facilitate an iterative process. It should facilitate a process whereby members of parliament—parties, Independents and individual members—can seek to develop and refine ideas. I want members of parliament to understand the cost of the policies they propose. I understand that is not necessarily the case with the Greens, who prefer to propose ideas in the abstract. It used to be the case with the Labor Party in their previous iteration in government, at least for a few years when people like Senator Walsh were in this place, a trend I notice they seem to have lost.

This PBO should facilitate members of parliament developing an idea, seeking analysis of its cost, understanding that that might be more than the budget can afford and then seeking to reduce that or refine it to make it more targeted, to more effectively utilise limited public resources. But this PBO does not allow that. It seeks to publish all that information and destroy any capacity for a member of parliament to undertake that iterative process. I note that the same principles of disclosure do not apply to the government seeking such advice from Treasury or Finance. The government can seek to refine policies as often as it would like with the departments of Treasury and finance—and I understand now so can the Greens and the Independents. However, none of those details are released, none of those earlier assessments as they are attempting to refine policy are released—and I would not necessarily in all cases seek access to that information. Why on earth should people seeking to use the Parliamentary Budget Office have that information released as they attempt to develop and refine policy? There has been no justification and no explanation for this particular provision.

Senator Milne: Madam Acting Deputy President, I rise on a point of order. I draw the attention of Senator Ryan to the bill, because everything he is saying is actually untrue.

Senator Cormann: Madam Acting Deputy President, on the point of order: Senator Ryan is very clearly and very eloquently addressing the bill before the chamber. There is no point of order and I recommend you rule that way.

The ACTING DEPUTY PRESIDENT (Senator Crossin): I will be ruling that way, not Senator Milne, Senator Cormann. Senator Ryan, I draw your attention to the bill and I ask you to continue your contribution.

Senator Ryan: I am, respectfully, not sure how I could be more relevant to the bill. I detect a touch of sensitivity from that particular corner of the chamber in Senator Milne. The point that I was outlining is that the opposition wants to allow the PBO the same iterative process and the same confidential process of developing and
refining policy without its release to the public as is available to the government of the day—and, Senator Milne, as I understand it, as is available to the Greens via your deal with the government of the day. I remember the day, Senator Milne, when the Greens used to care about members of parliament having some degree of autonomy. That process is at the core of the flaws in this bill. It is not something that applies to the Parliamentary Library. The Parliamentary Library has confidentiality provisions that protect the work between members and the Parliamentary Library. The release of information by the PBO during the election period undermines that.

Secondly, the Parliamentary Budget Office proposed in this bill by the government, the Greens and the Independents is specifically precluded from developing alternative economic forecasts, whether that be at the whole-of-budget level or at the program level. Again, there is no justification for this. I am in favour of competition but it seems like the government does not want any competition in economic forecasting. Given this government's record since it took office four years ago, I think a bit of competition might improve its performance. I do not see why there is no provision for the PBO to question the assumptions in government forecasts and come up with its own. We would have benefited from that during the first stimulus package. Maybe, just maybe, the government and the Greens might have listened to a PBO that outlined that the pink batts program was going to blow out or that, as Senator Birmingham said, the Green Loans program was going to blow out. But the government does not want to see these assumptions challenged.

Overseas, the Canadian Parliamentary Budget Office does put out alternative forecasts, and it does ensure that the papers put out by the Treasurer and the finance minister are not able to be completely unchallenged. We have lots of economists in Australia who challenge the government's forecasts. I do not see why we should have only Access Economics doing it rather than the Parliamentary Budget Office. More particularly, why is it prohibited at a program or agency level? Why can we not have alternative forecasts of programs? It seems that the government, again, is running away from real competition in this regard.

My visit to the Canadian Parliamentary Budget Office last year was very informative. One of the most important things they outlined was that there did need to be a degree of confidentiality to ensure that members of parliament could have an iterative process of developing and refining policy. More important is the ability to access information. Every budget office, whether it is a CBO or a PBO in a Westminster-style parliament, has had challenges in accessing information because Treasury and Finance or whatever they are called in various countries do like to protect their patch. They are not as in favour of competition when it comes to economic forecasting as they might be, for example, in the dairy industry, Senator Williams.

Competition in all regards is good, and in this regard in particular we should be empowering the Parliamentary Budget Office to get that information, absent an MOU, so it can get this information out to parliamentarians and, through them, to the people. A Parliamentary Budget Office should be, as it was put to me, a 'decision aid' for members of parliament. It should inform parliamentary debate and public debate about the opportunity cost of not doing something or initiating a particular policy. Our country would be a lot better off if there were more of this and less debate over costings, as Senator Birmingham outlined.
The government is seeking to nobble the PBO and ensure that it does not fulfil that purpose, to create this illusion that there is some source of advice but then to set it up in such a way that it cannot be used by the opposition of the day or any minor parties who are not part of the deal with the government.

This should have been a day when the parliament was particularly pleased about instituting a new process that informed debate for the public and for us, that added to transparency and that heightened the level of economic debate in this country, which is so critical. Absent the amendments to be moved by Senator Cormann, it is sad that today will not be that day. I urge the Senate to consider those amendments and ensure that we deliver this Parliamentary Budget Office and meet those objectives we set out earlier.

Senator BERNARDI (South Australia) (12:42): In the few minutes I have before this debate on the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011 concludes prior to question time, I would like to reiterate the sense that Senator Ryan just suggested. To those listening to this broadcast: a great many members of the Australian public must be saying, 'Hallelujah! There is some common sense creeping back into the legislative agenda of this parliament.' That is what this bill is about. It is about removing the sticking points and the partisan nature of parliamentary commitments prior to an election so that there can be no dispute about the independence or the veracity of the claims that are made.

It was certainly an initiative of the coalition; that is something to recognise immediately. To the government's credit, they saw that it was a good idea and thought it should be implemented of their own accord. So we have two competing bills. The difference is that the coalition has a purer version of this, a version in which the Parliamentary Budget Office is truly independent and not simply annexed to the coat-tails of Treasury and, subsequently, the government. That is the reason for the excellent amendments to be put forward by Senator Cormann to the government's bill.

There are a number of key differences. I have only a couple of moments, but one of the important differences in the government's position is that the Parliamentary Budget Office will be an extension of the Treasury and the Department of Finance and Deregulation, whereas under the coalition and under our proposed amendments the Parliamentary Budget Office will be an independent statutory body. It will also be able to put forward economic forecasts, as Senator Ryan and Senator Birmingham said earlier. Under the government's policy agenda, it will not be able to do so. It will not be able to offer a competing contrast.

I, like many of the people in this place and many Australians, am somewhat dubious about economic forecasts that are put out to support government positions. I say that based on experience. Almost without fail, they fail to meet the expectations or they fail to be correct. It is often said to me, 'When the Treasury or the government can predict exactly what the surplus or the deficit under this government is going to be then we can accept their forecasts in other areas.' But we know that is not the case because constantly there is paper shuffling and juggling. What I would say is that we need a return to integrity, we need a return to common sense and we need a return to accountability. That can be achieved through the Parliamentary Budget Office, but only if the amendments to be put forward by the coalition are adopted by this government.

Debate interrupted.
PERSONAL EXPLANATIONS

Senator WRIGHT (South Australia) (12:45): I seek leave to make a brief personal explanation as I have missed a division.

Leave granted.

Senator WRIGHT: I will not take long. I wanted to make a personal explanation for missing a division earlier this morning. I am not seeking to have the vote retaken, but I think it is important to put on record why I was not able to get here. I was attending a function in the Mural Hall. The speeches had just started. My pager alerted me that there was a division in progress and I immediately got up and left and went to a lift to make my way down to the chamber. I stood at the lift for 30 seconds and it did not arrive, then a person nearby advised me that the lift was out of order, so I then had to find another lift to get down.

I cannot use the stairs because of an injury that I experienced last year when I was hit by a car. As a result, I am not able to use stairs. Like some of my other colleagues in the chamber, I am limited in being able to get from the upper floors to the chamber by lift. My experience is that the lifts are often slow, they are delayed and some of the lifts do not actually stop at the floors on which we are. So it is a fairly unsatisfactory process. I had the excruciating experience of turning up at the door to the Senate with about two seconds to spare, and because I cannot run I could not get there in time, so I was unable to participate in the vote.

One of the pieces of advice I have been given about how to deal with this is to work out where in the precincts of the chamber I can be to make sure that I can get back within four minutes. My view is that that is really unsatisfactory advice. I have had discussions with other colleagues, other senators, who have also indicated they have some difficulty in making it to the chamber within the four minutes that is allowed as notice of a division. I want to put on the record that I am thinking about whether or not we as a chamber—committed to proper parliamentary process and people being able to participate fully in the whole process, including divisions—extend the period from four minutes to perhaps five minutes.

The sweetest irony of all is that I was advised that maybe next time I need to think about where I can be. The function that I was attending today was actually a function in relation to social inclusion. I think it would be a real pity if in fact, as a parliamentarian, I were not able to participate in welcoming the community into the parliament and doing my parliamentary duties because I am not able to fulfil my function of doing that and also getting to the chamber on time. I just wanted to put that on the record.

Senator Bernardi: Madam Acting Deputy President, I have a point of order on procedure.

The ACTING DEPUTY PRESIDENT (Senator Crossin): Is it a genuine point of order or a response to Senator Wright? If it is a response, we would like to move on with business of the Senate.

Senator Bernardi: It is a point of order. The time to make personal explanations is after taking note of answers given to questions in question time. We have now lost time in the matter of public interest debate, and that means that those people who have put these things in have been diminished.

The ACTING DEPUTY PRESIDENT (Senator Crossin): Senator Bernardi, that is not a point of order.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Crossin): Order! It being 12.48 pm, I call on matters of public interest.
Marist College Pagewood

Senator THISTLETHWAITE (New South Wales) (12:48): This year marks the 50th anniversary of education of young men in the Marist tradition at Marist College Pagewood. From humble beginnings in 1961 as an eight-room primary school in the south-east of Sydney, this well-respected Catholic college has produced generations of fine community members: scientists, engineers, tradesmen, teachers, professionals, sports stars, Olympians and even a humble senator. I am very proud to include myself in the alumni of this great school and I welcome to the Senate gallery today principals past and present, teachers and students of Marist College Pagewood. The school was established in 1961 by the Marist Brothers at the invitation of Father John Power, the local parish priest at Our Lady of the Annunciation. Originally it was formed as a primary school with 84 students and later became a high school in 1969.

The congregation of Marist teaching brothers was founded in 1817 by St Marcellin Champagnat, a young priest in France. The mission of the Marist congregation is to educate youth in schools as well as informal educational settings, with particular emphasis on the rights of the poor. Worldwide there are more than 4,300 Marist brothers working in 76 countries throughout the world, educating more than half a million students and young people. Their vocation remains as relevant today as it was when the order was established 194 years ago.

After the Second World War, Australians were challenged to populate or perish by Arthur Calwell, the Minister for Immigration in the Chifley Labor government. Our nation's vulnerability during this conflict highlighted the need for a mass immigration program in our nation to bolster our economy and our military capability into the future. The majority of these new migrants were from new destinations to Australia. They came from Eastern Europe and other parts of Europe, eager to escape the devastation of decades of conflict and to begin a new life with their families. Many of those who came to Sydney settled in the south-east in suburbs like Mascot, Rosebery, Eastlakes, Kingsford and Maroubra, where housing was affordable and employment in the factories and workshops was plentiful. At the same time, post-war housing settlements were being constructed to cater for returned service men and women and their families. They were built in the suburbs of Maroubra, Matraville and Chifley and made for a booming local population. A large Indigenous population also exists in La Perouse. It made the area a melting pot of cultures and a great microcosm of our nation's development.

This phenomenon was reflected in the rich multicultural population of Marist College Pagewood. For five decades that school has brought together young men, predominantly the sons of working-class parents, and moulded them into young men in a manner that values and teaches tolerance, respect, celebration of diversity and, most importantly, community. When I think of the great legacy of Marist College Pagewood in its first half century, I think that is the characteristic that stands tallest amongst all. I have fond memories of meeting and developing mateships with students from diverse cultural backgrounds, learning of their heritage, their culture and, in some cases, their families' journeys to a better life in the great democratic experiment of Australia. Our nation is multiculturalism and its diversity is one of our greatest assets, and the values taught at Marist College Pagewood over the last 50 years have been the foundation of that strength. It is pleasing
to see that those ideas endure at the school today.

One of the missions of the college today is to develop mutually beneficial partnerships within and outside the college community. During my time at Pagewood I was proud to be involved in the establishment of a St Vincent de Paul group, which worked in the local community to promote the great work of Vinnies. It has always been common to see teachers and students of the school active in local community groups—in the surf clubs, in the sporting clubs, in the church groups, charities and welfare organisations. Each term, many students volunteer with Matthew Talbot Hostel, assisting in serving meals, entertaining people and socialising with the homeless, whose lives have been dramatically affected by illicit drugs, alcohol or simply by unfortunate circumstance.

In recent years, students of the college have had the opportunity to take part in the Bougainville immersion program, which began in 2009. Every year, a dozen students travel to the east coast of Papua New Guinea to provide assistance and aid in the work of the Marist community in this remote part of our northern neighbour. Prior to their departure, the boys of Marist Pagewood fundraise to support the provision of basic necessities for the local community. Marist Pagewood also regularly welcomes students from St Joseph's College, Mabiri, in Bougainville, to Sydney for student exchanges—a great example of the Marist tradition and the Marist mission in action. This year, nine students and two teachers attended World Youth Day in Madrid, Spain. The group undertook a pilgrimage to Jordan and Israel en route to Madrid, along with 540 other student pilgrims from Sydney Catholic colleges.

Over the last half century the school has had many great principals and teachers. Brother David Hayes and Brother Ernest Houston are two such leaders who built the community legacy that endures to this day. In my time at the school, I was fortunate to benefit from the wisdom, integrity and encouragement of Brother Robert Aitken, a wonderful leader of the school community, who was a local boy and who taught me the value of hard work, humility and patience. He increased student numbers during his stewardship as principal, was instrumental in ensuring additional curricula were available to students and even reinitiated the school song, Sub Tuum, which flummily enough I am still able to recite after 20 years post school.

In modern times the school has had lay principals, with no finer than David McInnes, who I am pleased to see is in the gallery today. David is a long-term teacher, community member and activist, and great leader of the school who has fostered the continued involvement of old boys in the school community. As an old boy I have been pleased to see the school grow stronger and stronger in recent years, with increasing student intakes, including a number of Indigenous students and students with special needs, and the continuation of the school's community spirit. The school currently has 30 Indigenous students, who are mentored by a former college captain, now a teacher at the school, and member of the local Indigenous community, Mark Heiss.

It is often remarked that we can give our children no greater gift than a decent education. But a good education does not simply involve rote learning or routine; it also involves stimulating the inquisitive mind, providing the tools and encouragement to inspire a child to challenge and think creatively. During my time at Marist College Pagewood I was fortunate to benefit from such inspiration from my economics teacher, Peter Singer, a man who grew up in the local
community and who has devoted his whole life to educating young people in that area. I have vivid memories of Peter teaching us, in economics classes, the concept of pricing externalities, such as pollution, as a means of changing human behaviour. At the time it was a relatively new concept in mainstream political debate in Australia. It was an economic method I was challenged by Peter to go and learn a little bit more about and I did so during my university years. Just two weeks ago in this very chamber our nation enacted the clean energy future package. Finally, after decades of debate and inquiry, our nation has moved into the next phase of our economic development by implementing a scheme to price carbon emissions in our economy, putting into practice the very concepts I first learnt in a classroom at Marist Brothers Pagewood through Peter Singer. It is proof, I guess, that the lessons we learn at school remain with us, shaping us and our beliefs and values. I have no doubt that the Labor beliefs that I hold were developed and came from my Catholic education at Marist College Pagewood.

An education in the Marist tradition is not simply about economic achievement but also about gaining a holistic and well-rounded education. At Pagewood, like at many Marist schools, sport played a big part in this. This is evident in the design of the school colours: the gold and black. Many believe that it has some religious significance or connection to the local environment. But, no, the Pagewood gold and black simply derives from the fact that Father John Power, the priest who formed the school, was an ardent Balmain Tigers supporter—proof positive that some in the community do consider rugby league to be a religion.

This year, the school community has marked its golden jubilee celebrations with a number of events, one of which was an old boys luncheon at the South Sydney Juniors Rugby League Club, at which the Marist Pagewood rugby league team of the half century was announced. Members of the team included former first graders Mark Ellison, Paul Mellor, Craig Salvatore, Shannon Donato, Mark Lyons and Blake Ayshford and former Wallaby and rugby league first grader John Berne. The team captain was former test player Mario Fenech. This is a formidable team for any generation. Mario still maintains a connection with the school, regularly mentoring students in leadership and goal setting. The school has also produced multiple Olympians, Australian Schoolboys and national representatives. Other activities at the school to mark the half century have included a mass at St Mary's Cathedral and a celebration dinner at the school attended by students, members of the school community, old boys and every living principal of the school—a tribute to the influence the college has had on the local community.

Last week, I had the great fortune of welcoming the very bright and talented Johnson Ashak, a Pagewood student in year 10, to my office for work experience. Johnson performed a number of tasks in my office with great enthusiasm, one of which was to assist in the drafting of this very speech. Over the week, Johnson said to me that the importance of the ability to rise from adversity is something he learnt at Marist College Pagewood and something that he will always remember beyond his school years. To him, this is what politics is all about: being genuine not only to the community but to yourself—a true Marist quality.

When we come to this place, we reflect on our journey, our influences and the people who helped to shape who we are, our beliefs and our values. I am fortunate to have had the great gift of an education in the Marist tradition. It is a significant factor in who I am.
am and what I stand for and it provided the inspiration for me to run for public office. I congratulate the Marist College Pagewood community for celebrating 50 years of education in the Marist tradition and involvement in the community. We look forward to the next 50 years of success at Marist College Pagewood.

Forestry

Senator COLBECK (Tasmania) (13:02): I rise today to speak about the complete and utter mismanagement of the forest sector nationally by this government here in Canberra and about the complete shambles which is the management of the Tasmanian native forest sector. A couple of weeks ago, I put through this place a notice of motion requesting documentation concerning the rescheduling of coupes within a 430,000-hectare area in Tasmania which is claimed to be of high conservation value and which is the subject of negotiations between the Commonwealth and the state of Tasmania relating to the intergovernmental agreement. I did that knowing that such documentation, up to a certain date, existed.

My motion included a call for the initial advice presented on 13 October 2011 to the government and signatories and for further information requested by the signatories in relation to that initial report. The response from the minister is:

I refer to the Senate order of 3 November 2011 for the production of documents concerning advice being prepared under the Tasmanian Forests Intergovernmental Agreement. The community-led process that is preparing the document sought has not yet finalised its advice. I will comply with this order as soon as practicable once final advice has been provided to the government.

I know that one piece of advice has been finalised, because I actually have a copy of it. I was asking the government to formally release that. They have been trying to keep that document secret. In fact they have asked the committee to go back and reconsider the advice they have given—as part of the negotiation of the intergovernmental agreement—on whether coupes within the 430,000 hectares claimed to be a high-value conservation area were to be logged and on the rescheduling of those coupes. They requested the committee to do that not once but twice. In its initial advice, the group commissioned to provide the advice said that 25 coupes should be logged within the time frame of the assessment—between the signing of the intergovernmental agreement and the end of this year. The reschedulers concluded that 25 coupes were required to be logged in that time frame.

The government asked them to reconsider that advice. They have done that and been back—and the government has actually gone back and said, 'Can you reconsider it again?' I do not know at what point in time you actually accept the answer of the experts you have asked to manage this process, but it is obvious that the government does not like the advice it is being given, because it is an inconvenient truth for the government. It compromises the chair of the assessment process it has put in place, Jonathan West, a former national director of the Wilderness Society, who told the government, in the last couple of days of finalising the intergovernmental agreement, that there would be no coupes required and who has effectively taken the advice of the environmental groups party to this process that there should be no logging within that 430,000-hectare area.

The concern that I have is that this whole process has effectively been turned over to the NGOs to manage. Four of the six people doing the assessment on that area are former associates of the Wilderness Society or have close links to the Wilderness Society. I do not think the industry would have a concern...
about fair process if there were reasonable representation. But it is quite clear that the representation is not reasonable. The government is turning what has been a shambles from the start into an even worse state of affairs. The dishonesty which surrounds this process is quite profound. The environmental groups in Tasmania claim that within five years the industry should move out of native forest and into a plantation resource—that is the demand, that is the claim. The real problem is that there is no plantation resource available for the native forest sector to transition to in Tasmania. It will take at least 35 to 40 years to grow that resource.

Dr Phil Pullinger, head of Environment Tasmania, was on ABC radio saying, 'But there are 300,000 hectares of plantations in Tasmania, more than enough for the industry to transition to.' What he quite dishonestly does not tell the Tasmanian people is that those trees have been planted and are managed for a specific purpose. It is not possible just to turn the tap on and off and change midstream. Of the 300,000 hectares, two-thirds are privately owned. So Dr Pullinger is basically telling the Tasmanian community that we can just decide for private land owners and private owners of trees what we can do with their property. That is what he is doing. He neglects to say that, of the 300,000 hectares, 77,000 hectares are planted to pine, not to Tasmania's minor species, and pine is not a suitable timber for fine furniture, craft and boatbuilding.

Dr Pullinger does not tell the Tasmanian people that 232,000 hectares of hardwood within the 309,000 hectares have been planted, managed and designed for the fibre market, the paper market. When you do the figures, you see that about 100,000 hectares of additional plantation will be required to be specifically planted if Tasmania is to transition from the native forest regime to a plantation based regime.

It will take 35 to 40 years to establish that transition. There is only one place they can be planted and that is on agricultural land. We—environmental groups and any of the rest of us—do not want to convert any more of our native forests to plantations. One of the mistakes we have made in Tasmania is to convert native forests to plantations. That leaves one place—that is, our agricultural land. There are about 670,000 hectares of that in Tasmania, and 100,000 hectares would be required to transition the industry.

So what are we doing? Why would we want to move our forest timber out of the forests where they are most sustainably managed? All of the science—which, tragically and dishonestly, is ignored by the environmental groups—tells us that a native forest management regime over a long-term rotation is much better than a plantation based regime for the types of timber we want for fine furniture, craft wood and boatbuilding industries. The science is quite clear. Native forest production is better for diversity. It is better for water quality. It is better for timber quality. It is much more sustainable for landscape values for the tourism industry, which relies on those landscapes. It is much better to sustainably manage our native forests over a longer term rotation if we want to have a high-quality, furniture based regime.

Dr Adjani, from the Australian National University, tells us that we have more than enough plantation in Australia to transition, but she also does not tell you that it is the timber types that make the difference and that you will not get the high-quality veneers and high-quality craft, furniture and boatbuilding timbers out of plantations. It is simply not possible to do that. Then laid on top of that we have the dishonest campaigns
by GetUp! and Markets for Change, who campaign against companies like Harvey Norman who use blackwood harvested in the north-west of Tasmania to make furniture. That area has been logged for over 100 years by families like Britton Brothers, who have sustainably managed and regrown those forests over that period so that there is a sustainable timber supply. If Markets for Change and GetUp! dishonestly target companies like Harvey Norman, who are using sustainable timber—we know it is legally logged; we know it is sustainably sourced—what is the alternative? The alternative is to source timber from South-East Asia where we know that forest practices are not as rigorously imposed as in Australia, where we know there are potential threats to native species—the orangutan, if you like. So we are offshoring our responsibilities.

If we manage our native forests sustainably in this country, as we should, we can play our part in providing a carbon sink. The great fine furniture in this very chamber is a carbon sink—about half of it is carbon. That carbon is locked there. The environmentalists tell us, 'Don't cut down our forests because they are taking up carbon.' They do not tell you the reality: it is the growing forests that are taking up carbon.

The old-growth forests are a carbon store—that is correct—but they are effectively net emitters by small amounts because trees plateau in their uptake of carbon as they mature. Environmental groups do not tell you that. They interpret the science which talks about the uptake of carbon, particularly in South-East Asian forests. They say, 'Let us stop cutting down all the trees because that will save the planet.' They do not tell you that it is the regrowth forest in all of those regions which is actually taking up carbon. Standing forests are a store—that is right—but the science also shows that, as long as you harvest timber and maintain your regrowth at a sustainable level, the impact on the overall store is minimal and in the longer term you will store more carbon because carbon stored in solid timber is locked there for the life of the products. That is what the science says, which the environment movement are not telling us.

The environment movement are trying to push our native forest sector out of the forests and onto our farmlands, and with the broad debate that we have at the moment around food security that is a risk to our food security. None of them are prepared to talk about that, but they continue with the dishonest campaigns against good companies like Harvey Norman, who have traceability programs in place to know that they are buying furniture that is built from timber that is legally harvested and sustainably managed. They are doing all the things that you would expect a responsible company to do and yet we have these dishonest and negative campaigns that run against our industry.

It just astounds me that we are doing almost the reverse of what is happening in the Northern Hemisphere in relation to our forestry. In the Northern Hemisphere, they are all-encompassing in relation to their native forest regimes. If you were listening to anyone in Australia, you would think the Forest Stewardship Council certification system was designed only for plantation based harvesting. It was actually designed around the management of a native forest regime. The boreal forests in Canada are all harvested under FSC certification and they are all native forests.

The ENGOs in Australia do not tell you that. They do not tell you about the high biomass targets that are being utilised in countries in the Northern Hemisphere. At the
same time, because of the ENGOs green ideology, we lock out the utilisation of biomass as a renewable energy source here in Australia. It is just crazy that we would do that. Within our existing harvest, without touching another twig or tree, we could generate 3,000 gigawatts of renewable energy at a life-cycle carbon emission rate four per cent that of coal. Those are the sorts of things that are possible with some sensible policy, and yet this government, dragged along by the Greens, is refusing to go down that track.

A report called Seeing the forest through the trees was presented in the House of Representatives today. At first glance—it has been tabled for less than an hour—it has some sensible provisions. It would be nice if the government would listen to its own members who are on this committee. Mr Dick Adams chairs the committee but has been sadly silenced in the destruction of the Tasmanian industry. There are some sensible recommendations in the report that talk about and understand what is needed for the long-term sustainability of this industry, an industry that should be supported and that deserves to have a long-term future if it is managed properly, if the government is prepared to step out from behind the shadow of the environmental groups. (Time expired)

**Coral Sea**

Senator WATERS (Queensland) (13:17): It is my great pleasure to rise to speak today about the Coral Sea and to share with the chamber, and any folks who might be listening, the beauty and specialness of this area of our waters off Queensland's coast. This is indeed a matter of public interest, and the reason I raise it today is that now, at this point in history, the government has the opportunity to protect the unique and important marine area that is Australia's Coral Sea. I want to urge it to take that opportunity and leave a marine legacy that our grandchildren's grandchildren can enjoy.

This area is a hugely valuable biodiversity icon not only in my home state of Queensland but, significantly, to the world. The government's decision on the protection it proposes for this region is expected any day now. It has been a long time coming, and there is a lot of interest in the community in protecting this underwater wilderness. So we encourage the government to move quickly and release its draft plan for the Coral Sea, to ensure that the community has a genuine ability to engage and respond and enough time to do so meaningfully.

While many Australians and certainly many tourists have had the special opportunity to enjoy firsthand the Great Barrier Reef, far fewer people have visited the reef's sister region to its east—the equally precious and even more pristine Coral Sea. We are still learning about just how precious and pristine it is, but the recent work of Dr Daniela Ceccarelli in developing a biophysical profile for the Coral Sea is a distillation of our understanding of the unique attributes of this area.

The Coral Sea is a huge expanse of unique tropical marine environment bounded on the west by the Great Barrier Reef Marine Park and on the east by the outer edge of Australia's exclusive economic zone, where it meets the EEZs of Papua New Guinea, the Solomon Islands and New Caledonia. It spans almost a million square kilometres, almost three times the size of the Great Barrier Reef Marine Park. It has 18 coral reef systems which emerge from the ocean plateau below and from the tops of the Tasmanid Seamounts chain of undersea volcanoes that stretches 1,300 kilometres southwards in the Tasman basin.

The Coral Sea also comprises vast areas of open ocean and deep-sea plains and
canyons up to five kilometres deep. Importantly, the Coral Sea is also a hub connecting the broader region. It serves as a stepping stone for the dispersal of species from the western Pacific to the Great Barrier Reef. The East Australian Current forms in the Coral Sea and carries warm water and tropical species southward.

While it abuts the Great Barrier Reef, the Coral Sea is home to many species of coral, fish and invertebrates that are not found on the reef and in fact are not found anywhere else. The Coral Sea is a haven for a myriad species and it has been recognised as a global biodiversity hotspot. It is one of the last places on earth where ocean giants like sharks, tuna, marlin, swordfish and sailfish still abound. Its open waters are home to 52 species of deepwater sharks and rays, and 18 of those are found nowhere else on the planet. Its deep eastern reaches host the only known place in the world where black marlin congregate to breed. Spectacular soft corals and large sea fans flourish in the ocean's 'twilight' zone between 30 and 100 metres deep, where it never gets lighter than our dusk, and its spectacular sponge gardens are home to ancient species considered living fossils.

There are also at least 28 species of dolphins and whales that frequent the Coral Sea. To date there has been limited research on these species, and ironically for a number of species the best data we have is based on how many fish they steal from longline fishermen, who have found that false killer whales and short-finned pilot whales are the most prevalent fish thieves in the area. Fishing crews have also reported pods of up to 400 melon-headed whales and false killer whales, and other surveys have found a number of the incredibly rare Omura's whale. The Coral Sea supports six of the world's seven species of marine turtle, my personal favourite—the green, the hawksbill, the loggerhead, the leatherback, the flatback and the olive ridley turtle. Green turtles are the only species to have been found to nest on the coral cays in the Coral Sea thus far, with very high densities nesting on the Lihou Reef as well as a reported turtle 'graveyard' on a nearby unvegetated cay. The other turtle species feed in the Coral Sea as they migrate across the region, with loggerheads coming from PNG, the Solomon Islands, New Caledonia and the NT and passing through the Coral Sea to nest on the Queensland coast. Female hawksbill turtles migrate from eastern Australia through the Coral Sea, where they forage in the Coringa-Herald cays on their way to Vanuatu, the Solomon Islands and PNG.

While those ancient turtles may be my favourite, my two-year-old daughter is obsessed with eels—for the time being, anyway—and she would be thrilled to know that the Coral Sea is actually the birthplace of all of our freshwater eels. It is a fascinating story: all species of freshwater eels from both New Zealand and eastern Australia migrate north to the Coral Sea to spawn, in an ocean 200 to 300 metres deep. The larvae are transported south on the East Australian Current, maturing as they are swept along and, when the time is right, the young eels migrate back to the coastlines of Australia and New Zealand and find their way back to the estuaries, a round trip that can be as far as 3,000 kilometres. It is a long way to go for love, but I reckon it is worth it.

For all its vast area, the Coral Sea has only 49 small islands and cays. Many of them are critical nesting areas for green turtles, as I have said, but they are also home to 36 species of seabirds. A number of those species return to the islands each year to nest, while other seabirds nesting in the Great Barrier Reef travel out to the Coral Sea for food. Despite their remoteness, a number of those islands and cays have not escaped
the impacts from humans. The introduction of scale insects has dramatically affected the vegetation on some cays, including decimating the Pisonia forests in the Coringa-Herald cays in the 1990s, which led to a shift in the cays' ecosystem. Rats have also inflicted damage by preying on seabird eggs and chicks. That noted, relative to so many other places on earth, the Coral Sea is pristine.

Not only is the Coral Sea a natural heritage treasure; it is also of significant historical importance to Australia. The Battle of the Coral Sea, fought by Australian and US naval and air forces in 1942 against the Japanese navy, was a major Pacific naval battle, and is regarded as the start of the Australian-American military cooperation. Three US warships sank in that pivotal two-day battle, taking with them more than 200 American sailors. This was recognised last week by President Obama, when the Prime Minister announced that our two countries would work together to identify those wrecks so they can be afforded formal heritage protection, hopefully in time for the 70th anniversary of the battle in May next year. So it is now time that the current assessment be progressed, the draft bioregional plan released and the community given its chance to have a say on this precious area and how much we should protect it. Why not make this beautiful area the world's largest marine national park, protecting all of the coral reefs and major breeding sites? What an opportunity, which, when taken with the Great Barrier Reef, could create a huge marine sanctuary for these great creatures which capture our imagination and swell our coffers with tourist dollars. It could also enhance the resilience of the Great Barrier Reef, particularly in the face of climate change and the global pressures facing so much of our oceans' sea life.

The Greens want to see meaningful protection of the Coral Sea, and that should mean no oil or gas exploration, no trawling, no longline or other commercial fishing and only limited recreational fishing in set areas on the western edge of the Coral Sea, consolidated and easily managed and monitored—not a Jarlsberg situation. Of course this needs to entail decent and appropriate compensation for those fishers who rely on the Coral Sea for their livelihood. There are not many of them, but...
that is absolutely appropriate. They deserve that compensation and the Greens will support them to receive it. Through the budget process we will be seeking a commitment from the government to properly finance that compensation and to establish good solid management arrangements for the Coral Sea. That is something that we will fight for.

I took the chance last week to raise the issue of the Coral Sea with President Obama, in both of the two brief opportunities that I had to speak with him. He said he would have to visit the place, and I told him it was a date—what the hell—but I hope that, before any such future visit, the historical significance of this area to both our countries, and the immense wilderness values, can be recognised and protected.

I want to take this chance to place on record my appreciation of the fantastic work that a number of regional, national and international conservation organisations have been doing with their Protect Our Coral Sea campaign, raising awareness both publicly and in this place of the special values of the Coral Sea. So my great thanks and acknowledgement go to the Australian Conservation Foundation; the Australian Marine Conservation Society; CAFNEC, the Cairns and Far North Environment Centre; Greenpeace; Humane Society International; the International Fund for Animal Welfare; the National Parks Association of Queensland; NQCC, the North Queensland Conservation Council; Pew Environment Group; Project AWARE Foundation; the Queensland Conservation Council; Wildlife Queensland; and the WWF Australia.

The reason their campaign to protect the Coral Sea is so important is that the world's reefs are disappearing at a rate five times faster than that of our rainforests. We have had 90 per cent of the world's big fish vanish in the last 50 years due to overfishing. The Coral Sea remains, largely, a thriving marine environment because of its remote location, but this makes it all the more important for us to step up now and protect this place for future generations. While there are currently no plans for oil and gas exploration in the Coral Sea, any such activity in future would be absolutely disastrous for the region. An oil spill similar to the one in the Gulf of Mexico or the Montara spill off Western Australia would destroy one of the last great coral environments in the world and, with the prevailing winds, could possibly flow onto the Great Barrier Reef and even onto the coast of Queensland. What is needed is a complete prohibition on oil and gas exploration in the Coral Sea. The Greens have also long called for the entire Coral Sea to be 'no take', with only two specific zones open to recreational fishing to ensure such fishing is sustainable and minimises damage to the marine ecosystems.

Detailed research by the US National Academy of Sciences, the Australian Institute of Marine Science and James Cook University has found that the green zones, the no-take zones, in the Great Barrier Reef do work. That research stated:

… the network of marine reserves on the GBR has brought major, sustained ecological benefits, including enhanced populations of target fish, sharks, and even corals, the foundation of the coral reef ecosystem.

That means more fish, and that means we can have a long-term, sustainable fishing industry. That is what the Greens want to see. The no-take zones also benefit overall ecosystem health. We have found fewer crown-of-thorns starfish in no-take zones.

Any day now we are expecting the government to release a consultation draft of the proposed Coral Sea bioregional plan. I urge anyone listening today who cares about this precious place to make their views
known to the Minister for Sustainability, Environment, Water, Population and Communities on the need for it to be protected for future generations as the world's largest marine national park. Why not? Write now before the plan is released and again when it has been released. If it is good, let the minister know. If there is room for improvement, urge him to step up and ensure the final Coral Sea plan is solid. Call for all the diverse ecosystems of the Coral Sea to be protected—not just all its 18 reefs, but also the open oceans, its cays and atolls, and the trough systems that contain important breeding sites. Look closely at what percentage of the plan is proposed for marine reserves, which does not guarantee protection, and what percentage is marine national park, which does provide genuine protection.

Just this morning I had the immense pleasure of meeting and listening to world renowned oceanographer Dr Sylvia Earle. She spoke of the ocean as the 'blue heart' of what keeps us alive. It was very refreshing and inspirational. She is the patron of the Coral Sea Campaign, and I want to finish with her words. She said:

The Coral Sea is a rare thing—a place where majestic ocean-going fish can still be found in great numbers. In the last 50 years, the world has lost 90 per cent of these large ocean creatures due to overfishing. We need to do all we can to protect one of the world's last remaining refuges. That's why I support a fully protected marine park in the Coral Sea within Australia's waters. I call it a 'hope spot' for the oceans. The Coral Sea would be the world's largest protected area, a beacon to all other countries, and a giant leap forward for humanity's custodianship of the sea.

Let us hope that the government has the inspiration, the courage and the foresight to leave such a legacy. With the community's help, I believe it can.

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**Defence Procurement**

**Senator MARK BISHOP** (Western Australia) (13:32): I recently addressed the Senate on the subject of accountability in Defence, in particular the downstream consequences of the matrix model in procurement. I believe we need to re-examine the current structural divide between each of the services, the CDG and the DMO. I support the view that accountability should rest more with service chiefs and that there needs to be strong central strategic coordination and specialisation within the three services.

In the current system of checks and balances, contributions to capability are of course drawn from a number of interests. One of the drawbacks of the matrix model is that it dilutes skills within and between each of the silos. There is a common need in each service for highly skilled people. Often they are recruited by the services and then rotate throughout the ADF. This dilution breaks continuity, which is so vital in longstanding programs. It also makes it difficult to pinpoint any centre of excellence at all. For example, I am told that the expert on underwater sonar is not necessarily from Navy. In this case the expert is from the DSTO. Secondment and rotation have been going on for decades. They are part of a career path and part of career development. But this does put Defence at a serious disadvantage to industry, which is in fact a reservoir of skills. That is also the experience in the United States, where it is admitted that government officers are simply no match for the corporate sector.

Added to this has been an almost disastrous policy of skills attrition due to policies of outsourcing and centralisation. In my view the recent extension of the rotation policy to three years is worth while but, in time, will prove to be an inadequate bandaid.
Life cycles for projects can span 30 years from specification. Project approval from concept can take a decade alone. This is true of submarines, ships and aircraft. I suspect that in the services, and in Defence as a whole, the technical skills base needs to be reinvented as permanent structures separate from general operation forces. The time has passed where rotation has much long-term value at all in an age of increasing specialisation. This is consistent with the need to return more accountability to the service chiefs.

Like many sectors in our economy, attracting the skills needed in Defence and, once the skills are attracted, retaining them over time is a huge problem. Defence needs plumbers, welders and fitters and a whole range of IT specialists, to name but a few. Most of all it needs highly trained engineers and experts in systems development and integration. It is this area of high-tech, of advanced specialisation, that I wish to address.

Defence is now reliant on high-tech information technology in almost every facet of the work in which it engages. It is in fact the weakest link; it is our Achilles heel. An enormous effort has been made in Defence and the DMO to improve process and administrative skills. Primarily, that has come from criticism by the ANAO of continuing administrative failure. However, failures in procurement and sustainment are more often than not attributable to inadequate product specification, development delays through immature systems planning, failure and difficulties in systems integration, systems failure in service and difficulties in upgrading technology through service and through lifetime. To a large extent this boils down to inadequate systems engineering and integration skills. The cancellation of the Seasprite helicopter program is a classic example of that failure. Coming to grips with the skills needs of Defence, though, is very difficult to gauge. Painting the complete picture is difficult, if not impossible. The Defence annual report is bereft of detail except in the area of civilian needs. The DMO annual report is equally brief. Its focus is on project management skills, estimating and contracting, and commercial skills—all, of course, useful and necessary, but not directly focused on high-tech skills. The approach of the Mortimer report is also bland. It is limited to the importance of training, without any diagnosis, programmatic approach or structure.

However, it must be said that some measures have been put in place. The establishment of the Skilling Australia’s Defence Industry program, SADI, is producing some results. There is also the Industry Skilling Program Enhancement package. That includes a range of initiatives such as: defence industry innovation centres; scholarships; masters and post-graduate programs at the University of South Australia and grant programs including the Priority Industry Capabilities program. This all sounds good and supportive, but the real question is: is it comprehensive enough? Is it sufficient to address the high-end tech end of the skills spectrum?

Each of the services, I presume, has its own diagnoses derived from skills audits. RAAF openly acknowledged its epiphany stemming from serious failures many years ago. Much has been done to restore its technical shortcomings in the last 10 years. I am also aware that Navy conducted a study of its engineering needs in 2010. Following the report of Mr Rizzo into naval maintenance, it too has finally been shocked into action. The Rizzo report has certainly belled the cat. Given the litany of failures, one can only ask why it took so long. It is now almost as though the wheel has turned
full circle. Now we need to ensure we do not re-enable past weaknesses.

At the heart of this entire discussion has been the continuing loss of skills. A submission by the Association of Professional Engineers, Scientists and Managers Australia to a current Senate FADT inquiry on procurement makes a strong case for doing much more. APESMA identifies two recent assessments of this shortcoming. The first is the analysis of the UK Nimrod review, which identified systemic weaknesses in UK procurement in these areas: the undervaluing and dilution of engineering skills; the decline of the Ministry of Defence to be an ‘intelligent customer’; inadequate professional status; constant organisational change; interservice rivalry; manpower shortages and loss of skills; and a lack of trained safety engineers. Each of those criticisms is largely relevant in Australia.

The second report is research by Professor Cook and Dr Unewisse of the Defence Systems Innovation Centre at the University of South Australia. The particular point of their paper is that systems engineering and systems integration training in Australia are manifestly inadequate—not just for project management but particularly in project development and specification. The initiatives I have summarised will certainly help. But, again, is there enough understanding? Is there enough emphasis on high-level systems engineering and high-level systems integration? It is surely doubtful, given the demands to be made by the capability program with a price tag of around $300 billion over the next 30 years, all involving the most sophisticated and complex systems imaginable.

In my view, more funding is needed at the tertiary level, perhaps through SADI, perhaps through other means. There also needs to be a widening of courses available at graduate and post-graduate level. Attractive incentives will sometimes assist in the retention of skilled staff. This will do much to aid continuity of work within the capability plan.

I commend this paper on its analysis to the tertiary sector and defence industry authorities. Unless the findings are heeded, our exposure to risk of technical incompetence and failure will continue year in, year out. There is no room for complacency that the current mining boom and its demand on skilled human resources will abate. It is clear the shift in world economic activity from the old world to our new world in the Asia-Pacific is permanent or of such duration that it is going to last for generations. The demand for high-tech skills, I believe, has been grossly underestimated, as have the same needs across the IT industry throughout the economy. If some think the mining boom is likely to be short lived, thereby easing the pressure, they should think again. Let me quote, at some length, from the August issue of ANZ insight:

Australia currently faces one of the greatest opportunities in its economic history. The shift of economic growth from the developed to the developing world is unleashing extraordinary forces in the global economy. Huge low-income populations across the developing world are demanding more basic necessities: minerals, energy, food and fibre. In particular, commodities such as iron ore, copper, coal, aluminium, gas, grain, protein and fibre are the central ingredients in the industrialisation and urbanisation of developing countries. Much of this is happening on Australia’s doorstep, in China, in India and in South East Asia.

The developed countries of the world have already created a middle class of nearly one billion people – yet well over five billion in developing countries are still to reach middle class income levels. This is not the stuff of a
routine commodities “boom”, but rather a more fundamental global process already well underway that will see billions more people achieve middle class living—and it has decades to run.

So therein lies the challenge. Further, it should be noted that this growth will not be in mining per se but more widely spread across supporting industries. It is estimated, for example, that these industries alone will grow in value by $200 billion by 2030. Within that the mining software component is already running at an estimated $880 million per year. So that is the scenario and the context—and the competition—Defence is facing. The question then is whether current policies and programs within Defence are up to that challenge. Frankly, I doubt it.

The same applies to the entire education and training system. Defence, more than anyone else, should know that nothing is moving faster in the world than information technology. The demands of the Defence Capability Plan are simply enormous and, in my view, cannot be met by current efforts in skills development. Remember that ships and aircraft are increasingly technologically complex and that, in the final analysis, are just huge mobile electronic factories surrounded by and encased in hard metal. So, unless addressed now, failures over what are expected to be 30-year life spans could be catastrophic.

**Murray-Darling Basin**

Senator **JOYCE** (Queensland—Leader of The Nationals in the Senate) (13:45): In a matter of days the draft Murray-Darling Basin plan will be announced. This is an issue of utmost importance for Australia. The Murray-Darling Basin is what feeds us. It represents 40 per cent of Australia's agricultural output. It is also 60 per cent of our nation's irrigation. The Murray-Darling Basin is home to 2.1 million people. The biggest city in the Murray-Darling Basin is this one, Canberra. There are other cities that rely on it. Adelaide takes water from it but it is not actually in the basin. Melbourne has a pipeline to it but is not actually in the basin. If it were a state, it would be a mid-range state in our nation.

The thing that drove the work as to the Murray-Darling Basin was the general belief of overallocation, and that was a fact and there had to be water returned to the rivers—that was a fact too. However, if the government gets this wrong, the socioeconomic ramifications will be disastrous and the environmental benefits will be dubious. We have huge concerns about where this government is going with it. We have been waiting for this report. There has been delay after delay after delay and prevarication after prevarication. I think the belief is this: try and get the parliament over and done with before releasing what I would say is going to be the final one of the troika of disasters—the carbon tax, the mining tax and then the Murray-Darling Basin draft.

The first time that the plan was released it got very close to our having riots in Australia. There were burnings of the guide to the draft plan and there were massive meetings by people who obviously had huge concerns about what was going to happen to their town. The primary concern goes beyond the farmer and to the person who owns the motel, the mortgage holder in a regional town—in a Mildura or a Shepparton or a Goondiwindi or a St George—the tyre business, the person who moved to that town for a future and every person pushing a shopping trolley in every supermarket who purchases food. With the carbon tax we drove up the price of power. With a bad Murray-Darling Basin plan we will drive up the price of food. It will be yet another assault on the standard of living of the
people of Australia as driven, by all intents and purposes, by the power of the Greens.

The draft Murray-Darling Basin plan will be released on 28 November. There will be a 20-week consultation period. The Murray-Darling Basin Authority has not released any dates for public consultation but has committed to hosting meetings in regional towns and metropolitan areas. It is not yet clear what the format of these meetings will be, whether they will be open and public, and whether the minister will be there. I do not think the minister was at any of the others. We do hope that the person who is actually responsible for this matter is there. We do hope that many people will turn up to that. We can provide a Senate inquiry through December if required.

What we can glean thus far is that what the MDBA are going to do now, turning from what virtually caused the riots, means that the difference between those two amounts is about 1.4 per cent. So if what they had before was virtually a riot I cannot see how what 1.4 per cent off that amount is going to cause peace in our time. Also, very serious questions have to be asked about the water that they use and what environmental assets are being watered. The people of South Australia have a strong connection with the Lower Lakes, and that is understandable. But what has to be understood is that the water that is returned to the rivers is very rarely ever going to get to South Australia. It will be waterings such as the Culgoa floodplain, the Narran Lakes, the Barmah Choke. They are among a whole range of the 2,300 environmental assets. But that does not mean that it is going to end up in South Australia.

We have to look at exactly how this deals with the socioeconomic challenges of so many towns that would have been decimated before. In the process we also have to expand our moral paradigm of how we look at these issues. The last guide to the draft would have been responsible for the virtual destruction of the rice industry. The rice industry feeds 20 million people. If we take a staple of carbohydrate, which is rice, out of the food production of our nation—so therefore we are living on imports—we should not think that is where the issue finishes. In a time of privation somebody somewhere is going to miss out. So if you take the rice at the top out of production everything shifts up and then the person at the bottom misses out. So a person in Southern Sudan whom you have never met or a person on the Thai-Burma border whom you have never met goes without. If you take out of the world's production of food the capacity to feed 20 million people with rice, somebody will starve. It is quite obvious that someone is going to starve to death. Someone will definitely die, generally some child—in fact, it will be thousands of them. That is the unfortunate circumstance of a reduction in the production of food. Australia itself since 1980 has been reducing the amount of farm area and also reducing the amount of farm production. If this Murray-Darling Basin plan in the end goes the way that we see it going, that will be accelerated. The Greens have said that they want 7,600 gigalitres taken out of the Murray-Darling Basin. If that happens it will close the place down. That would be an absolute disaster. You close down the agricultural capacity of everything from Shepparton right down to the Lower Lakes all the way up to Queensland. What an incredibly peculiar place to be.

The problem we have got is that in the current drafting of the act, and I admit it would not be the first act that ever had been amended, there are some very pertinent
points that need to be assessed. On the very first page it says that the Water Act requires the authority to determine the volume of water required to maintain and restore environmental assets, using best available science and the principles of ecologically sustainable development. Subsequently the authority addresses the optimisation of environmental, social and economic outcomes—subsequently. So after you have done with the environmental issues you subsequently look at social and economic outcomes. To give a classic example, and we saw this in evidence, we said, 'If there was a town that needed 10 gigs of water to survive and below it was a swamp and a frog that needed 10 gigs of water to survive, who would get the water?' It said, 'That would be the swamp.' So the swamp gets the water and the town goes without. If this thing goes through in the form it went through before, then Canberra goes on to permanent water restrictions forever. They have built themselves a new dam but they will not be able to use the water in it. That is an interesting outcome for a city of 350,000-plus people, that they get to a point where they cannot use sprinklers, they cannot wash their cars, they cannot wash the footpath because of a decision that could possibly be in this plan.

The Premier of South Australia has said he is willing to challenge the act. To be honest, if you look at the advice from people such as Professor John Briscoe, Professor Judith Sloan and Professor George Williams, you will see that it could possibly be successful, it would likely be successful. In that success would obviously be a huge impost on all that surrounds the social and economic fabric of the 2.1 million people who actually live in the basin. So we must be open to the idea of at least amending the act in such a way as to deal with what both the coalition and the Labor Party promised, that we would look at environmental, social and economic conditions in equivalence—not environmental conditions in a superior form and then subsequently social and economic conditions but look at them in equivalence.

I want to put a human side on this. From what I can see, my own area is going to be one of the most affected by the new changes. It does surprise me somewhat that an Independent member in the New England area is hardly affected at all. That is a surprise. I hope there is nothing behind that, I hope that is just coincidence, but it is very surprising. The consequence for the Indigenous community of Dirranbandi would be catastrophic. If you want to advance Indigenous Australia, the best thing you can do is provide an economy. Social security does not cut it. We had one chance where we took people ahead and gave them an opportunity. We gave them commerce, we gave them jobs.

In our own area the unemployment rate is less than 2½ per cent. This takes us all the way back to where we were before. Houses that were purchased for $80,000 and $90,000—I know that is cheap but you must remember these people live in meagre circumstances—go back to $5,000 and $10,000. So think about those people when you make those decisions. Think about the people who cannot sell their house at all. There are people who say, 'My life might not have all the facets that I wished it had,' but the people you actually affect are the people whose expectations in life, whose access to things, are vastly inferior. How would you like it if your house became worth $10,000 or $5,000 or worthless? Do we have the moral right to do that to these people? That is exactly what we will do. You can say, 'They will move.' You cannot move anywhere. Where are you going to move to? You have got no asset to sell, you have got nowhere to go. You say, 'Well, they'll have a good
education.’ Not necessarily, because unfortunately as the wealth goes out of an area, so do all the social institutions. This is something we are about to inflict on people. It is a terribly unfair and unwarranted position that we would go to the people who really are in an inferior position already in terms of social and economic circumstance and inflict on them by reason of a bad draft of the Murray-Darling Basin plan a position that really entrenches their privation.

It will be a very tumultuous time over Christmas as we deal with the issues pertaining to the Murray-Darling Basin plan. People may think we have forgotten about it. We have not; we are very aware of it. We have been waiting for it. We see it coming. Surprisingly enough, it is announced when we have all left the joint. That seems to be what happens around here: 'We'll guillotine it or wait until they leave and then announce it.' We are absolutely going to be fighting this one to the end. We will be very aware of the facts of how the minister will deal with this in such a way as to bring about what he promised. The people of Griffith will want to know whether this actually deals in a fair way with the town of Griffith. The people of Deniliquin will want to know what is happening. The people of Shepparton are going to be very aware of what their circumstances are after this. The people of Goondiwindi are going to want to know what happens.

Senator Hanson-Young interjecting—

Senator JOYCE: Although Senator Hanson-Young might not be too concerned about Indigenous issues, the people of Dirranbandi might want to know. The people of Burke will certainly want to know what their future is like at the end of this. We have to make sure that we look after these people. You cannot say that you have an empathy towards Indigenous Australia, an empathy towards regional Australia, and then release a plan which decimates regional Australia and our nation's capacity to feed itself.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Is the minister aware that a recent report by UBS concluded that Europe's emissions trading system that has cost consumers $287 billion has had 'almost zero impact' on cutting emissions? Is the minister also aware that the report concluded that Europe's ETS had provided windfall profits to market participants which have had to be paid for by electricity customers? Will the minister now admit what European consumers now know—that a carbon tax is all economic pain with no environmental gain?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:01): There are three propositions in that question. In relation to the third, no, I will not. In relation to the first, I am aware of the report. I note that the report by UBS is in sharp contrast to the opinions of many of the experts, including those who advised the previous government about the best way to tackle climate change. The report is in stark contrast to the advice from economists worldwide, from economists in Australia, from economists inside the Australian Treasury and from Mr Howard's own task group on emissions trading, headed by Dr Shergold, all of which concluded that the most efficient and effective way to reduce emissions is through a price on carbon. I also note that, while it is the case that UBS has put this report out, it has also been responded
to by two others: Climate Markets and Investment Association and a Barclays Capital analyst. Both of them take issue with the number of findings in the report.

In relation to the emissions impact that was also referenced in the first part of the question, I make the point that the European Union Climate Commissioner, Connie Hedegaard, had this to say in September:

Greenhouse gas emissions from big emitters covered by the EU ETS have fallen by an average of more than 8 per cent since the start of the system in 2005.

I think there are quite a number of not only commentators but also experts, as well as those who have some responsibility for the scheme, who would take issue with various aspects of the report to which Senator Brandis has referred today.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:03): It just goes to show, Minister, that different experts can arrive at different conclusions. Mr President, in a supplementary question I refer the minister to the other conclusion drawn by UBS, which is that, had Europe used the $287 billion wasted on its failed ETS to instead replace the European Union's dirtiest power plants, emissions could for that price have been reduced by 43 per cent instead of by almost zero per cent through the ETS.

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:05): If I am asked about stubborn persistence, I may say I think the stubborn persistence is in those on the other side who continue to berate the parliament about a policy and a law which has been passed. We are clearly in a bit of historical analysis here. They certainly do not want to talk about the mining tax, nor all the splits on their side on that issue. I have already indicated in my answer that we do not agree with the assertion that direct action is somehow better. That flies in the face of the advice given to Mr Howard, the advice given by Treasury and the advice given by Australia's leading economists. In fact, the only people who believe that, somehow, taking money from Australian taxpayers and giving it to polluting companies is a good policy are those opposite. (Time expired)

Mining

Senator THISTLETHWAITE (New South Wales) (14:06): My question is to the
Minister for Small Business and the Minister representing the Assistant Treasurer, Senator Sherry. Can the minister inform the Senate how the Gillard government will use the revenue from the minerals resource rent tax to spread the benefits of the mining boom to small businesses? How will the government's tax reform package, funded by the MRRT, also benefit ordinary taxpayers?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:06): As we now know, the minerals resource rent tax passed the House of Representatives early this morning. This government is very proud of that reform. There is a tax package of which the $11 billion mining tax is an important component, but there are other important components to this tax reform package. Firstly, I would make the point that the package is designed to strengthen and broaden the Australian economy, to assist small business, to assist superannuation retirement incomes and, I might say, to assist in creating jobs through a stronger economy. I note this government has seen more than 700,000 jobs created over the four years it has been in office.

I turn to specific measures. Small business will be a significant beneficiary from the tax package specifically funded by the mining tax. Currently for each asset write-off small business receives $1,000. We intend to significantly increase the asset write-off for small business claims to $6,500. That is a very significant increase in asset write-offs for small business for each asset invested in. Secondly, we intend to make the rules around the depreciation claim far simpler. That will be a second benefit. This will represent more than $1 billion in additional assistance to small business, funded in part from the mining tax. I note that the Liberal-National Party refuses to support this $1 billion package of tax improvements for small business. (Time expired)

Senator THISTLETHWAITE (New South Wales) (14:09): Mr President, I thank the minister for his answer and ask a supplementary question. Can the minister outline to the Senate how Australians will receive better retirement incomes through the government's tax reforms funded by the minerals resource rent tax?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:09): There are two main measures: one is to increase the superannuation guarantee and the other is to effectively remove the contributions tax from more than 3½ million Australians. We know that the Liberal-National Party now support compulsory superannuation. They have taken a fairly monumental step I have got to concede: they accept compulsion. Interestingly, the Liberal Party, in accepting the increase in the superannuation guarantee, do not have any money to pay for it because they are going to reverse the mining tax. They say they support the measure. I notice Senator Mathias Cormann says, 'We do not agree with it but we are still going to leave it there if we are ever elected to government.' That is hedging your bets. Of particular concern is that they have no money to pay for it because in addition to the $70 billion financial black hole they have, they have got to find more money, having decided to reverse the mining tax, to pay for the superannuation guarantee. (Time expired)

Senator THISTLETHWAITE (New South Wales) (14:10): Mr President, I ask a further supplementary question. Is the minister aware of any alternative policies to the government's tax package, and how
would these alternative policies affect the government's plan for all Australians to share in the benefits of the mining boom?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:10): I have referred to what I think quite a monumental decision for the Liberal Party to support compulsory superannuation. However, it was not without controversy. I notice the shadow finance spokesman, Mr Robb, was reportedly furious at the decision. There has been an ongoing debate about this amongst those opposite. He was asked why he was not consulted and he said, 'It was just one of those things. There was a conference call and my name fell off the bottom.' He was not consulted because he claims his name fell off the bottom of the list. If they have got a shadow finance minister who is attempting to find $70 billion in savings and he cannot press the redial button, what hope have they got? He cannot even hook himself up to discuss a major superannuation measure and they have got to find $70 billion in savings. It gets worse. The member for Higgins got a lecture from Mr Abbott, the Leader of the Opposition—

(Time expired)

Carbon Pricing

Senator EDWARDS (South Australia) (14:12): Mr President, my question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to findings in the Essential Services Commission of South Australia's annual performance report, which should be very close to her heart, that the average household electricity bill in South Australia is now $1,680. By how much will this rise as a direct result of the government's carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:12): I am surprised that a South Australian Liberal is asking a question about electricity. There is a long history in relation to South Australian electricity privatisation, which we can have a discussion about. But I am asked about this report, which of course references rises which are nothing to do with a carbon price—let us emphasise that. We have been upfront about the impact on electricity prices. We have been very clear with the Australian people. There will be price impacts as a result of Australia paying for the pollution we put into the atmosphere. The reason for that is, if you continue to allow people, companies in particular, to pollute without charge, then we will simply ensure that our pollution grows. We have made it clear and released modelling which said that electricity prices are likely to rise by on average $3.30 per week, around 10 per cent. We have also released the very extensive assistance package, which not all Australians will be eligible for but all Australians are able to access that information. It includes measures such as an increase to the pension, an increase to the disability support pension, an increase to family tax benefit, an increase to the carer payment and, importantly, a tax package which will encourage participation and give every Australian earning under $80,000—

Senator Edwards: Mr President, a point of order: I asked a direct question. By how much will the $1,680 of an average household electricity bill in South Australia now rise as a direct result of the government's carbon tax?

Senator Chris Evans: Mr President, on the point of order: I do not know why the Liberal Party persists with these spurious points of order. Senator Wong was directly answering the question. She provided information in response to the senator's
question from the first sentence she uttered. She is providing comprehensive information about the compensation package for any increase in electricity prices driven by the introduction of a carbon price. The question has been directly answered. As I say, I do not know why the Liberal Party insists on taking spurious points of order but I would urge you to rule that there is no point of order.

The PRESIDENT: There is no point of order. The minister is answering the question and she has 18 seconds remaining if she has further material.

Senator Ian Macdonald: Mr President, I also wanted to speak on that point of order but you have already ruled. As Senator Evans said, she has answered the question and if she has answered the question she cannot now be answering it if she is talking about something else, so she should be sat down.

The PRESIDENT: That is not a point of order. I have ruled that there is no point of order and if the minister has anything further to add to her answer she has 18 seconds remaining.

Senator Wong: It is interesting that in my first couple of sentences I answered precisely about the estimate of the increase for electricity that we have put out. Those over there do not want to hear about the extensive assistance package—they do not want to hear it and so they put up spurious points of order. (Time expired)

Senator Edwards: Mr President, I ask a supplementary question. Is it not true that South Australians can expect a rise of at least $160 in their electricity bills that is directly attributable to the carbon tax? How many more South Australians will face stress paying their electricity bills as a result of this significant increase?

 Senator Wong (South Australia—Minister for Finance and Deregulation) (14:17): As I have previously said on many occasions, the government has been upfront in saying that we expect on average a 10 per cent increase in electricity prices—about $3.30 a week. The government is providing very substantial assistance through the tax system, through the family tax benefit system, through pensions and through other assistance to reflect cost increases, including increases in the cost of electricity. It is also true that experts in the electricity sector have made the very important point that one of the things that will lead to greater increases in electricity costs is the opposition demanding that people not buy forward contracts, not hedge their prices, and trying to invoke uncertainty. I refer the opposition to comments for example from the Energy Supply Association, which said that uncertainty such as this is one of the things which lead to increases. (Time expired)

Senator Edwards (South Australia) (14:18): Mr President, I have a further supplementary question. With ESCOSA data showing residential electricity disconnections in South Australia increasing from 4,748 to 7,311 last year, is it not the case that many Australian households and small businesses are already facing stress paying their electricity bills? Regardless of the so-called compensation, will a significant spike in electricity bills not make this stress worse and risk even higher levels of disconnection?

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:19): I am asked about disconnections and I would say that if the senator cared about not pushing up prices on electricity he would not engage, with his party, in the sort of barracking for uncertainty that is the Liberal Party's position. I would also make the point in respect of people's ability to pay electricity bills that we on this side of the
chamber will be putting forward increases to pensions, increases to family tax benefits and tax cuts for everybody earning under $80,000 a year—all of which are opposed by those opposite. If the senator cares about low-income Australians, why is he supporting a reduction in the pension, why is he supporting a reduction in the disability support pension and why is he supporting an increase in personal income tax for low-income Australians? (Time expired)

Forestry

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:20): My question is to the Minister for Agriculture, Fisheries and Forestry. I refer him to the Tasmanian Forests Intergovernmental Agreement and ask why, three months after that agreement was signed, the Premier of Tasmania and the Prime Minister have failed to implement section 25, which says that the state will immediately place 430,000 hectares of native forests into informal reserves where they will be immediately protected?

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) (14:21): I thank Senator Bob Brown for his interest in this issue. As Senator Brown knows, the independent expert group has provided advice on options for rescheduling existing harvesting work occurring in less than 2,000 hectares of the 430,000 hectares interim area. Following consideration by signatories, further advice was requested—so this process is ongoing.

Senator Bob Brown: Mr President, on a point of order: due to the interjections I cannot hear the answer.

The PRESIDENT: Senator Brown is entitled to hear the answer.

Senator LUDWIG: As I said, the Tasmanian forestry industry is undergoing a restructuring and reshaping, brought about by several key events, which we have gone through before. In responding to those developments, the IGA between the Tasmanian and the Australian governments was signed on 7 August 2011. Part of clause 25 relates to how we go through the independent verification for wood supply into that region. As I have said before, Professor Jonathan West has engaged with the signatories to the statement of principles in a consultation process on who will be the appropriately qualified persons to form the independent verification group. The initial advice prepared by the two independent expert schedulers was presented to the signatories on 13 October 2011. After considering that advice, the signatories requested further information from the independent expert schedulers to clarify and expand on a number of elements covered by the initial advice. The signatories reviewed this information on 10 November 2011. (Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:23): Mr President, I ask a supplementary question. Is the minister not totally confusing clause 25, which says that the forest in the 430,000 hectares would immediately be protected and that these areas were verified through an independent verification process before 7 August? Is he not, deliberately or otherwise, confusing that verification process to allow, against this agreement signed by the Prime Minister, continued logging within the 430,000 hectares?

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 Bob
Brown for his questions. It is simply not correct to say that the IGA requires an immediate halt to logging within 430,000 hectares identified by the ENGOs. Clause 25 of the IGA requires the Tasmanian government to place 430,000 hectares of native forest into informal reserves. This clause is clearly qualified by the two subsequent clauses. Clause 26 of the IGA states:

Where harvesting work has already begun in coupes within the nominated 430,000 hectares, rescheduling will occur as soon as practical …

Clause 26 goes on to set out a process, involving both the state and federal governments, the signatories to the statement of principles and the independent verification group, which allows harvesting already underway in the 430,000 hectares to continue. Clause 27 of the IGA sets out a process through which logging in the 430,000 hectares can further continue during—(Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:25): Mr President, I ask a further supplementary question. I put it to you, Minister: are you not completely misreading your own government's agreement? Clause 26, from which you quoted, states:

The State will ensure that, until the further independent verification process … is completed, wood supply required … will be sourced … sourced outside the 430,000 hectares …

I ask: is the government, under the signature of the Prime Minister, not in complete breach of the word of this public agreement?

Senator Brandis: Mr President, on a point of order: there is a prohibition against questions which ask for opinions on matters of law. This is plainly a question asking for an opinion on a matter of law—that is, the proper legal effect of a contractual document.

Government senators interjecting—

The PRESIDENT: I am ruling that there is no point of order. The question stands.

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) (14:26): I thank Senator Bob Brown. I was outlining that clauses 25, 26 and 27 outline the process. The first step of the process, which requires notification from Forestry Tasmania, has occurred. The second step requires the joint appointment of expert schedulers; this also has occurred. The expert schedulers provided an initial report to the signatories and their respective governments on 13 October. Following consideration of that advice, the signatories have requested further information from the independent expert schedulers to clarify, and expand on, a number of elements covered by the initial advice. This is currently being compiled and is due to be received shortly. Following its completion and its consideration by the signatories the expert schedulers advice will be publicly released. The Australian government is supporting the implementation of all aspects—(Time expired)

Asylum Seekers

Senator CASH (Western Australia) (14:27): My question is to the Minister representing the Minister for Immigration and Citizenship, Senator Carr. I refer to the promise made by Prime Minister Gillard, after she politically executed former Prime Minister Rudd, that she was going to find her way on illegal boat arrivals, because the former government had lost its way. Australians have witnessed the 103rd boat arrival since the 2010 election, taking Labor's record under Ms Gillard to 117 illegal boats carrying 6,897 people,
compared with 6,552 people under Mr Rudd. Given that, under her government, the Prime Minister has taken border protection from what can only be described as bad to worse, does the minister consider that the Gillard Labor government has in fact found its way when it comes to protecting Australia's borders?

*Honourable senators interjecting—*

**The PRESIDENT:** I remind senators on both sides that this is not the time to be debating the issue.

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research) (14:29): I thank Senator Cash for her question; it has been a while. I always welcome a question from Senator Cash. The simple fact of life is that there have been 13 boat arrivals since Mr Abbott chose to sabotage the government's program in regard to Malaysia. It is quite clear that those opposite are highly sensitive on this issue. We have had a series of numbers thrown across the chamber but they do not want to hear the facts on this matter which are that there have been 13 boat arrivals since Mr Abbott chose to wreck the government's program in regard to the Malaysian—

**Senator Cash:** Mr President, I raise a point of order in relation to relevance. My question was quite a simple one. Did Mr Rudd get it right or did Ms Gillard get it right?

**The PRESIDENT:** There is no point of order. The minister still has 59 seconds remaining.

**Senator CARR:** Thank you, Mr President. On 18 October 2011 there was SIEV 268, which had 51 people on board. On 22 October 2011 there was SIEV 269, where 15 people were on board. On 22 October—

*Opposition senators interjecting—*

**Senator CARR:** I have been asked to describe the numbers, and I am describing the numbers in some detail. We have, of course, 13 boat arrivals since Mr Abbott chose to sabotage the approach that the government had taken in regard to the Malaysian agreement. And you have to take responsibility for that.

*Honourable senators interjecting—*

**The PRESIDENT:** Senator Carr, resume your seat. If senators wish to debate this issue the time is at three o'clock.

**Senator CARR:** Mr President, what we have seen is that the Liberal Party are all at sea on this issue because it is quite clear that the implications of their policy position have not been understood by them so far—that every single boat that arrives will be down to Mr Abbott. *(Time expired)*

**Senator CASH** (Western Australia) (14:32): Mr President, I ask a supplementary question. I refer to the government's no fewer than, but potentially not limited to, five separate policies for dealing with the asylum seekers, including the processing freeze on arrivals from Sri Lanka and Afghanistan, the East Timor processing centre—my personal favourite—the Manus Island policy, the failed Malaysian people-swap policy and the fifth and latest policy of onshore processing. Given the abject failure to date of all of these policies to stop the boats, when does the government intend to find its way and restore the Howard government's policies, which actually worked?

*Honourable senators interjecting—*

**The PRESIDENT:** When there is silence we will proceed.

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research) (14:33): Mr President, the government's position on these matters is perfectly clear.
What we have indicated is that the arrangements with Malaysia were an appropriate set of circumstances to prevent people drowning at sea. The Liberal opposition's approach—

Opposition senators interjecting—

The PRESIDENT: Senator Carr, resume your seat. When the chamber has resolved that there will be silence we will proceed.

Senator CARR: The whole question of the Liberal Party's approach to actually encouraging people to get on a leaky boat—

Opposition senators interjecting—

The PRESIDENT: Senator Carr, resume your seat. When the chamber has resolved that there will be silence we will proceed.

Senator CARR: Mr President, the Liberal Party's position is that we should be turning the boats back by way of towing them back to sea. The Australian Navy has indicated, as recently as 19 October, that the practice of turning back boats was dangerous for naval personnel and for asylum seekers. Vice Admiral Ray Griggs said he was personally involved in two incidents—(Time expired)

Senator Conroy: I can't believe you are back for more.

Senator Cash: The gift that keeps on giving.

The PRESIDENT: On both sides, I do not need interjections across the chamber. Order! The time for debating the issue is at the end of question time.

Honourable senators interjecting—

The PRESIDENT: Order! All this is doing is winding down the amount of time that is available in question time. When there is silence we will proceed. Senator Cash, you are entitled to be heard in silence.

Senator CASH (Western Australia) (14:35): Mr President, I ask a further supplementary question. Given Minister Bowen's continued commitment to offshore processing as the government's preferred policy option, when will the government finally admit that if it supports the coalition's amendments to the migration bill it could legislate the Prime Minister's own commitment before the last election for offshore processing only in countries that have signed the refugee convention and establish offshore processing in 148 countries, including reopening the Australian taxpayer funded processing centres on Nauru and Manus Island immediately?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:37): The coalition simply does not get it. Nauru does not work.

Senator Cash interjecting—

Senator CARR: Senator Cash, you have just announced to the Senate that you believe this is a gift that keeps on giving for the opposition. 'A gift that keeps on giving'—those were the words you used, Senator Cash. You see this as a gift that keeps on giving.

Honourable senators interjecting—

The PRESIDENT: Senator Carr, just resume your seat. There is no need on either side for voices to be raised.

Senator CARR: Senator Cash has said that this is 'the gift that keeps on giving'. We could not get a clearer policy position from the Liberal Party, which wants people to get on these leaky boats and to drown at sea. This is the Liberal Party policy writ large—'the gift that keeps on giving'.

Senator Ronaldson: Mr President, on a point of order about representation. Senator Cash was referring to Senator Carr when he said he is the gift that keeps on giving.
Senator Chris Evans: Mr President, on the point of order: to my hearing Senator Cash said, 'In opposition it is the gift that keeps on giving.' If she has been misrepresented in saying that, as Senator Ronaldson says, we are happy to give her leave to explain what it is she said. But if Senator Ronaldson's point of order is true it will need to be supported by Senator Cash.

The President: There is no point of order. Firstly, I did not hear any comment across the chamber because of the level of noise that is in the chamber. I have said this before. It is very difficult for me to engage in all of that discussion and debate that is going on, quite wrongly according to the standing orders, because to even hear some of it is physically impossible. So I can only rule that there is no point of order at this stage.

Senator Carr has 20 seconds remaining to answer the question.

Senator Carr: Senator Cash made it very clear what the opposition position is. This is the gift that keeps on giving for the opposition. This is their policy. They want the boats to come because they see

Senator Cash: Mr President, I rise on a point of order. I have been misrepresented by the minister. If the minister cares to review the second question that I asked today, it related to the continued failure by the former Rudd government and the current Gillard government to get this policy area right. In relation to being in opposition, we are here to point out your failures. And, yes, I stand by my words. Your failure in this important policy area is well and truly the gift that keeps on giving.

The President: Order! Senator Cash, that is debating the issue. I remind honourable senators that comments across the chamber are completely disorderly. People should address the chair when they are answering questions or asking questions.

Senator Carr: Senator Cash has to simply say she did not use those words—nothing less than that. Everyone on this side heard the words.

Senator Abetz: Point of order, Mr President.

The President: Wait a minute. I was going to tell Senator Carr that that is not the issue that is before the chair. I draw your attention to the question. Come to the question.

Senator Carr: The Nauru proposition has not worked, will not work. The Liberal Party's position—(Time expired)

Broadband

Senator Singh (Tasmania) (14:41): My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Can the minister please inform the Senate of any international approaches to broadband infrastructure deployment that he is aware of?

Senator Conroy (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:41): I thank the senator for her question and her continued interest in the NBN. In an interview earlier this year Mr Turnbull claimed that it was 'very difficult to think of many applications that are of interest to residential users that would not be perfectly well serviced by the speeds I've described'—12 to potentially 25 meg. After returning from a recent trip to Europe, Mr Turnbull even claimed to have met telecommunications executives, quoting one senior official as describing the Australian NBN policy as being 'from our point of view, completely crazy'.

Mr Turnbull perhaps has not noticed the recent policy announcement by the European
Union. They announced their Connecting Europe Facility proposal, with a goal of achieving ubiquitous access to speeds of a minimum of 30 megabits across Europe by 2020, with at least 50 per cent of European households subscribing to broadband speeds of 100 megabits by 2020 as well. None other than the Vice-President of the European Commission, Neelie Kroes, has said that access to the right high-speed broadband infrastructure could deliver over one trillion euros in additional economic activity to the EU within 10 years, while increasing broadband penetration by 10 per cent would increase Europe's annual GDP growth by up to 1.5 per cent.

So it is unfortunate that Mr Turnbull continues to wander around Australia misleading Australians, claiming we do not need this new infrastructure, that all will be right. Yet Citibank described that policy as obsolete and 'out of date by the time it finished'. (Time expired)

Senator SINGH (Tasmania) (14:44): Mr President, I ask a further supplementary question. Can the minister advise the Senate if there are any other communities who strongly support the NBN rollout?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:45): The Gillard government remains focused on delivering the NBN for all Australians. Unfortunately, Mr Abbott and Mr Turnbull continue to advocate an end to the NBN fibre rollout, denying 70 per cent of regional Australia and the majority of people in metropolitan cities access to a world-class fibre network. Despite Mr Turnbull continuing to claim that the country does not need a fibre-to-the-home network or faster speeds, the Mayor of Waverley Council, in Mr Turnbull's own electorate, recently wrote to me and said, 'I cannot agree with the comments from the MP Malcolm Turnbull regarding his belief that the people of Wentworth, of which Waverley represents around half, do not need an NBN upgrade, as I know for a fact that many Waverley residents not only welcome the faster broadband connections promised by the NBN but see it as an integral and
mandatory part of their daily lives.' *(Time expired)*

**Qantas**

**Senator XENOPHON** (South Australia)

(14:46): My question is to the Minister representing the Minister for Infrastructure and Transport, Senator Carr. Qantas CEO Alan Joyce in his evidence to the Senate Rural Affairs and Transport Legislation Committee on 4 November said that he had the delegated authority to unilaterally ground the entire Qantas fleet without first seeking board authorisation. Further, Mr Joyce told the committee that it was his decision, that he had 'complete operational discretion to ground the entire fleet'. Given the enormous disruption the grounding caused both here and overseas, does the government concede that the Qantas Sale Act needs to be amended to require that such a grounding, unless it is for genuine safety reasons, should require both board approval and reasonable prior notice to the government of the day?

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research)

(14:47): I thank Senator Xenophon for his question and I note the courtesy he has given in providing notice on these matters. The senator has sought to engage in a constructive way with the government on matters of quite important public policy. In regard to this particular issue, I note the comments that Mr Joyce made in response to questions at the rural affairs committee where he did indicate that he had complete operational discretion and he indicated he had that in the context of some safety issues, which was shown in regard to the grounding of the airline and in regard to the volcanic ash incident. He also indicated, though, that he did in fact consult the board in regard to the decision to close the airline and the action that Qantas was taking in regard to the lockout of its employees.

The government has expressed its disappointment with the actions of Qantas management and of course has indicated that in regard to the dispute the government had to act decisively to have the industrial action that was underway ceased immediately—action undertaken on both sides in regard to the dispute. That was a decision that the government took in support of the 98,000 passengers who were left stranded by Qantas's quite extraordinary actions in proposing to lock out its employees and the more than half a million people working across the tourism industry in this country.

In relation to the CEO's association with the board, that is clearly a matter for Qantas itself. Of course this has to be seen in the context of Australian company law. Going to the question specifically of your suggestion in regard to proposed legislative changes to the Qantas act, the government— *(Time expired)*

**Senator XENOPHON** (South Australia)

(14:49): I am waiting with bated breath to get the answer, Mr President, but once I receive that answer I do have a supplementary question: does the government concede that under the current provisions of the Qantas Sale Act there is nothing to prevent Qantas international from shutting down any or all of its international sectors and replacing those services with a subsidiary airline?

**Senator CARR** (Victoria—Minister for Innovation, Industry, Science and Research)

(14:50): In terms of the changes you are seeking to the Qantas act, the government are looking forward to the Senate committee's report that you and other senators are engaged in. So we look forward with some interest to those questions. Insofar as the act is concerned, Qantas's main operational base and headquarters must remain in Australia; total foreign ownership must not exceed 49
per cent; the name 'Qantas' must be preserved for the company's scheduled international passenger services; the company must be incorporated in Australia; at least two-thirds of the board of Qantas must be Australian citizens; and the chairman of the board must be an Australian citizen. I am advised that the Minister for Infrastructure and Transport and the department continue to monitor Qantas's business strategy and associated proposals to ensure that Qantas's operations continue to meet the requirements of the Qantas Sale Act. Again, I point to the fact that the Senate inquiry—

(Time expired)

 Senator XENOPHON (South Australia) (14:51): Mr President, I ask a further supplementary question. Qantas has justified 1,000 job cuts and moves to set up overseas offshoots in part by the claim that Qantas international lost $216 million last financial year. However, Qantas international is not listed in its annual report as a separate operating segment subject to the auditing standards of its other operating segments. Does the government believe this is unsatisfactory?

 Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:51): I am advised that Qantas, like all companies, must comply with all the relevant laws and regulations, including those relating to financial reporting and disclosure. Complying with the accounting standards and other requirements, including the requirements for the Australian Stock Exchange, and presenting its accounts in accordance with those financial regulations is of course a matter for Qantas.

 Carbon Pricing

 Senator MADIGAN (Victoria) (14:52): My question is to the Minister representing the Minister for Resources and Energy, Senator Sherry. As a Union Bank of Switzerland report has stated that €210 billion has been wasted in the European carbon scheme and European electricity consumers have had to pay for this, and in the light of the South Australian Supreme Court recently upholding an appeal against the EPA's 2009 guidelines for wind development, can you advise how long the people of Australia are expected to fund these uneconomical wind turbines, which are supported by renewable energy credits?

 Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:53): I should be the first to confess: this could be a little tricky because virtually an identical question was asked by Senator Brandis to Senator Wong.

 Senator Abetz: No, wind farms.

 Senator SHERRY: Virtually identical but with the wind farm addition. I want to make sure my answer in terms of UBS is consistent. On the issue of the UBS report—and I think this is consistent with Senator Wong's answer because I am looking at a similar briefing note—the vast majority of economists, the most respected economic organisations in Australia and the world, and the majority of the investment community agree that the price on carbon is the cheapest way of cutting carbon pollution. I do note that the fall in European carbon prices referred to in the UBS report has been due to the wider debt crisis in Europe and is unrelated to carbon markets. I could talk extensively about the European debt crisis and the impact on carbon marketing but I am not going to because I want to get to the issue of the wind farms. It is not correct to assert that the European Union's emission trading scheme has had no impact.

 Opposition senators interjecting—

 The PRESIDENT: Order!
Senator SHERRY: I think my answer is totally consistent with Senator Wong's.

The PRESIDENT: Senator Sherry, ignore the interjections; address the chair.

Senator SHERRY: I do not know what the opposition is so fussed about. I am trying to answer. To get to the issue of wind farms: the Australian government does believe that wind farms have an important role to play in achieving the government's target of 20 per cent energy renewal by 2020. I believe that renewable energy target is broadly supported by all political parties in this country. (Time expired)

Senator MADIGAN (Victoria) (14:55): Mr President, I have a supplementary question. Can the minister confirm that the Waubra wind farm is yet to be signed off as a compliant operation?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:55): As I was saying, wind farms do and will continue to make an important contribution to Australia's renewable energy target.

Opposition senators interjecting—

The PRESIDENT: Order!

Senator SHERRY: I am only nine seconds into the answer and you are already complaining.

The PRESIDENT: Senator Sherry, ignore the interjections. Address the chair.

Senator SHERRY: Specifically on the issue of the Waubra wind farm, I am not familiar with the wind farm or where it is located. I suspect it is in Victoria.

Senator Brandis: W-a-u-b-r-a.

Senator SHERRY: Waubra. Apologies to Waubra. I am not familiar with where it is but I am aware that the regulation and approval of wind farm developments, including such matters as noise and land use impacts, are a matter for the various relevant state and territory authorities. The government only becomes involved when matters of national environmental significance trigger the application of the EPBC Act. I have attempted to find some further detailed information— (Time expired)

Senator MADIGAN (Victoria) (14:56): Mr President, I ask a further supplementary question. Has the federal government issued any renewable energy credits to this or any other non-compliant wind farm, and how many have been issued?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:56): As I have indicated, I have not been able to find a specific brief on this wind farm in the time available. Whether it is a proposal or an existing wind farm I am just not aware. As I have indicated, the regulation and approval of wind farm developments, including issues relating to noise and land use impacts, are a matter for relevant state and territory authorities. As to the question of whether the particular wind farm has received renewable energy certificates, I will take that on notice. As I say, I have not been able to find details in the time available. Information on renewable energy certificate creation and accredited power stations is available online at the website of the Office of the Renewable Energy Regulator.

Medicare

Senator McKENZIE (Victoria) (14:57): My question is to the Minister representing the Minister for Health and Ageing, Senator Ludwig. I refer to the government's announcement of 38 new Medicare Locals to
be established under a $477 million package designed to 'tailor solutions to the needs of local communities'. Can the minister explain how Medicare Locals effectively operate in Victoria, where we already have a healthcare system that has local people making decisions on local health care through our system of local hospital boards?

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) (14:58): I thank Senator McKenzie for her question. There are 38 applicants who have been selected to form the next Medicare Locals. Medicare Locals are local organisations responsible for ensuring the primary healthcare system meets the needs of local communities. Medicare Locals will make it easier for patients to access services by better linking local GPs, nursing and other health services. They will work closely with local hospital networks to make sure the primary healthcare services and hospitals work together.

Medicare Locals will identify gaps in local services and coordinate services to address those gaps. While I do not take your word for it but I am sure that you are correct that there are Medicare-type locals in your area, there will always be areas where there are not, where there may be gaps in the system where Medicare Locals can fulfil that role. Eighteen Medicare Locals are being established from January 2012, with the remaining Medicare Locals to be established from July 2012, 20 of which will be announced. The Department of Health and Ageing will continue—this is the important part—to work with applicants in the remaining five Medicare Locals catchments to confirm their arrangements. So it is important across Australia, particularly Victoria and New South Wales, that they work with the Department of Health and Ageing to find areas where they can provide those services. This is good news for areas to fill gaps to ensure that primary healthcare systems do meet the demands of locals. The areas being looked at—such as Inner East Melbourne Medicare Local—are areas where they can be established—(Time expired)

Senator McKENZIE (Victoria) (15:00): Mr President, I have a supplementary question. Can the minister explain how the government will ensure that the implementation of the Medicare Locals policy will not remove local control of Victoria's smaller healthcare services, such as the Maldon Hospital, the Inglewood and Districts Health Service and the Heathcote Hospital, all within regional Victoria, and how the implementation of the policy will ensure that they will not become swamped by the much larger Medicare Locals regions?

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) (15:00): I am not sure whether Senator McKenzie is arguing for a reduction in health care in her region. Medicare Locals are about increasing the availability of healthcare services, particularly primary healthcare services. That is unlike when the coalition was in government, when Mr Abbott removed a billion dollars from the healthcare budget.

What this government is doing is providing $493 million over four years to establish 62 Medicare Locals. It is about increasing the availability of primary healthcare services to regions. In Victoria particularly there are gaps. If you think there are no gaps then I would ask you to tell those organisations that are applying for and
seeking to have Medicare Locals in their area that you do not want one. Medicare Locals are local organisations. They are responding for primary health care—(Time expired)

Senator McKENZIE (Victoria) (15:02): Mr President, I ask a further supplementary question. Given the unique governance structure of healthcare services in Victoria, can the minister outline what arrangements will be in place to ensure that Victoria’s existing structures are recognised and not duplicated?

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) (15:02): We are ensuring that we do get that uplift across not only Victoria but elsewhere. Once Medicare Locals are established, ongoing annual core funding of around $171 million will be available, which is more than double the annual core funding of approximately $85 million currently provided to the divisions of GPs.

The first 19 Medicare Locals commence in July 2011. It is about providing those services to those regions, about filling those gaps within the system. Victoria will continue to have a health and hospital system, but this is about the Commonwealth stepping in to provide local organisations to assist and meet the needs of local communities. If you do not want local communities to be supported through Medicare Locals then encourage them not to apply in your region, because Medicare Locals will make it easier for patients to access these services. (Time expired)

Senator Chris Evans: I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Carbon Pricing

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:04): Yesterday Senator Williams asked me some questions in relation to the Clean Technology Food and Foundries Investment Program. The senator suggested that grants were not available for replacement or upgrading of capital equipment. I am advised that the guidelines do enable that if the equipment reduces emissions or energy intensity, and there are a range of other additional qualifiers. I seek leave to incorporate this additional information into Hansard.

Leave granted.

The answer read as follows—

The Government has allocated $200 million over 6 years to the Clean Technology Food and Foundries Investment Program (FFIP), including a dedicated funding stream of $150 million for the food sector. The FFIP is open to all food and beverage processors. Applications will open for the FFIP early in 2012 prior to commencement of the carbon price.

The minimum FFIP grant size is $25,000; there is no maximum grant size. Grants can fund a wide range of projects including replacement or upgrading of capital equipment that reduces emissions or energy intensity, improving energy efficiency or emissions intensity in collaboration with an upstream or downstream supplier in the same supply chain, or improving energy efficiency or emissions intensity of the in-use life of a product. Applicants under the program will be assessed with regard to the extent of the reduction in carbon emissions intensity, including through improvements in energy efficiency, arising from a proposed project.

All grants will require a co-contribution from the grant recipient. Investments that improve energy efficiency or reduce emissions intensity will have long term financial benefits for the grant recipient, beyond the impact of the carbon
price. Upgrading capital equipment or making other improvements to production processes are also likely to have broader productivity benefits for food processors, for example, by reducing the consumption of emissions intensive inputs. The extent to which a project would improve a processor's competitiveness will be taken into account in awarding grants.

The Government has also allocated a further $800 million over 7 years to the Clean Technology Investment Program. The CTIP is open to all manufacturers that use more than the equivalent of 300 MWh of energy per year. If funding under the FFIP is exhausted, food and beverage processors will be able to access funding under the CTIP.

In addition, the Clean Energy Future Plan includes $200 million over 5 years for the Clean Technology Innovation Program. This program will provide grants to support business investment in research and development in the areas of, low pollution technology and energy efficiency.

ANSWERS TO QUESTIONS ON NOTICE

Question No. 686

Senator LUDLAM (Western Australia) (15:04): Pursuant to standing order 74(5), I ask the Minister representing the Treasurer, Minister Wong, for an explanation as to why an answer was not provided to question No. 686, which is now 162 days overdue, relating to the way the ABS counts homelessness.

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:05): I apologise to the senator; he may have given my office notice of this, but I have not been advised and I do not have any additional information. I will undertake to see if I can find any additional information on that issue prior to tomorrow's question time.

Senator LUDLAM (Western Australia) (15:05): I move:

That the Senate take note of the answer.
The methodology that has now been absorbed into the 2011 census. For example, I want to confirm whether or not it is true that data on homeless schoolchildren will now only be collected from six schools over one day, or whether it is true that the ABS will class all people aged over 55 and living in caravan parks as grey nomads and not count them as homeless, or whether it is true that the figure of 1,253 people experiencing primary homelessness in the Northern Territory is based on the belief that one million square miles of country can be covered by the collectors in one night—the list goes on.

I also have some serious concerns about the undercounting of homeless Aboriginal people, especially those in overcrowded households and the many, many people who sleep rough. I also have concerns at the undercounting of young people, school students and people experiencing secondary homelessness, and of course women escaping domestic violence.

It is not only the new methodology that worries me gravely but the ways in which the ABS will interpret the data it collects. While we are now looking at the collection through the rear-view mirror, the interpretation obviously is a live issue. It will of course have very serious implications for the funding and services provided to homeless people. This is all happening, quite ominously, as the state and territory governments gear up to begin negotiations for the next round of NAHA funding. We need good data. Without that the whole system will continue to be broken.

My questions provided the opportunity for the ABS and the Treasurer to assure us that the interests of the 100,000 or so people experiencing homelessness and the interests of the sector providing not only assistance and services to homeless people but data and policy advice to this government are in safe hands. The response, or lack of one, suggests otherwise. This has been extant for months, and I do not understand why a response was not forwarded.

I believe it is in the urgent interests of this parliament to know the answers to these matters. It is insulting that these answers were not provided to the parliament before the census was undertaken, and to have to wait more than five months suggests to me that there are some serious issues at play. I am not laying this responsibility at rest with Minister Wong's office. I thought it would be enough to ring the office of the portfolio minister responsible. Over a period of two days they could not be bothered to pick up the phone to let Minister Wong know that she was going to be confronted with this matter. This is the opposite of an ambush; this is an honest attempt to seek answers. It is extremely disturbing that the people who waited five months not to provide us with an answer then could not be bothered to pick up the phone to Minister Wong and left her empty-handed. I hope that the parliament can be provided with a response before we rise.

Question agreed to.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator CORMANN (Western Australia) (15:09): I move:

That the Senate take note of answers given by ministers to questions without notice asked by Opposition senators today.

A couple of weeks ago, Labor members and Greens senators were dancing in the aisles. There was kissing and hugging. They were patting each other on the back. Why? Because this Labor-Greens government had managed to force a toxic carbon tax through the parliament, a tax which Labor knows will push up the cost of everything, will hurt our
economy, will make Australia less competitive internationally, will cost jobs and will result in lower real wages—and all of that without doing anything to help reduce global greenhouse gas emissions. That was what Labor members and Greens senators were patting each other on the back for a couple of weeks ago.

Of course, we know that the government has based its legislation, its compensation package and its transitional assistance on some modelling conducted by Treasury that was based on false assumptions imposed on Treasury by this bad and incompetent Labor government. Labor had one single objective with its Treasury modelling of the carbon tax: it wanted to make it look as if there was going to be hardly any impact at all on household budgets, on the economy or on jobs. It wanted to downplay the economic harm from the carbon tax and it wanted to make it look as if there was going to be massive environmental gain for hardly any economic pain.

What we know is that the carbon tax will be all economic pain for no environmental gain. What we know is that the government has based its modelling on false assumptions, including the assumption that countries like the US, Canada, China and a whole heap of others will be part of a global carbon-pricing scheme from 2016 onwards. It will not happen; it was never going to happen. The impact of Labor’s carbon tax on household budgets, on the economy, on jobs and on real wages will be even worse than what the government has conceded in its own figures.

It is not enough that this carbon tax is bad for household budgets; we also know that it is bad for the federal budget. Of course, this is a government which knows how to raise a multibillion-dollar tax, but it is even better at knowing how to spend that money faster than it brings it in. Here we have a government that is coming up with two multibillion-dollar new taxes—the carbon tax and the mining tax—and each one of these taxes leaves the budget worse off. Why? Because, before the government has even collected them, it is spending more than it is expecting to raise. The carbon tax, according to the concessions that the government has made so far, is going to cost the budget about $5 billion more than it is going to raise. The government is going to raise $25 billion and spend about $30 billion. With the mining tax, over the next decade Treasury projections suggest that the government is going to raise about $38½ billion, but we know that the cost of all the promises it has attached to the mining tax is actually approaching $60 billion. There is one fiscal train wreck after another—multibillion-dollar new taxes that leave Australian people worse off, that leave the economy worse off and that leave the federal budget worse off.

That is why this Labor government is not able to deliver a surplus budget. This is a government that is addicted to spending and addicted to new taxes. Even when it comes in with one new, ad hoc, lazy tax grab after another it still cannot balance the books. In the process, real Australians are being asked to make the sacrifice, to pay the price, for Labor’s reckless spending and waste in so many areas.

In relation to the carbon tax, the government have been saying for some time: ‘Look at Europe. Europe has an emissions trading scheme.’ Never mind that the price on carbon over there is about $9 a tonne whereas the Labor Party here, with the Greens, want to slug Australian businesses and the Australian economy $23 a tonne and rising. Never mind that in Europe they are offering 100 per cent protection to all of the emissions-intensive, export-oriented, trade-exposed industries. If Europe is doing
something like this, surely we would not want to take the lead from them. Look at the economy of Europe. Does this Labor-Greens government want to take Australia where governments in Europe have taken Europe over the last 20 or 30 years? We should not be taking our economic prosperity in Australia for granted. Bad governments and bad economic management can take Australia down the same bad path. (Time expired)

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (15:14): I rise to take note of answers as referred to by the previous speaker. It is terrific to see Senator Cormann back on his feet and again unleashed into the economic debate. We were all very fearful in recent days when he was for superannuation, then against superannuation, then for superannuation and then against superannuation—we were all very fearful that the opposition leadership had plucked him out of the fray of the financial debate. It is good to see him back.

This is a nice timely moment for us, as the parliamentary year draws to a conclusion, to consider the questions that were debated today and perhaps have a fresh look at how the edifice of Liberal Party policymaking is going. I am afraid the scorecard is very bleak. As we see the Liberal Party moving around Australia in these final months of the year, we see on the one hand that they are advocating austerity and fiscal restraint. We saw that when the coalition opposed the measures the government took to save our economy from the global financial crisis—this continuing, harping view that austerity and fiscal restraint are the appropriate way forward. But then—completely contradictory—we also find the opposition moving through the community talking about and committing themselves to unfunded spending in a whole series of areas. I am very keen to put the spotlight on some of these areas.

Climate change is a wonderful place to start. The great truth of the climate change debate in this country is that, while Labor has a policy of abating carbon to the tune of 160 million tonnes by 2020, the remarkable and little-known fact is: so do they. So do the coalition—the same target. The secret difference is that where we have a fixed price permit system, moving to an emissions trading scheme, they have looked to the successful models of Romania, North Korea and various other command economies around the world and they have struck upon the solution of coming up with a giant government program, a giant taxpayer funded program, to abate carbon. More on that later.

In other events of recent days, we have seen the Work Choices debate unleash itself—one of Senator Abetz's favourite old debates—and we have seen the Liberal Party rushing to the defence of the wildcat lockouts launched by extremist and militant employers in our economy. Even in an area such as coal seam gas, we have in recent days seen the Liberal Party marching in one direction and the National Party marching in another, as the National Party seeks to write policy from meeting to meeting.

Senator Abetz: Like you and Gavin.

Senator FEENEY: Senator Abetz is describing a cerebral and publicly conducted debate. I am describing a scenario where National Party spokespeople roam the country unsupervised and are brought back to heel in the coalition party room here. I am describing a situation where Senator Eggleston and even Senator Macdonald rose
in the coalition party room to try to bring to heel these errant National Party spokespeople roaming the suburbs and towns unsupervised.

At the heart of this Leaning Tower of Pisa that is the Liberal Party's policy position, we have a $70 billion black hole. We have $70 billion that has to be funded over four years.

Senator Abetz: Nonsense! You know that is untrue.

Senator FEENEY: Complain all you will, Senator Abetz, but Andrew Robb is clear that it is $70 billion, we are clear that it is $70 billion and the commentariat is clear that it is $70 billion. Given your long-standing record in ignoring science, I do not doubt that you will give it a go here too. But $70 billion over four years is your challenge and, when we look behind the veil at that $70 billion, what do we find? We find that it is going to cost you over $27 billion to meet your commitment to scrap our carbon price. We find that $3.2 billion will have to be found to fund your direct action plan. Your direct action plan, borrowed from the ideologues of North Korea, East Germany, Romania and the Soviet Union at its finest, actually aspires to meet the same target as ours. But you have done away with old-fashioned notions such as market forces and demand and supply. You have moved forward into a magnificent five-year plan from Chairman Abbott. Above and beyond that, you have to come up with $24 billion to refund big polluters for carbon permits. Refund polluters for carbon permits—one might think that was—(Time expired)

The DEPUTY PRESIDENT: Before I call the next speaker, I remind senators to address members of the other place by their correct title and to direct their remarks to the chair and not across the chamber.

Senator EGGLESTON (Western Australia) (15:20): I, as did my colleague Senator Cormann, rise to take note of answers given by all government ministers today, focusing particularly on those given by Senator Wong, who answers questions on the carbon tax, climate change and matters like that. Senator Wong was speaking about the need to compensate householders, Australian taxpayers—the people who are going to be disadvantaged by the carbon tax when they have to pay higher electricity prices, which will lead to higher prices for consumer goods across the board and to higher costs for households in general. She was saying the government would be providing compensation for these people.

That of course assumes that it is worthwhile having this carbon tax and that the carbon tax itself will achieve something. But there is a report in the Australian today about the Swiss bank, UBS, who said that the sale of carbon permits in Europe had cost $210 billion over the years the European emissions trading scheme had been in place but that it had had very little effect at all. In fact they said that it had had zero impact, which is very little effect indeed. Given that the European emissions trading scheme is held up by the Labor Party as an icon and that they say they are following it, one must really wonder, if this great European scheme has had zero impact, whether the Australian carbon tax is going to have any impact at all. One also has to wonder whether the compensation Senator Wong was saying would be offered to Australian taxpayers for price increases—which, by implication, she acknowledges will occur—is really worthwhile. If the carbon schemes in operation in New Zealand and the European Union are ineffective, surely it is just nonsense for us to be walking down that pathway, as we now are under the Gillard government, having put in place a carbon tax. We are told that in 2015 this carbon tax will transmute into an emissions
trading scheme. That is very interesting because that will, of course, cost billions and billions of dollars. A lot of money will be spent on carbon credits and, as I have said in this place many times before, none of our major trading partners—China, Korea, Japan, India or the United States—are going to have emissions trading schemes. So the question arises as to whether or not there will be anyone for us to trade with and the answer is really no, there will not be.

The poor old Australian taxpayer will see the price of almost everything go up, from electricity to food and consumer goods. We will find that our industries will be adversely impacted. These great companies—in the mining industry in particular—are international and do not have to put up with a situation where they face a double whammy of the carbon tax and the increased costs that will impose on them, plus the costs imposed on them by this mining tax, which went through the House of Representatives early this morning. That double negative for Australian industry, which is going to adversely affect our economy and impact adversely on the lives of Australians, shows a great deal of naivete on the part of this government in blindly walking down the pathway which the Europeans have followed in setting up an emissions trading scheme and have found to be totally unsuccessful. If that money had been put into reducing emissions from power plants, according to the article in the *Australian* Europe would have a very low carbon profile at the moment. When it comes to the mining tax, the threshold $75 million profit sounds like a lot of money, but when you are talking billions, as they do in the mining industry, it is very little. This tax, too, will have a very adverse impact on the Australian economy.

**Senator** **MARK BISHOP** (Western Australia) (15:25): Unlike some of my colleagues, I do from time to time pay attention to some of the commentary offered by those of us opposite. Sometimes, in my more charitable moments, I think to myself that they might communicate a worthwhile idea to members of the government, we could give it proper consideration and perhaps, in some areas of endeavour, we could go forward together. So today I listened closely to the contributions of Senator Cormann and Senator Eggleston. It must be said right at the outset that their contributions were characterised by the three Rs, not the traditional three Rs but the three Rs of recidivism, revisionism and resistance. Not one new idea was put forward by either speaker, not one different contribution was put forward. Senator Cormann started off by manifestly telling an untruth. He said that when the carbon tax legislation was passed in this chamber, members of the government and members of the Greens engaged in an embrace of hubris, of showing off, of kissing and hugging and congratulating each other on the—

**Senator Cormann:** Mr Deputy President, I rise on the point of order. Senator Bishop is deliberately misleading the Senate. Had he had listened carefully to what I said, he would have heard I referred to Labor members and Greens senators, which is of course very—

**The DEPUTY PRESIDENT:** Senator Cormann, there is no point of order. That is debating the matter.

**Senator MARK BISHOP:** Senator Cormann was addressing members of the Senate and meant members of the Senate. My recollection is different from that of Senator Cormann. My recollection is that there was a modest exchange of congratulations by Senator Bob Brown and the Leader of the Government in the Senate, Senator Evans. There might have been a slight shake of the hand between Senator
Bob Brown and Minister Wong, who is responsible for passage of the great package.

Senator Evans and Senator Wong were proud—and they should be—of what they had achieved. They were proud of the legislation. They were proud of the result. They were proud of the inbuilt equity bias in the package of legislation presented and passed and they were proud of the assistance package that we have been discussing over the last 12 months. There was no yelling, no screaming, no kissing and no hubris; just modesty and pride in a package promised, a package delivered and a package well done. That was the entire contribution, and when it was done members of the government left the chamber and went about their work.

We had the same thing today. I was struck by the description in the opening question to Senator Wong where the government’s position was described as one of ‘stubborn persistence’. I watch all of the speakers here and it must be said that Senator Wong gets more than her fair share of questions. Her response is always, without exception, gracious, charitable and not prone to an excess of language and not always but mostly answers the point. So when the question came from Senator Edwards, ‘What was the increase in the price of electricity anticipated by the government?’ Senator Wong’s first words were, ‘$3.30 per week.’ Question asked; question answered.

Then Senator Wong went on to explain some of the detail of the package passed by the Senate and how proud the government was, in particular proud of the inbuilt equity bias in the package and assisting low-income families and those in need. Senator Wong proceeded, in a modest way, to detail and outline the package—how it provided real increases in the age pension, how it provided a real increase in the disability support pension, how it assisted families through significant changes to the family tax benefit, how it provided for an increase in the carer payment and how, at the end, it provided for a major restructure of the taxation system through the tax package for families on an income below $80,000. That is the entirety of the carbon tax package of bills that went through the Senate a fortnight ago. That is the entirety of the benefit. This government is proud of having brought it forward, proud of having achieved it— (Time expired)

Senator EDWARDS (South Australia) (15:30): I rise to take note of answers given by the Minister representing the Minister for Climate Change and Energy Efficiency. In so doing I will address some of Senator Bishop’s words. He pays attention to our commentary over here, and I am glad he gives it due consideration. He mentioned the three Rs, and when I look across to the other side I can only point to these three Rs: repudiate, retreat and resilie. Before I move on I must address Senator Feeney’s words. He calls the coalition an edifice of policy formation. He is a credibility vacuum.

Senator Wong continues to evade answering the questions put to her, and Senator McEwen would take great interest because, as a great South Australian also representing that state, she would be very interested in the exorbitant cost of living that this carbon tax is likely to impose not only on South Australians but on all Australians. I am concerned, though, about commentary made in public or otherwise. The Chief Executive Officer of Essential Services Commission of South Australia, ESCOSA, Paul Kerin, includes in the four reasons for hikes in electricity prices in South Australia the introduction of a price on carbon dioxide emissions by the federal government. As Minister Wong said in her answer, there is this subsidy or this payback, but why is there no talk in here? Because people do not expect to ever receive the subsidy. Why is
that? I go back to that credibility vacuum that Senator Feeney led me to: 'There will be no carbon tax under a government I lead.' That is the credibility vacuum and that is why people like Paul Kerin, the Chief Executive Officer of the Essential Services Commission of South Australia, do not mention any subsidy or any kind of offset payment back to families in any of his public comments.

The carbon tax is also leading to the Uniting Care Wesley spokesman Mr Mark Henley coming out to join consumer representatives across the nation in their call for how they are going to control these ascending essential services costs emanating from the imposition of a carbon tax. Senator Eggleston quite rightly referred to the Swiss banking giant UBS, which an article in the Australian reported:

... says the European Union's emissions trading scheme has cost the continent's consumers $287 billion—

which is the equivalent of €210 billion—

for 'almost zero impact' on cutting carbon emissions, and has warned that the EU's carbon pricing market is on the verge of a crash next year.

The article went on to say:

Describing the EU's ETS as having 'limited benefits and embarrassing consequences', the report said there was fading political support for the scheme

I go back to another comment that Senator Feeney brought up. He talks about the cost of the coalition's direct action plan but he conveniently—and quite misleadingly, I suspect, although that is the impression he wants to get out there—quotes us out to 2020 when we cannot get hold of any modelling from the government beyond the current estimates period. Why is that? Because there is one rule for us and one rule for the Gillard government, which says it will not hand out its modelling beyond 2014-15. When Senator Feeney talks about the direct action plan of the coalition he talks about it going out to the year 2020: 'Here we go again, Senator Cormann. They are just trying to play that old trick again, and you know they are out there every day trying to put this. The coalition are out to 2020. We will only give you out to 2015.' It is a complete credibility void. (Time expired)

Question agreed to.

PRIVILEGE

The PRESIDENT (15:36): By letter dated 22 November 2011, Senator Kroger has raised a matter of privilege under standing order 81. The matter concerns a possible relationship between Senator Bob Brown and Mr Graham Wood and whether, on the one hand, Senator Brown sought a benefit from Mr Wood in the form of political donations on the understanding that he would act in Mr Wood's interests in the Senate or, on the other hand, whether Mr Wood, through large political donations, improperly influenced Senator Brown and other Australian Greens senators, including Senator Milne, in the discharge of their duties as senators, including by the asking of questions without notice.

Under standing order 81(2), I am required to determine, as soon as practicable, whether a motion relating to the matter should have precedence of other business, having regard to the criteria set out in any relevant resolution of the Senate. The relevant criteria are in Privilege Resolution 4 as follows:

Notwithstanding anything contained in the standing orders, in determining whether a motion arising from a matter of privilege should have precedence of other business, the President shall have regard only to the following criteria:

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

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

With respect to paragraph (a), there is no question that the matters raised by Senator Kroger are very serious ones. The freedom of individual members of parliament to perform their duties on behalf of the people they represent and the need for them to be seen to be free of any improper external influence are of fundamental importance. Matters such as these go directly to the central purpose of the law of parliamentary privilege, which is to protect the integrity of proceedings in parliament. They meet the test posed in paragraph (a) of the need to provide reasonable protection for the Senate against improper acts tending substantially to obstruct it in the performance of its functions.

With respect to paragraph (b), while there are various criminal offences that may be relevant, the asking of questions without notice by Senators Brown and Milne is central to the case put by Senator Kroger. Such actions are 'proceedings in parliament' within the meaning of article 9 of the Bill of Rights 1688 and section 16 of the Parliamentary Privileges Act 1987, and there is therefore no capacity for them to be examined for the purpose of any criminal investigation or proceedings. As a consequence, the only remedy for the alleged conduct lies within the Senate's contempt jurisdiction.

I therefore determine that a motion relating to this matter shall have precedence of other business and I table the correspondence from Senator Kroger.

Senator Kroger, you may now give notice of a motion to refer this matter to the Committee of Privileges for inquiry and report.

NOTICES

Presentation

Senator KROGER: To move:

That the following matter be referred to the Committee of Privileges for inquiry and report:

Having regard to matters raised by Senator Kroger relating to political donations made by Mr Graeme Wood, arrangements surrounding the sale of the Triabunna woodchip mill by Gunns Ltd and questions without notice asked by Senator Bob Brown and Senator Milne:

(a) whether any person, by the offer or promise of an inducement or benefit, or by other improper means, attempted to influence a senator in the senator's conduct as a senator, and whether any contempt was committed in that regard; and

(b) whether Senator Bob Brown received any benefit for himself or another person on the understanding that he would be influenced in the discharge of his duties as a senator, or whether he entered into any contract, understanding or arrangement having the effect, or possibly having the effect, of controlling or limiting his independence or freedom of action as a senator or pursuant to which he or any other senator acted as the representative of an outside body in the discharge of their duties as senators, and whether any contempt was committed in those regards.

Senator PAYNE: To move:

That the Senate—

(a) notes the outstanding achievement of young Australian cricketer and Penrith junior, Mr Patrick Cummins, who in his test debut took six wickets for 79 runs and scored the winning runs against South Africa in Johannesburg;

(b) joins the rest of the Australian community in congratulating Mr Cummins on his match-winning performance under intense pressure and wishes him all the best for his sporting future;
(c) notes that cricket is an important sport for local community, promoting fitness, a healthy lifestyle and competition.

Senator CONROY: To move:
That the following bill be introduced: A Bill for an Act to amend the Broadcasting Services Act 1992, and for other purposes. Broadcasting Services Amendment (Regional Commercial Radio) Bill 2011.

Senator CHRIS EVANS: To move:
That the following bill be introduced: A Bill for an Act to amend the Fair Work Act 2009, and for related purposes. Fair Work Amendment (Textile, Clothing and Footwear Industry) Bill 2011.

Senator CHRIS EVANS: To move:
That the following bill be introduced: A Bill for an Act to amend the law relating to higher education, and for related purposes. Higher Education Support Amendment (VET FEE-HELP and Other Measures) Bill 2011.

Senator KROGER:
Senator CASH: To move:
That the following matters be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 3 May 2012:
(a) the number of Prospective Marriage (subclass 300) visa applications and grants by post, officer, nationality, age of applicant and sponsor;
(b) the risk and incidence of fraud under the Prospective Marriage (subclass 300) visa program, including the incidence of cases where prospective marriages did not occur;
(c) the incidence of Prospective Marriage (subclass 300) visa applicants and sponsors who entered into an arranged marriage;
(d) the administration, application and effectiveness of eligibility criteria in relation to the Prospective Marriage (subclass 300) visa program, with a special focus on, but not limited to, protections against fraud, age differences, regard for cultural practices and relationship criteria;
(e) the sufficiency and suitability of assessment procedures to protect against fraud and to ascertain the reliability of consent of an applicant for a Prospective Marriage (subclass 300) visa, where it is believed the applicant will be entering into an arranged marriage;
(f) whether current policies and practices of the Australian Government with regard to the Prospective Marriage (subclass 300) visa or other visa categories are facilitating forced marriages;
(g) the policies and practices that could strengthen protections against fraud and for women in other countries applying for a Prospective Marriage (subclass 300) visa, from entering into a forced marriage; and
(h) any other related matters.

Senator STERLE:
To move:
That the Rural Affairs and Transport Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 24 November 2011, from 4.30 pm, to take evidence for the committee's inquiries into the Air Navigation and Civil Aviation Amendment (Aircraft Crew) Bill 2011 and the Qantas Sale Amendment (Still Call Australia Home) Bill 2011.

Senator DI NATALE:
Senator LUDLAM: To move:
That the following bill be introduced: A Bill for an Act to amend the Future Funds Act 2006 and the Nation-building Funds Act 2008, and for related purposes. Government Investment Funds Amendment (Ethical Investments) Bill 2011.

Senator CAROL BROWN: To move:
That the time for the presentation of the report of the Joint Standing Committee on Electoral Matters on the funding of political parties and election campaigns be extended to 12 December 2011.

Senator WRIGHT: To move:
That the Health Insurance (Allied Health Services) Amendment Determination 2011 (No. 2), made under subsection 3C(1) of the Health Insurance Act 1973, be disallowed. [F2011L02134]
Fifteen sitting days remain, including today, to resolve the motion or the instrument will be deemed to have been disallowed.

Senator MADIGAN: To move:
That the Senate—
(a) notes:
(i) the recent demonstrations in West Papua calling for a referendum declaring independence from Indonesia and the resulting 19 deaths that occurred during the demonstrations, and
(ii) that the people of West Papua are facing a situation similar to the people of East Timor in that while both were defended by Australians during World War II, Australia failed to support them when they were annexed by Indonesia; and
(b) calls on the Government to:
(i) commence dialogue with the Indonesian Government and to work with the West Papuans in establishing the free state of West Papua,
(ii) offer Indonesia support by way of funding and the services of the Australian Electoral Commission to organise a free and democratic election, and
(iii) support the West Papuan request for United Nations' recognition of their right to independence.

Senator FIERRAVANTI-WELLS:
Senator DI NATALE: To move:
That the Senate—
(a) notes that:
(i) Medicare Australia has completed only 62 audits of the 11,469 dentists who have participated in the Medicare Chronic Disease Dental Scheme (the scheme),
(ii) currently between 419 and 556 audits are in process,
(iii) of the 62 completed audits, 41 dental practitioners have been found to be non-compliant with the scheme,
(iv) most of the dentists who have been found to be non-compliant have failed to provide paperwork required by the scheme, but have carried out the treatments for which Medicare benefits have been claimed,
(v) of the 41 who are non-compliant, only eight have been found to have claimed Medicare benefits for services that had not been provided, and
(vi) Medicare Australia acknowledges that those eight dentists may have provided the outstanding services at a later date, but had not done so at the time of the audit;
(b) fully supports the Government pursuing appropriate action against any practitioner who has defrauded the Commonwealth by not providing services for which rebates were claimed;
(c) given the information provided to the Senate on 18 October 2011 by the Minister representing the Minister for Health and Ageing (Senator Ludwig) and by Medicare Australia at estimates hearings on 20 October 2011, calls on the Government to:
(i) acknowledge that non-compliance errors in the scheme appear, in many cases to this point in time, to be minor and technical in nature,
(ii) require Medicare Australia to desist from demanding full repayment of all Medicare benefits from dental practitioners in such circumstances where non-compliance is of an administrative nature only,
(iii) require Medicare Australia to halt all recovery action against dentists until a full reassessment of all current audit results has been carried out to consider whether a warning or smaller penalty would be a more appropriate response, and
(iv) recognise that the vast majority of dentists act in good faith in providing much needed services under the scheme;
(d) orders that there be laid on the table by the Minister representing the Minister for Health and Ageing and the Minister representing the Minister for Human Services, by 5 pm on Tuesday, 7 February 2012, a full report from Medicare Australia on:
(i) the actions taken against the 41 dentists so far found to be non-compliant with the scheme,
(ii) the options available to Medicare Australia in each case,

(iii) the options considered by Medicare Australia in each case, and

(iv) reasons for the course of action decided on;

(e) holds grave concerns regarding the actions of Medicare Australia against dental practitioners for apparent minor and technical breaches of the scheme; and

(f) calls on the Government to convey these concerns to Medicare Australia.

Senator HANSON-YOUNG: To move:
That the Senate—

(a) notes that:

(i) more than 3,000 Iranian exiles and asylum seekers reside at Camp Ashraf in Iraq, and

(ii) these people are at risk of expulsion or refoulement, if the Iraqi Government persists in its plan to close the camp by the end of 2011; and

(b) calls on the Federal Government to lobby:

(i) the United Nations High Commissioner for Refugees (UNHCR) to declare the camp a refugee camp,

(ii) the United Nations and the High Commissioner for Human Rights to station a monitoring team in the camp to ensure residents' protection, and

(iii) the Iraqi Government to suspend all plans to close the camp until the UNHCR has had an opportunity to process and transfer all applicants for asylum.

Senator HANSON-YOUNG: To move:
That the Senate—

(a) notes:

(i) the Legislative Assembly of Saint Petersburg in Russia has proposed a new law which will allow authorities to impose fines for public discussion of lesbian, gay, bi-sexual, transgender and intersex (LGBTI) issues, and

(ii) the law would undermine the right to freedom of assembly and expression for LGBTI activists and community members, and has been condemned by human rights groups worldwide, including Amnesty International; and

(b) condemns the continuing discrimination in legislation against LGBTI people by a number of governments across the world.

Senator HANSON-YOUNG:

Senator PRATT: To move:
That the Senate—

(a) notes that:

(i) 20 November was Transgender Day of Remembrance,

(ii) the event began in 1999 in San Francisco in the United States of America to honour, Ms Rita Hester, who was murdered on 28 November 1998,

(iii) the annual event provides an opportunity to remember all those transgender people who have been killed in acts of anti-transgender violence;

(b) recognises that transgender people continue to be victims of violent crimes in both Australia and overseas; and

(c) calls on the Government to advocate for the rights of transgender people at both a national and international level.

Senator MADIGAN: To move:
That the Senate—

(a) notes that:

(i) at a recent public rally in Hobart, Tasmanian members of the Timber Communities Australia publicly displayed signs calling for the recognition of their cultural heritage,

(ii) the Tasmanian timber communities are among the oldest continuing communities in Australia and derive their identity from the continuing connection to their district, environment and industry which they have developed over generations, and

(iii) the Tasmanian timber communities, as a matter of basic human rights, wish to pass their identity and cultural heritage on to future generations of those communities without government interference;

(b) calls on the Government to withdraw the Tasmanian Forests Intergovernmental Agreement.
between the Commonwealth of Australia and the State of Tasmania (Australian Labor Party/Australian Greens governments) until such time as the effects the agreement will have on the cultural heritage of the Tasmanian timber communities has been assessed and addressed to the satisfaction of those communities.

Senator LUDWIG: To move:
That the order of the Senate relating to the consideration of private senators' bills continue to operate as a temporary order until 30 June 2012.

Senator BOB BROWN: To move:
That the Senate censures the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig) for misrepresenting and failing to uphold sections 25 to 27, relating to conservation, of the Tasmanian Forests Intergovernmental Agreement between the Commonwealth of Australia and the State of Tasmania, signed by the Prime Minister (Ms Gillard) and the Premier of Tasmania (Ms Giddings) on 7 August 2011.

Senator MILNE: To move:
That the Senate—
(a) recalls that at the United Nations Climate Change Conferences in Copenhagen (2009) and Cancun (2010), more than 100 countries, including Australia, committed to constrain greenhouse gas emissions such that the average global temperature rise can be held below 2 degrees Celsius above pre-industrial levels; and
(b) affirms this commitment in the lead-up to the next conference in Durban (2011).

Senator LUDLAM: To move:
That the following bill be introduced: A Bill for an Act to amend the Special Broadcasting Service Act 1991, and for related purposes. Special Broadcasting Service Amendment (Natural Program Breaks and Disruptive Advertising) Bill 2012.

Senator Bob Brown: Mr Deputy President, a point of order: I wonder if you would ask the President to report back to the chamber as to why he did not alert me or any of my colleagues to the statement he has just made regarding the privileges matter so that we may have been forewarned about the very serious statement that he made to the Senate, as a matter of courtesy if not—

Senator Bernardi: Mr Deputy President—

The DEPUTY PRESIDENT: Senator Brown, do not direct other senators on what to do. Senator Brown, you have the call. Senator Bernardi, I am listening to Senator Brown.

Senator Bob Brown: You are quite right, Deputy President. I would ask that you seek the President to properly report back to the Senate.

The DEPUTY PRESIDENT: Senator Brown, I understand that the due notice is the giving of the notice. The matter you have raised I will mention to the President. If the President sees fit to come back to the chamber, he will do so.

Postponement

The following items of business were postponed:

Business of the Senate notice of motion no. 3 standing in the name of the Chair of the Foreign Affairs, Defence and Trade References Committee (Senator Eggleston) for today, proposing a reference to the Foreign Affairs, Defence and Trade References Committee, postponed till 24 November 2011.

General business notice of motion no. 582 standing in the name of Senator Birmingham for today, proposing the establishment of a select committee on the Australia Network service, postponed till 24 November 2011.

COMMITTEES

Community Affairs References Committee
Reference

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:45): I, and also on behalf of Senator Boyce, move:
That the following matter be referred to the Community Affairs References Committee for inquiry and report by 12 September 2012:

The provision of palliative care in Australia, including:

(a) the factors influencing access to and choice of appropriate palliative care that meets the needs of the population, including:
   (i) people living in rural and regional areas,
   (ii) Indigenous people,
   (iii) people from culturally and linguistically diverse backgrounds,
   (iv) people with disabilities, and
   (v) children and adolescents;

(b) the funding arrangements for palliative care provision, including the manner in which sub-acute funding is provided and spent;

(c) the efficient use of palliative, health and aged care resources;

(d) the effectiveness of a range of palliative care arrangements, including hospital care, residential or community care and aged care facilities;

(e) the composition of the palliative care workforce, including:
   (i) its ability to meet the needs of the ageing population, and
   (ii) the adequacy of workforce education and training arrangements;

(f) the adequacy of standards that apply to the provision of palliative care and the application of the Standards for Providing Quality Care to All Australians;

(g) advance care planning, including:
   (i) avenues for individuals and carers to communicate with health care professionals about end of life care,
   (ii) national consistency in law and policy supporting advance care plans, and
   (iii) scope for including advance care plans in personal electronic health records; and

(h) the availability and funding of research, information and data about palliative care needs in Australia.

Question agreed to.

MOTIONS

Special Broadcasting Service
Senator LUDLAM (Western Australia) (15:45): I move:
That the Senate—

(a) notes that:
   (i) in Australia there are twice as many people speaking languages other than English and that Australia is more culturally and racially diverse than 30 years ago, at the time of the formation of the Special Broadcasting Service (SBS), and
   (ii) research demonstrates that tensions and fault lines exist in Australia, with particular sensitivity around refugee intake;

(b) notes that Australia's SBS:
   (i) was the first multicultural broadcaster established anywhere in the world,
   (ii) transmits in a different language every hour, with 7 million viewers watching SBS television in more than 60 languages per week,
   (iii) exposes Australians to cultures and ideas beyond the Anglosphere,
   (iv) portrays multicultural Australia and tells the stories of Aboriginal people, and
   (v) has the purpose of inspiring all Australians to explore and appreciate our multicultural world and contribute to an inclusive society; and

(c) calls on the Government to consider whether the resources allocated to SBS are sufficient to allow it to fulfil its mandate and take full advantage of the education, employment and creative opportunities provided by digital multi-channelling and the National Broadband Network.

Question agreed to.

Australian Diamonds Netball Team
Senator BERNARDI (South Australia) (15:46): I, and also on behalf of Senators Cash, Lundy, Arbib and McEwen, move:
That the Senate—
(a) recognises that sport is integral to life for so many Australians;
(b) acknowledges that the Australian netball team, the Australian Diamonds, led by captain Ms Natalie von Bertouch and coach Ms Norma Plummer, in 2011 won the World Netball Championships in Singapore; and
(c) congratulates:
(i) Australian Diamonds defender Ms Laura Geitz who won the Liz Ellis Diamond and ANZ Championship Player of the Year honours at the 2011 Australian Netball Awards on Saturday, 19 November 2011,
(ii) Ms Kimberlee Green who was named Holden Australian International Player of the Year recognising her outstanding performance during the Holden Netball Test Series and World Championships,
(iii) Australian Diamonds shooter Ms Catherine Cox who was named New Idea's Favourite Diamond by the publication's readers,
(iv) Ms Liz Ellis, Australia's most capped player, and South Australia's Ms Julie Francou who were inducted into the Australian Netball Hall of Fame for recognition of their outstanding contributions to the game, and
(v) all in the netball community, the players, coaches and umpires whose dedication and passion allowed them to reach the pinnacle of netball, being the World Champions.

Question agreed to.

BILLS

Crimes Amendment (Fairness for Minors) Bill 2011

First Reading

Senator HANSON-YOUNG: I move:

That the following bill be introduced: A Bill for an Act to amend the Crimes Act 1914, and for related purposes.

Question agreed to.

Second Reading

Senator HANSON-YOUNG (South Australia) (15:47): 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 HANSON-YOUNG: I table the explanatory memorandum and seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

Introduction

The Crimes and Other Legislation Amendment (Fairness for Minors) Bill 2011 seeks to establish timeframes and evidentiary protocols for the age determination and prosecution of non-citizens who are suspected or accused of people smuggling offences under the Migration Act 1958 (Cth) and who may be a child.

By introducing this Bill we intend to remedy a clear and deeply concerning lacuna in law and policy in relation to the treatment of minors – in reality often young Indonesian fishermen acting as crew on asylum seeker vessels – who are accused of people smuggling yet are not the organisers. It is apparent that the current process of detaining, charging and prosecuting minors for people smuggling is leading to serious miscarriages of justice.

The Migration Act 1958 (Migration Act) currently includes several offences relating to people smuggling. Existing section 233A establishes the primary people smuggling offence. Under this section, it is an offence for a person to organise or facilitate the bringing or coming to Australia, or entry or proposed entry into Australia, of another person, if that other person is a non-citizen and had or has no lawful right to come to Australia. Existing section 233C establishes an aggravated people smuggling offence where a person, in committing a primary
offence of people smuggling, organises or facilitates the bringing or coming to Australia, or the entry or proposed entry into Australia, of a group of at least five persons who had or have no lawful right to come to Australia. If a person is convicted of aggravated people smuggling the Migration Act at s236B shuts out any judicial discretion to take into account the facts and circumstances of the case and sentencing principles by setting a mandatory minimum penalty of five years imprisonment (with a three year non-parole period).

The reforms to the Crimes Act 1914 proposed by this Bill will directly impact the manner in which Australian authorities are empowered to act on the criminal offences of people smuggling outlined by the Migration Act. By this Bill we seek to establish fair criminal procedures and basic humanity in the way Australia deals with non-citizen alleged people smugglers who are potentially only children. The Bill removes the taking and usage of discredited wrist (or other skeletal) x-rays in the age determination processes; establishes reasonable timeframes for the laying of charges and the age determination proceeding before a court; confirms that people who claim to be minors will be treated as such unless it is proven through a legal age determination process; and reiterates the onus that should be borne by Australian prosecuting agencies in assembling a thorough brief of evidence to displace the presumption that the person is a minor.

**Background**

In Australia there are clear expectations for how people should be treated when they are brought before the law. Across our state and territory jurisdictions there is a clear and consistent expectation that people will be charged without delay and a credible brief of evidence assembled in a humane timeframe. When it comes to the prosecution of Australian children, our expectations are, as they should be, even higher. Australian children who are accused of criminal offending are brought before specialised children's courts; they are generally subject to a more expansive presumption of bail; and are housed in youth justice facilities rather than in adult prisons. However, when it comes to children found to be crew on people smuggling boats we have no comparable standards.

At the time when this Bill is being introduced in November 2011 there are approximately 50 people sitting in adult prisons around Australia who claim that they are less than 18 years old. Based on the high success rate of past age based negotiations and determinations this means undeniably that, right now, there are numerous children being held in our adult prison system. This is a deplorable state of affairs. The consulate responsible for these young people has confirmed that it is keeping close track of their status and making efforts to support them. The Human Rights Commission in November 2011 has announced an inquiry into the treatment of asylum seeker boat crew including minors and will report back in 2012. A public hearing held into the Deterring People Smuggling Bill earlier this month elicited strong criticism from legal advocates regarding the cruel, unsafe and unnecessarily protracted incarceration of minors in adult prisons.

**Impetus for Reform**

The Prosecution Policy of the Commonwealth points out that the Commonwealth will not prosecute minors except in egregious circumstances. It has been asserted by Ministers and departmental spokespeople that it is the policy of the Australian Federal Police and the Commonwealth Department of Public Prosecutions (CDPP) that, if there is doubt about the age of a person, then the authorities will seek to ascertain the age and give the accused the benefit of the doubt. However the reality of the case progression for minors demonstrates that reliance on policy statements alone is not enough.

Currently there is no mandated process to ensure that decisions about whether or not to apply the exemption from prosecution are made fairly, with credible evidence and in an appropriate period of time. The lack of legislative timeframes means cases are languishing for months before the question of age and culpability is properly considered. When a vessel carrying asylum seekers is intercepted, the crew and
passengers are taken into immigration detention and questioned by authorities. Anyone seeking asylum makes their claim to Department of Immigration and Citizenship (DIAC), leaving those who have crewed the boat and are therefore likely to face people smuggling prosecution.

Of that group, and in accordance with the aforementioned policy, the persons who are deemed children on first assessment are swiftly deported. The remainder – both adults and those claiming to be children – are placed into immigration detention, usually on Christmas Island, where they may languish for up an extended period without charge. There is no mandated differentiated treatment for people claiming to be children. In some cases the delay prior to the laying of charges has been up to 10 months. At some point in their detention the accused person is taken to Darwin for a much criticised wrist x-ray procedure which continues to be used by prosecutors as the primary piece of evidence on which age is determined.

When the decision is made to charge the individual, they are moved from Christmas Island to an Australian state or territory. Charges are laid and the person is removed from immigration detention and remanded into the prison system on a criminal justice visa to await their trial. It is at this stage – so late in the process – that the legal system exerts its influence. By triggering an appearance before a Magistrates' Court, the person is finally able to see a lawyer and receive advice about their situation. The CDPP is required to forensically consider the evidence in relation to the age of the person and make a judgement about the merit of proceeding with charges. An application may be made for bail or for an age determination prior to the criminal trial. If a bail application is not made or is unsuccessful, further months pass while the accused awaits their day in court. Throughout all this time it is still possible the accused people smuggler is could be a child and thus should be deported without charge rather than spending months in custody.

There is no justification in the scenario outlined above for a child being remanded to an adult prison. Many children's advocates around Australia consider this process to be tantamount to child abuse and have said so publicly. It is a breach of the United Nations' Convention on the Rights of the Child. Aside from these compelling reasons for mandating against such injustice, there is no moral or policy based justification for such drastic departure from the expectations of how Australia's criminal justice system should treat children.

Evidence given to the inquiry to the Deterring People Smuggler's Bill highlighted the fact that many people charged with people smuggling are impoverished, ill-educated, and understandably naïve with regard to Australia's criminal laws. At the time of recruitment they believe they are embarking on a standard fishing voyage and are unaware of the true nature of their participation in people smuggling. In the instance that a child is caught up in this cruel cycle they must benefit as quickly as possible from the government's stated exemption of prosecution of minors. Instead, due to the deplorable lack of mandated procedures in this area of law, children are being held in adult prisons and immigration detention for months and years before prosecutors finally drop the charges or, in a minority of cases, win the age determination on the back of continued reliance on discredited wrist x-rays. Worse, in a number of cases, accused people smugglers have been found by the court to be a child after an age determination hearing. Those months and years spent in custody prior to the finding can never be returned.

The reforms brought by this Bill

Presumption of status as child and banning of imprisonment in adult facilities

This Bill ensures that no person who has raised the assertion that they are a child can be imprisoned in an adult remand centre or gaol. When vulnerable children are held in adult custody they are exposed to the risk of inappropriate treatment in breach of their rights as a child or, at worst, violence or sexual assault. If a young person is released on bail from a youth justice facility to immigration detention pending their age determination, it is current DIAC policy that they will be kept in a separate area to asylum seeker children.
One of the crucial areas of reform brought about by this Bill is the banning of the taking and usage of wrist and dental x-rays as evidence for age determination for presumed minors charged with people smuggling. The usage of this method of age determination has been described as unreliable and unethical by peak medical bodies including the Royal Australian College of Physicians, Australian Paediatric Endocrine Group, Australian and New Zealand Society for Paediatric Radiology, and the Royal Australian and New Zealand College of Radiologists. As noted in a letter from these groups the wrist x-rays method is known as the Gruelich and Pyle method and was designed for assessment of skeletal age by a treating therapist who knows the chronological age, not the reverse. The letter further notes that data which forms the basis for this wrist x-ray method is drawn from a 1930s study conducted on white Americans, as such it cannot be used to conclude the age of someone who may be affected by malnutrition and racial factors prevalent in children involved in people smuggling prosecutions.

This Bill brings Australia into line with other nations and organisations who have banned the use of wrist x-rays, including the United Kingdom, numerous European governments, the International Olympic Committee and FIFA.

Onus of establishing age

This Bill also clarifies and strengthens the existing burden on the Commonwealth prosecution to take effective and swift action to identify whether an accused people smuggler is a child by means other than wrist or dental examination. In the course of people smuggling prosecutions over recent years it has become habit for Commonwealth authorities to rely on what can only be described as a bare minimum of evidentiary documentation in support of their assertion that the accused is over 18 and thus criminally liable according to DIAC policy.

Briefs of evidence seldom extend beyond age assessment interviews by DIAC officers, wrist x-ray images and associated medical evidence, and basic statements relating to the interception and processing of the accused from fellow passengers, Royal Australian Navy officials, Customs officials and DIAC staff. In order to prove their client's status as a minor, it has become practice for criminal defence practitioners to make the journey to Indonesia (or the accused's country of origin) to gather evidence that properly indicates the age of the accused. This may include such items as affidavits from family and community members, vaccination and medical records, religious papers, birth certificate, school records, photographs and other items.

In accordance with legal norms, this Bill clarifies that the onus should be on the Australian authorities to investigate and compile a brief of evidence which establishes on the balance of probabilities that the accused is not a child and should be returned home without charge. According to Australian criminal defence lawyers who have already undertaken field investigations on a number of occasions, the survey mission to the accused's country of origin takes on average around four days. With appropriate allocation of resources, sensible protocols and cooperation of authorities in the country of origin this burden is not unduly onerous and only reiterates what is already expected of the prosecuting agency under standard criminal legal procedure.

Timeframes

One of the key elements of this Bill is the establishing of timelines for the laying of charges and the age determination process. This is in direct response to unacceptable periods of time which cases have wallowed thus far. A deadline of 14 days from point of interception to laying of charges allows time for DIAC to conduct an initial interview and conduct a paper based age determination interview, and to transport the child to the Australian mainland. A further improvement is that the accused will be brought into the legal system and allocated legal representation months earlier than currently occurs.

This Bill also sets a deadline of 30 days from point of interception for the prosecution to make an application for legal age determination. The purpose is to ensure that the authorities have a number of weeks to investigate whether they can obtain evidence that may displace, on the balance of probabilities, the presumption that the person is a child as claimed. If investigations suggest
otherwise, it is anticipated that prosecutors will exert forensic judgement and deport the child at the earliest opportunity, thereby saving the child from inhuman and unnecessary detention and the Australian tax-payer and court system time and money.

Conclusion

The reforms in this Bill establish clear and specific measures that address a number of holes in law and policy around the prosecution of presumed children for the offence of people smuggling. This Bill provides for a commonsense approach to remedying the significant problems in current practice and ensures that no child will be incarcerated with adults or charged on the basis on unreliable evidence.

In introducing this Bill I also call on DIAC and state/territory corrections authorities to conduct an urgent audit of their respective detention and prison networks to ensure that all young people who would be affected by this Bill are identified and put into contact with their relevant Consulate and a legal practitioner as a matter of urgency.

It is imperative that the federal parliament supports this Bill. In doing so the parliament would be stepping in to fill a legislative vacuum, which is leading to Australia breaching of the Convention on the Rights of the Child and the United Nations Convention against Torture and Other Cruel, Inhumane or Degrading Treatment or Punishment. Out of the Navy, DIAC, Serco Australia Pty Ltd, the AFP, the CDPP, and territory and state corrective services there is no Australian authority is taking responsibility for this perversion of natural justice and criminal procedure.

I commend the Bill to the Senate.

Senator HANSON-YOUNG: I seek leave to continue my remarks later.

Leave granted, debate adjourned.

MOTIONS

Australian Refugee Council

Senator HANSON-YOUNG (South Australia) (15:48): I move:

That the Senate congratulates the Australian Refugee Council on its 30th anniversary – 30 years of wonderful work, advocacy and promotion of Australia's multicultural society, offering important support to new arrivals and refugees.

Question agreed to.

COMMITTEES

Legal and Constitutional Affairs

References Committee

Reference

Senator XENOPHON (South Australia) (15:49): I move:

That the following matters be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 14 April 2012:

(a) the need for national law reform surrounding evidence relating to child sex abuse, specifically looking at the role federal laws could play in requiring documents relating to child abuse, particularly child sexual abuse, to be held for a minimum of 30 years;

(b) the need for national law reform to prevent the destruction and concealment of documents which should be retained in the public interest, including documents in relation to potential legal proceedings;

(c) the circumstances under which documents should be categorised as Cabinet in Confidence;

(d) the appropriateness or otherwise of victims of child abuse, particularly child sexual abuse, being required to sign confidentiality agreements as part of any compensation arrangements and the need for any consequential law reform;

(e) in relation to events relating to allegations of abuse in the John Oxley Youth Detention Centre in Queensland from 1988:

(i) the shredding of documents by the then Queensland Government in 1990 relating to the alleged rape of a resident at the John Oxley Youth Detention Centre in 1988, and other abuses and the implications these actions had on the ability of victims and others to pursue their legal rights with reference to section 129 of the Queensland Criminal Code, and the need for a national approach to the protection of such documents,
(ii) previous Queensland Government initiated inquiries and federal parliamentary inquiries into the matters referred to at the John Oxley Youth Detention Centre,

(iii) whether evidence provided to previous Senate committee inquiries about the shredding of the documents referred to was misleading, or whether evidence was withheld from previous Senate committee inquiries and whether there is any new evidence relating to these matters, and

(iv) the relevance of considering the matters raised in paragraphs (a) to (d); and

(f) any other related matters.

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) (15:49): Mr Deputy President, I seek leave to make a short statement, for one minute.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator LUDWIG: The government does not support this motion. The government notes that this is the second time this year that Senator Xenophon has sought the Senate's intervention in this matter, which arose out of incidents that occurred at the John Oxley Youth Detention Centre back in 1988 when a 14-year-old girl was gang raped. There was a cover-up of what occurred and a shredding of documents. There have been previous inquiries but at none of those inquiries was the victim at the centre of these allegations ever given an opportunity to appear. This woman has approached my office and she is desperate to give evidence to set the record straight so that there can be some finality to what occurred.

There are undoubtedly matters of concern in these events. The main question that should be asked is what jurisdiction does the Senate have to achieve any justice for any of the victims now and what can the Senate do now that it has not already done. For those reasons the government does not support the motion.

Senator XENOPHON (South Australia) (15:50): Mr Deputy Speaker, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator XENOPHON: The previous inquiries related to horrendous events that occurred at the John Oxley Youth Detention Centre back in 1988 when a 14-year-old girl was gang raped. There was a cover-up of what occurred and a shredding of documents. There have been previous inquiries but at none of those inquiries was the victim at the centre of these allegations ever given an opportunity to appear. This woman has approached my office and she is desperate to give evidence to set the record straight so that there can be some finality to what occurred.

There are fundamental issues of law reform here. Senator Ludwig is wrong in relation to this. There are issues in terms of the destruction of documents, in terms of legal proceedings and in terms of federal law reform in dealing with documents in relation to child sexual abuse so that there can be a national uniform approach. There are a number of fundamental aspects of law reform that need to be dealt with, and the victim wants to come forward so that the record can be set straight once and for all.

Senator Joyce: Mr Deputy Speaker, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Is leave granted? Leave is not granted. The question is that the motion moved by Senator Xenophon be agreed to.

The Senate divided. [15:56]

(The President—Senator Hogg)

Ayes .....................33
Noes .....................37
Majority...............4
MOTIONS

Uranium Exports

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (15:58): I move:

That the Senate—
(a) notes the Howard Government's 2007 decision to sell uranium to India subject to appropriate bilateral and international safeguards;
(b) calls on the Australian Labor Party National Conference to approve the sale of Australian uranium to India;
(c) looks forwards to the improved trade and security relations with India which will flow from this initiative;
(d) recognises the positive contribution nuclear energy makes to reducing greenhouse emissions; and
(e) rejects the view that alternative technologies can provide a comparable low emissions baseload energy source for India.

Question put.
The Senate divided. [16:01]

The President—Senator Hogg)

Ayes .....................30
Noes .....................36
Majority.................6

AYES

Abetz, E
Back, CJ
Birmingham, SJ
Boyce, SK
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Heffernan, W
Joyce, B
Macdonald, ID
Mason, B
Nash, F
Ronaldson, M
Scullion, NG
Xenophon, N

Adams, J
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Fisher, M
Humphries, G
Kroger, H (teller)
McGowan, JJ
McKenzie, B
Parry, S
Ryan, SM
Williams, JR

NOES

Arbib, MV
Bishop, TM
Brown, RJ
Collins, JMA
Crossin, P
Evans, C
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludlam, S
Lundy, KA
McEwen, A (teller)
Milne, C
Polley, H
Rhannon, L
Siewert, R
Sterle, G
Urquhart, AE
Wright, PL

Bilyk, CL
Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Farrell, D
Feeney, D
Gallacher, AM
Hogg, JJ
Ludwig, JW
Marshall, GM
McLachlan, J
Moore, CM
Pratt, LC
Sherry, NJ
Singh, LM
Thistlethwaite, M
Waters, LJ

PAIRS

Johnston, D
Payne, MA
Sinodinos, A

Wong, P
Carr, KJ
Stephens, U

Question negatived.
I seek leave to make a statement in respect of business of the Senate notice of motion No. 1.

Leave not granted.

Senator JOYCE: I move:

That so much of the standing orders be suspended as would prevent Senator Joyce making a statement relating to notice of motion No. 1.

The motion moved by Senator Xenophon pertains to an issue that in this parliament has been one of those issues that has sullied this chamber. It is something that needs to be ventilated. We have had a senior QC from Sydney present a major report on this issue. It involves the gang rape of an Aboriginal girl at the age of 14 at the John Oxley Youth Detention Centre. I find it appalling that not only was it voted against but the Australian Greens have denied leave twice for discussions around this issue in this chamber. It is one issue when there is a cover-up; it is another issue when that cover-up is maintained and we try to run down the capacity of people to ventilate this issue. This lady is coming to Canberra and she deserves to be heard. She has a right to be heard. This lady is coming to Canberra. We knew that there was something wrong when the Queensland government tried to pay her out to keep her quiet on this issue. It is without doubt that she was raped. It was confirmed that she was raped. People acknowledged that she was raped. It is just that she never got her day in court. Because of a partial mental incapacity, the elements of justice have worked against her. I remember a previous motion in this parliament trying to get the Rofe report tabled, and that was denied. But of course we will pursue this issue. We will pursue this issue because it is right, because it is just and because it must be ventilated.

I cannot believe that Dr Bob Brown, who has stood up so many times for those who are apparently at the periphery and need the protection of this chamber, would deny leave for this issue to be dealt with and that he would then vote against it. And he denied leave not once but twice. I think it is incumbent upon us to use the power that is within the Senate for those who are at the margins, who are most exposed. It is incumbent on us to do what is right, to do what is just, to do what is proper. This issue must be dealt with. It will be dealt with. I will continue to pursue it for as long as I am here.
I commend Senator Xenophon for pursuing this issue. I commend my colleagues who are standing behind this issue. I commend people such as Senator Brandis and others who have the diligence in the legislative process and also the heart of justice to pursue this process and pursue it relentlessly until such time as we get a result, until such time as this person gets her day in court. If she cannot get her day in court then at least the Senate can provide a day so she can have her side of the story told. This person wants her story told. She wants to tell the story about what happened to her. This person wants to ventilate the issues pertaining to her, how she was held down and two people gang raped her.

Opposition senators interjecting—

Senator JOYCE: Four? Four people gang raped her, and no-one is denying that this happened. But now this chamber is compounding the offence because we are denying her the capacity to have her issue ventilated. This is something that should just go through on the voices. If there is nothing to be protected then there is nothing to worry about. It is an issue about one individual’s justice. It is an issue about what this chamber is supposed to represent, and it is not going to go away. We will pursue it time and time again.

There will be other votes that will come up, so my question is to the Australian Greens—and I know there are people within the Australian Greens who are troubled deeply by this, because they know inherently that what they did is wrong and must be corrected. They know inherently what the proper process is, and denying people leave to speak about it is not the proper process. It emphasises the guilt, emphasises the shame that surrounds this issue. We have dealt with this issue in Queensland. The reason people have pursued this issue since that time is that they know that in Australia this is our Watergate—only this time the people who did wrong got away with it.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (16:11): Very disturbing is the fact, firstly, that Senator Joyce and not the mover of this motion, Senator Xenophon, is leading the attack on the Senate for—

Senator Ian Macdonald: It's about you refusing to give leave. That's what it's about.

Senator BOB BROWN: refusing to become a court of law. That is not and never—

Senator Ian Macdonald: It's about you refusing leave to speak.

Senator BOB BROWN: Deputy President, I ask for those interjections to stop. I did not interject. This is an important matter which needs serious—

Senator Ian Macdonald: Well, why didn't you let him speak?

The DEPUTY PRESIDENT: Order on my left!

Senator BOB BROWN: The Senate is not a court of law. Senator Joyce said that this matter had been dealt with in Queensland.

Senator Joyce: No, it hasn't.

Senator BOB BROWN: I am quoting you, Senator Joyce. That is what you told the Senate a moment ago. But what we do know is that there have been multiple inquiries in Queensland, including the justice commission—

Senator Ian Macdonald: Mr Deputy President, on a point of order. I draw your attention to the motion before the chair, which is that so much of standing orders be set aside as would prevent Senator Joyce from making a statement which Senator
Brown refused him leave to make before. I ask you to draw—

The DEPUTY PRESIDENT: Senator Macdonald, there is no point of order. A lot of latitude has been allowed in these debates previously, so Senator Brown is in order.

Senator BOB BROWN: You are right, Deputy President. The question here is whether the Senate is a court of law. I submit that there is a very important function for the judicial system in this country, and that is to deal with issues such as this. However, notwithstanding that, as senators know, this matter has been looked into by at least three Senate committees in the past and we are now being requested to have a fourth inquiry.

I draw senators' attention to the opinion of the Clerk of the Senate that this matter has been dealt with by the Senate before. Look at the Clerk's advice. It effectively says that there comes a time when the Senate and the Senate committee system, which are under a huge workload, have to be free of matters that have been canvassed and dealt with in the courts before.

Senator Joyce: She wants to speak.

Senator BOB BROWN: Now let me get to the personal matter, because Senator Joyce is intruding into my statement in a way that I did not intrude on his.


Senator BOB BROWN: Now Senator Macdonald is doing the same. I recognise the trauma that is involved here. I ask a simple question that is at the heart of this matter: is any individual involved being used for political purposes? Is there genuinely a need to get to the rights of an individual citizen or is there a political purpose that is being used by men in this Senate to prosecute a political outcome at the expense of an individual who has suffered grievously in Queensland? I have been referred to as Dr Brown in this situation—

Senator Ian Macdonald: Mr Deputy President, I rise on a point of order. That is clearly an imputation on the motives of the people who were encouraging this to happen. I ask you to ask this person to withdraw.

Senator BOB BROWN: Mr Deputy President, on the point of order: there is no imputation on any person in this place. I simply ask a very serious question which must be asked in debate here. Senator Macdonald is quite wrong again.

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

Senator BOB BROWN: You are right again, Mr Deputy President.

Opposition senators interjecting—

Senator BOB BROWN: This unruly opposition does not want to listen to serious debate which affects the health and wellbeing of individuals here. I will not risk the wellbeing of an unknown person being brought before the Senate for purposes of privilege and for purposes that we have not had fully explained to us without me knowing that the wellbeing is going to be vouchsafed by that process. I ask the members bringing this matter before this Senate to think about this again because they have a high responsibility on their shoulder and they are not showing the ability to undertake that responsibility with the care that I would expect.

Senator XENOPHON (South Australia) (16:17): If I can address the issues raised by Senator Brown in relation to whether this is a matter being used for political purposes: the history of my involvement in this matter relates to the victim approaching my office and approaching me about her concerns that she has not had a right to be heard in relation
to this. I think members know that I have spoken out and advocated for victims of abuse, for many victims over the years, both in the South Australian parliament and in the federal parliament. This is not about political purposes; this is about unfinished business. This is about some basic justice for an individual who has approached me, who has spoken to me and who has told me of the enormous hurt of not having an opportunity to speak out about what occurred to her.

She has already been the subject of a number of inquiries, and I agree with Senator Brown in relation to that. But the fact is that the person at the centre of the storm has never been given an opportunity to give evidence before a Senate committee. I understand what Senator Brown has said. If we are traversing old ground then I can see his point. But the issue here is that this inquiry is focused on issues of fundamental law about the destruction of documents and about keeping documents involving allegations of child sexual abuse for at least 30 years. It is about dealing with fundamental issues in relation to the protection of victims and having processes in place. And that involves issues of law reform. You cannot deal with those issues in the absence of hearing from this woman. The fact is that there have been inquiries in relation to this, but we have not heard from the victim. How in good conscience can we resolve this once and for all in the absence of hearing from this victim?

I had a constructive private conversation with Senator Brown earlier today and I understand Senator Brown is concerned about the welfare of individuals concerned—and I am acutely aware of that. But this woman made it clear that she wants an opportunity to speak out. She will be in Canberra in the first sitting week of the new year and she will want an opportunity to meet with Senator Brown, with the government, with Senator Joyce and with others so that they can hear from her direct.

I urge honourable members to keep an open mind to this. This should not be about political purposes; it should be about some fundamental law reforms. This woman wants to speak out and give her evidence about what happened to her and about the gag clause she was required to sign by the Queensland government in terms of the six-figure compensation sum that she received. These are issues of law reform that we ought to look at. In good conscience, I ask my colleagues to keep an open mind in relation to this.

Question negatived.

DISTINGUISHED VISITORS

The DEPUTY PRESIDENT (16:20): I acknowledge the presence in the gallery of former senator the Hon. Jocelyn Newman.

Honourable senators: Hear, hear!

DOCUMENTS

Carbon Pricing

Order for the Production of Documents

Senator CORMANN (Western Australia) (16:20): I move:

That there be laid on the table by the Minister representing the Treasurer, no later than noon on 2 December 2011, the following information relating to the Department of the Treasury 2011 modelling of its carbon tax/ emissions trading scheme to 2050:

(a) all of its modelling, including the actual models, model documentation, exogenous assumptions, all underlying databases and datasets, codes and specifications used by Treasury, including but not limited to the Global Trade and Environment Model and the Monash Multiregional Forecasting Model, in a form that would allow the reproduction and scrutiny of the Treasury results by third parties; and

(b) any other model simulations undertaken relevant to the abovementioned policy scenarios but not publicly released.
The Senate divided. [16:25]

(The President—Senator Hogg)

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

AYES
Abetz, E
Back, CJ
Boswell, RLD
Bushby, DC
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Fisher, M
Humphries, G
Macdonald, ID
Mason, B
Nash, F
Ronaldson, M
Scullion, NG
Williams, JR

Adams, J
Bernardi, C
Boyce, SK
Cash, MC
Cormann, M
Fawcett, DJ
Fifield, MP
Heffernan, W
Kroger, H
Madigan, JJ
McKenzie, B
Parry, S
Ryan, SM
Sinodinos, A
Xenophon, N

NOES
Arbib, MV
Brown, CL
Cameron, DN
Collins, JMA
Crossin, P
Farrell, D
Furner, ML
Hanson-Young, SC
Ludlam, S
Lundy, KA
McEwen, A (teller)
Milne, C
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Urquhart, AE
Wright, PL

Bishop, TM
Brown, RJ
Carr, KJ
Conroy, SM
Di Natale, R
Faulkner, J
Gallacher, AM
Hogg, JJ
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Thistlethwaite, M
Waters, LJ

Pairs
Birmingham, SJ
Brandis, GH
Johnston, D
Joyce, B
Payne, MA

Wong, P
Bilyk, CL
Feeney, D
Sherry, NJ
Evans, C

MOTIONS

Poland

Senator BERNARDI (South Australia) (16:28): I, and also on behalf of Senator Madigan, move:

That the Senate notes:

(a) that 17 December is the anniversary of the shooting of Polish workers in Gdynia in 1970, where soldiers fired into the crowd of defenceless workers emerging from their trains to return to work, killing and wounding hundreds,

(b) that, as the protest spread, the communist Government under Soviet rule then deployed special police squads and soldiers equipped with heavy tanks and machine guns, killing 40 people, wounding more than 1 000 people and arresting 3 000 people; and

(c) the failure of the pro Warsaw Pact Socialist Party of Australia to condemn these crimes against humanity.

The Senate divided [16:30]

(The President—Senator Hogg)

Ayes .....................31
Noes .....................35
Majority................4

AYES
Abetz, E
Back, CJ
Boswell, RLD
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fierravanti-Wells, C
Fisher, M
Heffernan, W
Kroger, H
Madigan, JJ
McKenzie, B
Parry, S
Ryan, SM
Sinodinos, A
Xenophon, N

Adams, J
Bernardi, C
Boyce, SK
Cash, MC
Cormann, M
Eggleston, A
Finaretti-Wells, C
Fisher, M
Humphries, G
Macdonald, ID
Mason, B
Nash, F
Ronaldson, M
Scullion, NG
Williams, JR

Pairs
Birmingham, SJ
Brandis, GH
Johnston, D
Joyce, B
Payne, MA

Wong, P
Bilyk, CL
Feeney, D
Sherry, NJ
Evans, C

CHAMBER
ANZUS Treaty

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (16:33): I move:

That the Senate—

(a) recognises that the ANZUS Treaty came about following the close cooperation of the United States of America (US) and Australia and New Zealand during World War II;

(b) notes that:

(i) in the 60 years since the ANZUS Treaty formalised Australia's alliance with the US, it has enhanced peace and security in our region and beyond, and

(ii) one survey found that 82 per cent of Australians say the alliance with the US is important for Australia's security;

(c) welcomes the announcement that approximately 2 500 American marines, along with US Air Force and other personnel will ultimately be stationed at the Robertson Barracks in Darwin and elsewhere;

(d) views the ANZUS Treaty as a cornerstone of Australia's future security arrangements; and

(e) rejects all attempts to undermine the ANZUS Treaty, including the policy of the Australian Greens of ending the treaty.

Question agreed to.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (16:34): by leave—Mr Deputy President, I would like the Australian Greens’ opposition to that motion recorded.

The DEPUTY PRESIDENT: It is now recorded.

Trans-Pacific Partnership

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (16:34): I move:

That the Senate notes:

(a) the Gillard Government's failure to consult with the Australian public or the Parliament on the recent decision to deploy troops, ships and aircraft from the United States of America in the Northern Territory; and

(b) the security, environmental and social consequences of this decision.

Question negatived.

Education Funding

Senator RHIANNON (New South Wales) (16:34): I move:

That the Senate—

(a) notes that:

(i) the University of Sydney in the week beginning 20 November 2011 announced 340 planned job cuts to academic and general staff, due to a forecasted budget shortfall, placing further pressure on staff to meet the increased teaching demands that will arise from uncapped student places next year,

(ii) other universities have recently announced similar job cuts due to budget pressures, including La Trobe University's plans
to shed up to 230 academic and general staff in 2012, 50 jobs at Macquarie University and mooted cuts to the University of New South Wales and the University of Melbourne Arts faculties,

(iii) while Australia's total expenditure on tertiary education is in line with the Organisation for Economic Co-operation and Development (OECD) average of 1.6 per cent of national gross domestic product (GDP), Australia's public funding levels of 0.7 per cent of GDP are one of the lowest of any OECD country, falling well short of the OECD average of 1 per cent,

(iv) Australia is the only OECD country to go backwards in terms of public expenditure on tertiary education institutions in real terms since 1995, leaving Australia lagging behind the United States of America, Finland and Canada, as well as being overtaken by Denmark, Korea and Sweden during this period,

(v) chronically low public funding of universities has resulted in an unhealthy reliance on international student fees, creating budget uncertainty which has placed increased pressure on academic staff and students, with higher student to staff ratios and fewer resources, reducing the overall quality of teaching and learning at universities, and

(vi) the Review of Australian Higher Education (the Bradley review) recommended a 10 per cent increase in university student base funding, and Australia still awaits the release of the Lomax-Smith review of base funding; and

(b) calls on the Government to:

(i) immediately increase public funding by 10 per cent per government supported university student, as recommended by the Bradley review, to give budget certainty to universities, and

(ii) set a longer term target to invest 1 per cent of GDP to fund universities, to bring Australia in line with the OECD average, to ensure that Australia maintains a quality tertiary education sector and remains internationally competitive.

Question put.
The Senate divided. [16:39]
(The Deputy President—Senator Parry)
(iii) the Government's failure to release for public scrutiny the draft text of the agreement under negotiation,

(iv) calls by 25 community groups ranging from pensioner groups to the Australian Council of Trade Unions to have the draft text released,

(v) the bids by American pharmaceutical companies to use the agreement to delay the release of generic drugs and to undermine the Pharmaceutical Benefits Scheme,

(vi) the failure of the Department of Agriculture, Fisheries and Forestry to identify significant benefits to Australian primary producers,

(vii) the reported failure of the agreement to include minimum standards for labour or environmental protection,

(viii) the concern about reported changed rules for local content in Australian film and television, and

(ix) the reported proposed changes to government procurement rules and reported inclusion of an investor state dispute process; and

(b) calls on the Government to immediately release the draft text of the Trans Pacific Partnership free trade agreement.

Question put.
The Senate divided. [16:43]

(The Deputy President—Senator Parry)

Ayes.................11
Noes.................35
Majority.............24

AYES

Brown, RJ  Di Natale, R
Hanson-Young, SC  Ludlam, S
Madigan, JJ  Milne, C
Rhiannon, L  Siewert, R (teller)
Waters, LJ  Wright, PL
Xenophon, N

NOES

Adams, J  Back, CJ
Bishop, TM  Boswell, RLD
Brown, CL  Busby, DC
Cameron, DN  Carr, KJ
Cash, MC  Colbeck, R

Question negatived.

COMMITTEES

Rural Affairs and Transport References Committee

Reporting Date

Senator WILLIAMS: At the request of the Chair of the Rural Affairs and Transport References Committee, Senator Heffernan, I move:

That the time for the presentation of reports of the Rural Affairs and Transport References Committee be extended as follows:

(a) biosecurity and quarantine arrangements—to 21 March 2012; and

(b) Foreign Investment Review Board national interest test—to 14 March 2012.

Question agreed to.

Corporations and Financial Services Committee

Meeting

Senator WILLIAMS: At the request of the Deputy Chair of the Parliamentary Joint Committee on Corporations and Financial Services, Senator Boyce, I move:

That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to hold a private meeting otherwise than in accordance with standing order 33(1)
during the sitting of the Senate on Thursday, 24 November 2011, from 11.30 am.

Question agreed to.

Scrutiny of Bills Committee

Report


Ordered that the report be printed.

Senator FIFIELD: I also present an interim report of the committee on the future direction and role of the committee.

Ordered that the report be printed.

Senator FIFIELD: I move:

That the Senate adopt the recommendation of the report relating to an extension of time for the inquiry.

Question agreed to.

Senator FIFIELD: May I say how gratified I am that there is such obvious interest in Alert Digest No.14 of 2011 and in the committee's 14th report of 2011, which have just been tabled. I move:

That the Senate take note of the documents.

In tabling the committee's Alert Digest No. 14 of 2011, I draw the Senate's attention to several matters relating to the proposed commencement of provisions with retrospective effect.

The committee's longstanding view in relation to retrospective commencement and effect is that, although the principles which underpin the rule of law are not absolute, the case for retrospective changes to laws which will adversely affect any person—and particularly those creating or confirming liability—should establish that exceptional circumstances exist.

The Deterring People Smuggling Bill seeks to clarify the meaning of the phrase 'no lawful right to come to Australia' as it relates to people-smuggling offences, with effect from December 1999.

The stated purpose of the proposed amendments is to 'address doubt that may be raised about convictions that have already been made under the existing provisions'. However, the amendments would pre-empt judicial interpretation of the existing provisions and could constitute a retrospective substantive change to the law, albeit as a matter of construction rather than as an amendment to the elements of the offence.

The committee is concerned that the justification outlined in the explanatory memorandum requires further explanation and the committee intends seeking advice from the minister about this issue.

I also take this opportunity to draw the Senate's attention to an emerging area of interest relating to the limited availability of merits review when governments use contractors to provide goods or services.

The Telecommunications Universal Service Management Agency Bill seeks to change the regulatory approach to 'public interest telecommunications services' to respond to a change in the structure of the market associated with the rollout of the NBN. The change involves moving to contract arrangements, or providing grants of financial assistance, to provide public interest services.

This would mean that public interest requirements will be enforced through contract law rather than the existing model of standard regulatory enforcement mechanisms. The purpose is intended to ensure that public interest obligations are maintained in a changing market structure. However, it could mean that persons
aggrieved by a breach of the obligations are no longer able to obtain merits review because the person is not a party to the relevant contract between the new Telecommunications Universal Service Management Agency and the contractor or grant recipient.

The committee intends to seek the minister's advice about what review mechanisms are available in these circumstances. It is also my pleasure today to acknowledge the Scrutiny of Bills Committee's 30th anniversary. To mark the occasion, I am tabling the committee's interim report into its future role and direction.

The committee has not encountered any difficulties that have significantly hindered its work and it does not hold any grave concerns about the operation of standing order 24. The committee is proud of its work and its principled approach to ensuring that technical accountability standards are applied to all proposed legislation.

However, after 30 years it is considered that it is indeed worth revisiting the framework for the scrutiny of bills to ensure that the committee is well placed to continue to work effectively for the years to come.

The interim report does not express a concluded view on any topics, but identifies the themes the committee intends examining in further detail before presenting its final report by 30 April 2012. The committee welcomes input on any matters relating to its work, and particularly the areas it outlines in the interim report, including the scrutiny of framework bills and national scheme legislation, the committee's approach to its work, the committee's powers and sanctions and ways in which to improve communication about technical scrutiny issues.

In conclusion, I commend the committee's Alert Digest No. 14, the 14th report and the interim report into the committee's future role and direction to the Senate. I hope that all future tablings by the Scrutiny of Bills Committee enjoy the same interest from the gallery.

Question agreed to.

Environment and Communications References Committee Report

Senator FISHER (South Australia) (16:53): I present the report of the Environment and Communications References Committee on the communication networks' and emergency warning systems' capacities in emergencies and natural disasters, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator FISHER: I move:

That the Senate take note of the report.

I shall make my comments very brief because, while this is a very important report into communications in emergencies and natural disasters, I fear a manmade or very human disaster unravelling from the gallery upstairs if we do not hear from a certain senator imminently.

In terms of this inquiry, early in 2011 I was not unusual in being among a number who experienced a freak storm in Western Australia which had some very unfortunate consequences. Happily in terms of our family farm in Western Australia, when a bushfire started on the boundary of the property that unfortunate consequence was stopped by Mother Nature herself, but not before the power had failed, the landlines failed, the mobile telephones failed, the CB radios failed and something fell short with the VHF communications system.
Mother Nature wetted the system and overnight the fire pretty much dwindled as a result of natural consequences, but it could have been very different. That was at the end of a decade of high-profile natural disasters—not the least of which were the Canberra fires in 2003—resulting in a number of inquiries, including the royal commission into the 2009 tragic Victorian bushfires and the inquiry into the 2010 and 2011 Queensland floods. A common thread, unfortunately, running through the analysis of those natural disasters and emergencies was concern about the ability of communications systems to talk to one another and to appropriately warn communities of approaching disasters, to function in a coordinated way during the disaster and to assist with the mop up.

This inquiry focused, in particular, on concerns about the lack of interoperability between various communications systems and on the potential need for emergency systems to have a dedicated part of the spectrum to deal with unfolding emergencies and mopping up afterwards.

I wish to thank the secretariat very much for the hard work they put into this report and also my colleagues—happily, this is a bipartisan report—from all political parties for carrying on the inquiry in much of my absence. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

DISTINGUISHED VISITORS

The PRESIDENT (16:59): I acknowledge the presence in the gallery of former Prime Minister John Howard. I extend a warm welcome to you and trust you will enjoy the proceedings this afternoon.

Honourable senators: Hear, hear!
have wrested a living from this land with very different technologies and cultures. All of these groups—Indigenous Australians, the first settlers and successive waves of immigrants—share a genius for practical outcomes and a willingness to experiment and take risks in pursuit of a better life for themselves and for their families. They are my inspiration and example. If they are willing to have a go, what stops any of us from having a go?

As political leaders we are purveyors of hope. We are in the business of hope. We offer our fellow citizens the hope of a better life for them and future generations—the hope that, freed from material worries, they are able to pursue their highest aspirations. Whatever accumulated experience I bring to this place, above all else I hope it is my relentless optimism about the future of this great country, and I am proud to join a team that has made the right calls over the last few years on the issues that matter: on the amount of stimulus to meet the global financial crisis, on the need for a consistent and strong border control policy which supports a generous immigration program, on the need for a carbon reduction program that addresses cost-of-living concerns in the community, on prioritising spending reductions over tax increases to get the budget back in the black. I believe that the coalition is on the right side of history and best equipped to meet the challenges ahead. It is led by someone with the courage of his convictions, someone who defied the conventional political wisdom to take what at the time may have been unpopular positions but who did so because he believed it to be right not only for the Liberal Party but more importantly for the country.

I turn to the challenges ahead. As a nation, our cup runneth over. We are experiencing a resources boom thanks to the rise of China and India. It will be followed by an agricultural boom as higher incomes increase the demand for processed foods. Opportunity abounds, but competition is all around us in the form of newly emerging economies in Asia, Africa and Latin America. The world is not standing still waiting for Australia to succeed. Our economy is adjusting to the surge in mining investment and this is causing stresses and strains reflected in the high dollar and the scramble for scarce labour and other resources. But we should not be pessimistic. There is a future for high-value manufacturing and other industries. In rural and regional Australia there are growing pains that are manifesting themselves in conflicts over land use, environmental impacts and the role of foreign investment, but we can shape the future if we work to a plan and take charge of our economic destiny.

I support a bigger and more sustainable Australia as a framework for growth and opportunity. This is about setting a direction. It is important we set a direction, and from that we can work back to work out the more specific policies. Let us set a direction and then go on and tackle the challenges in front of us. The Greens would restructure the economy post haste in pursuit of a future based solely on renewable energy and, without consultation, decree the closure of great export industries. That is not a program for balanced growth or for taking the community with you. Labor talks up free trade in the Asia Pacific but will tackle none of the impediments at home unless the Greens and the unions give it permission. Sadly, the days when those in the trade union movement were thought leaders and policy shapers seem to be gone. Those were the days of the Kelty’s of the world and maybe even of the Dougie Camerons when they were in the union movement. These days have been replaced by timidity and
defensiveness in the face of a competitive world.

You cannot legislate job security; you cannot mandate it through the industrial relations system—you have to earn it in the workplace. To meet the challenges ahead we need a bigger, more sustainable Australia that will maximise our economic prospects and living standards, enhance our national security and allow us to project more influence in the world. For me, that means entrenching competition and a global mindset throughout our economy. It means: tax, social security and industrial relations policies that encourage more Australians into work rather than welfare and into a culture of continuous productivity improvement; a savings culture to fund more of our investments from here without necessarily relying on increases in foreign capital; continuing high levels of immigration to supplement a shrinking workforce in an ageing society; and industry policies that encourage smart manufacturing. Our services sector is already world class, but as the centre of gravity of global manufacturing is shifting to the Asia-Pacific region we have an opportunity to position Australian manufacturing in those regional supply chains. We need more commercialisation here of our own home-grown science and research, including technologies to exploit our alternative energy sources.

A bigger Australia will provide a larger domestic market with more competition and economies of scale to compete better overseas. It gives us the capacity to settle better overseas. It gives us the capacity to settle new areas, including areas like the north, which my colleague Senator Heffernan and others have identified in landmark reports in recent years. We can create more global cities capable of hosting international businesses and regional headquarters. This is important, because we do not want to become a branch economy where decisions about our economic future are made in foreign boardrooms. We must nurture our arts and creative industries, including our universities, which will have a central role to play in such global cities by attracting the top-class international thinkers and artists that make for a vibrant, dynamic and interesting cultural life. I am not a pollyanna. I do not doubt that a bigger Australia poses environmental, planning, infrastructure and other challenges. But a richer economy is also better equipped to deal with such matters. I remind you of the remarks of Winston Churchill, who once said, 'A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.' In relation to the environment, we have the opportunity to develop our abundant energy sources through enhanced investment in cost-reducing technologies. It will position us better for the decline of oil and other fossil fuels. The carbon tax is a giant churn of taxpayers' money that will not produce the necessary investment in new technologies. In the absence of international action, it will only harm Australian industry and send greenhouse gas emissions offshore. In light of the carbon tax, Ross Garnaut, the government's preferred climate change advisor, is right to suggest that the mining tax should be put on hold to avoid a double whammy on our resources sector.

Let me turn to cultural change in education and the workplace. I begin with education. Entrenching a global mindset in the community starts in our schools. Our education system should do more to encourage the early acquisition of foreign languages. The recent statistics suggest there has been a big fall-off in the acquisition of foreign languages. While English is now the world's premier language, learning another language, any language, will accelerate the cognitive development of our children and
give them an insight into how other people think. Coupled with this, our schools need to embrace systematic courses on entrepreneurship, risk taking and setting up, developing and marketing a business. These skills will be among the most important if we are to maximise our trade and investment opportunities and expand our children's options and choices, building on existing courses in life skills and financial literacy and numeracy. Our workplaces must also embrace a culture of continuous productivity improvement. That means better work practices, more investment in technology and innovation in products, processes and services that will make possible higher real wages and living standards.

Let me conduct a brief memorial service for the industrial relations policy formerly known as Work Choices. The truth is we failed to prepare the ground for such a major reform. The public were not expecting it and, with the economy strong, could not see the need for further change. We also too readily assumed that in a strong labour market workers' bargaining power would ensure that employers would continue to meet national employment standards without an explicit safety net. Some employers abused that freedom. I am disappointed that the unions bullied the government into turning the clock back before even Paul Keating. But the world has moved on. This is not 2007. We are now focused on Labor's industrial relations system. I welcome the announcement by the government of a review of the Fair Work Act. I hope it is a fair dinkum, evidence based review and not dictated by sectional interests.

We need a genuine workplace culture that brings employers and employees together to create high-wage, high-productivity outcomes, that gives hope to workers battling with cost-of-living pressures. There should always be a safety net so that workers can be better off and not worse off. With such a safety net in place the choice of agreement should desirably be a matter for the parties involved and there should be sufficient flexibility to create training opportunities for newcomers to the workforce. The market for representing workers should be open, as open as possible, to encourage unions and others to focus on serving their customers, the workers they claim to represent.

Let me turn to my personal values and outlook, which have shaped in part my decision to come here. Firstly let me say I am proud of my Greek heritage, which is the basis of Western civilisation. You should still be paying for it, and you will! I was also fortunate to be born and bred in Newcastle, New South Wales, a sunny place where the beach was never far away. My late parents, Dionysos and California Sinodinos—she was named after the state of California by her uncle—hailed from the island of Cephalonia between Greece and Italy. If you ever saw the movie Captain Corelli's Mandolin, it was set on that island. My father was a merchant mariner and a lifelong member of the Seamen's Union of Australia. My mother was a homemaker and part-time seamstress. They were not well educated, but they encouraged their three children to take advantage of the public school system and do well. They were not well off, but we never really felt deprived of anything. We were able to save and buy our first home outright. While they were humble people, they took pride in themselves and their surroundings. We rented early on and I can remember them painting the place even though it was not their responsibility.

Growing up, the local Greek Orthodox church was our religious and social centre. In my teens I became quite interested in matters of faith and religion and still am. Two aspects of Christian teaching have particular
resonance for me. The first is to treat others as you would have them treat you. Related to that is the observation by St Paul in a letter to the Galatians—I do not know what seat they were in—that 'There is neither Jew nor Greek, slave nor free, male nor female, for you are all one in Christ Jesus.' If we are all one, then there is no basis for discrimination on the grounds of colour, creed, gender or other human constructs. I am proud of our nation's Judaeo-Christian heritage. Whatever the fallibilities of individuals within our churches, these institutions have made an immeasurable positive contribution to the moral climate of modern Australia as well as through the work of their great charitable bodies. Even the most ardent supporter of markets knows that no economic system exists in a vacuum; markets are shaped as much by ethical, religious and cultural values as they are by explicit rules. In other words, you are always responsible for your own behaviour, no matter what the rules are.

Mr President, it will probably come as no surprise to you that my political views were formed early and were strongly influenced by the Cold War environment in which I grew up. I recall my mother's stories about the fratricidal Greek civil war of the late forties, when the communist insurgents would knock on the door in the dead of night to take away the village elders and leaders. I remain staunchly opposed to totalitarianism in all its forms—left, right or Callithumpian—and any excessive interference by governments in the rights of the individual.

Socialist schemes have always floundered because they fail to harness and motivate the innate individual striving for success and recognition. Contrary to the claims of Mr Kevin Rudd—remember him?—it is not government but workers, entrepreneurs and risk takers that should be at the centre of the economy. To me, the adjective 'liberal' in the party's title captures the appropriate emphasis on the rights of the individual and the exercise of personal responsibility. No one is entirely free unless they have the capacity to exercise choice and take responsibility for their actions. While preserving the best of the past, our goal is the ongoing improvement of the economic and social condition of our country and in the process enlarging the domain of human freedom.

The Liberal Party rejects class based politics. My parents fitted Menzies' description of the forgotten people. While of the working class, they had middle-class aspirations. Like so many others, they wanted to get ahead and do the best by their children without relying on others. The Liberal Party is not owned by the rich or any sectional interests. I have found very few rich people actually join political parties—they think they are powerful enough to have the influence they need. Membership of the Liberal Party is drawn overwhelmingly from the solid middle of Australian society and anybody who aspires to a better life. It is the natural home for small business and independent contractors. We should prize those who want to have a go and not drown them in red tape or regulation that impedes their capacity to grow and create jobs.

John Howard's leadership of the Liberal Party revived not only its prospects in the nineties but also its claims on the Australian imagination. John Howard is a fighter who was prepared to take the knocks for what he believed, pick himself up and keep going. In government and opposition he was both a thought leader and an implementer of policies to open up and reform our economy and financial system. Along with Hawke, Keating and Costello, he is one of the principal authors of the new Australian economy. Above all, he encouraged his fellow Australians to believe in themselves and be comfortable in their own skin. I reject
the Keating view of Australia as some kind of timid offshoot of far-off imperial powers. We are confident in our own identity and our achievements. We see that in the upsurge of interest in celebrating Anzac Day and Australia Day, particularly among the young. That does not mean that our culture and society are static—we continue to evolve and in the Australian way the process will be pragmatic, it will be organic and it will be in response to the circumstances of the time.

Observing John Howard convinced me that politics is not worth a candle unless you are fighting for something. Polls and focus groups have their place but they are not a substitute for values or character or belief. Pragmatism in pursuit of a good policy is no crime. Getting 80 per cent of a reform is better than striving for a perfect reform and getting nothing. The Howard government was at its best when it directly engaged with affected groups or other parties. That is how the then government negotiated workplace agreements or the new tax system with the Australian Democrats, reached agreement with the forestry workers of Tasmania to protect old growth forests in 2004—my friend Michael O'Connor is here today—and dealt with disaffected farmers and others who turned to Pauline Hanson to express their frustration and lack of voice.

If reform is to stick, you must engage your fellow citizens, listen to their concerns and give them ownership of the change. Too often under this Labor government major changes have been rammed through without consultation or in contravention of explicit election promises. Today we have one of the government's own experts describing the mining tax as a dog's breakfast, imposed without genuine consultation with industry or the states—a revenue grab timed for the last election that is now unravelling as costs balloon and the revenue shrinks, threatening the budget balance.

As we contemplate a bigger Australia, I have no reservations about our capacity to settle immigrants harmoniously into this society. There have been stresses and strains but most immigrants are keen to settle peacefully in this country and appreciate the Australian way of live and let live. They know that they are free to celebrate their heritage but with an overriding loyalty to this country and its institutions. It is those very institutions that guarantee their freedoms. We do not need an act of parliament to enshrine what we experience every day on the streets of Australia. For me, the social dividend of a bigger Australia is more jobs, jobs and jobs. This is the best income redistribution program known to man.

We can and should ensure that more of these opportunities flow to those on the margins of our society, particularly Indigenous Australians outside our big cities who unfortunately, after 200 years, remain the most disadvantaged of our fellow citizens. I support Tony Abbott's vision of devolving greater personal responsibility to individuals and communities to solve these sorts of problems. He has worked with great Indigenous thinkers such as Noel Pearson to devise new approaches that break the cycle of intergenerational poverty and welfare dependence. In the audience are Dick Estens and Danny Lester, who run Aboriginal Employment Strategy. They are doing fantastic work in mentoring young Indigenous kids into work. I thank the Minister for Indigenous Employment and Economic Development for the support he has given them, as well.

A bigger, stronger economy will yield a stronger budget. That will help us cope with the ageing of our population. Yes, we have a strong private superannuation system but it has come at least in part at the expense of other forms of saving, including bank deposits. Our banks are more reliant on
oversea funding and therefore more exposed to global financial difficulties. Our superannuation system has also made it harder for young people to save for their first home. The Ken Henry tax review made progress on advantaging other, non-superannuation, forms of saving, but it remains unfinished business.

I support the rigorous scrutiny of government spending; that does not have to impair our capacity to deliver government programs. Too often we mistake spending money for solving a problem. We should use the private sector to deliver services if that is the most efficient way and tap the immense expertise and talent in corporate Australia and in our non-profit sector to address major social problems. Not all wisdom resides in Canberra; it does not all reside in the Public Service or ministers' offices.

While lower government spending will provide the basis for genuine tax relief, government should aim to accumulate surpluses over the economic cycle. The Howard-Costello surpluses gave us the firepower to spend during the global financial crisis. But, when it is affordable, we should contemplate a new sovereign wealth fund modelled on those employed by Singapore and Korea. It could acquire stakes in individual companies to increase our exposure to the newly growing emerging markets and economies to reinforce our influence in the global economy and thereby strengthen our national security. Such a fund could also kick-start a genuine venture capital market—still stalled after all these years—so that more Australian inventions and innovations can be commercialised here rather than abroad. Before I conclude, I have two duties: the first is to thank my family, in particular my wife, Elizabeth, who is the heart and soul of our family. Without her strength and determination, I would not be here. She is tougher, smarter and more discerning in her judgments than I am, and she has taken on the burden of keeping the home going while I am gallivanting around the countryside with these wonderful colleagues. To my children, Dion and Isabella, who seem strangely quiet now: I hope you will forgive my absences and come to understand in future years that serving others is a noble calling. Finally, I say to you colleagues in this chamber, senators on all sides, as well as my House of Representatives colleagues: thank you for the welcome I have received since I have been here and for the many courtesies shown to me. I have listened to many speeches in this place since I have been here. They have been well researched and well argued. I do not doubt the sincerity of the convictions that you bring to the table. I hope that, like you, in years to come I can look back on my career and say that in a small way I helped to make the best country in the world even better. Thank you.

COMMITTEES
Rural Affairs and Transport References Committee
Report
Senator HEFFERNAN (New South Wales) (17:26): I present the report of the Rural Affairs and Transport References Committee on animal welfare standards in Australia's live export markets and on the Live Animal Export (Slaughter) Prohibition Bill 2011 (No. 2) and the Live Animal Export Restriction and Prohibition Bill 2011 (No. 2), together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.
Senator HEFFERNAN: I move:
That the Senate take note of the report.
Because there is limited time to speak today and because there are several speakers who
want to contribute, let me say that I am grateful to the members of the committee for the way in which they contributed to this hearing. We made sure that, in travelling around the north, we gave everyone who wanted to be heard the opportunity to be heard.

In addition to its terms of reference, the committee dealt with legislation that was before the parliament. This legislation followed on from what I call a perfect ambush of the northern cattle industry by the *Four Corners* program and Animals Australia. The ambush was designed to shut down the industry, regardless of the financial consequences for a lot of decent, hardworking people who live under pretty difficult conditions in the bush. It worked. Following the ambush the government made a pretty strong call, which I think was driven by panic, to shut down the industry, albeit temporarily. As a consequence of the adversity this caused has come opportunity and a better understanding by people who wanted to inform themselves of the strategic importance of the live cattle business to the viability of agriculture in Australia, including through added tension in the marketplace and the opportunity to present the right sort of cattle to the right market.

I have described the *Four Corners* program as a perfect ambush of the industry. I congratulate its makers, because the ambush worked. I think the ambush was driven largely by the opportunity for a Walkley award or ratings and by Animals Australia's wanting to shut down the industry. Animals Australia still wants to shut down the industry. However, we are now seeing, as a consequence, some good come out of the ambush. The first good thing that has come out of it for the long-term benefit of agriculture in Australia is the adoption by all cattle producers of the NLIS system. It is a great selling tool for Australia's agriculture that we have full traceability from birth to death. We also have a sharpening by both governments and the industry of oversight of the industry. We can see that in the Middle East now with the sheep industry. We have just gone through a big selling season over there with no events. I am sure, though, to put the parliament on notice, that Animals Australia will come back with a view that they would like to end the industry. This industry is complimentary to the beef industry of the world. To put that into perspective, Australia has about 26 million cattle. We absolutely make use of that protein source to places where it is critical, like Indonesia.

To put the opposite example of that, there are 276 million cattle in the largest cattle-producing country in the world—that is India—where they pat and milk their cattle. There is an illegal trade that competes against us into Indonesia. It is also a great risk to Australia's foot-and-mouth-free status. All of these things need to be taken into account. I would love the opportunity to go through them in great detail but, with respect to my colleagues, I will end my remarks with that.

The DEPUTY PRESIDENT: Before I call Senator Back, I understand informal arrangements have been made for the conducting of this debate. So, with the concurrence of the Senate, we will set the clock accordingly. Thank you, Senator Heffernan; we did not have to sit you down.

**Senator BACK** (Western Australia) (17:31): I thank you, Mr Deputy President, for the opportunity to support the motion of Senator Heffernan. The winner out of the recommendations of the report of the Rural Affairs and Transport References Committee on animal welfare standards in Australia's live export markets and on the Live Animal Export (Slaughter) Prohibition Bill 2011
the target markets with which we operate. Only then, when we have that long, strong and ongoing involvement by government ministers at that level, will we see the involvement of bureaucrats, particularly in our target markets. Only then will industry be able to achieve in the long term the goals, expectations and outcomes that we want. I do urge that that occurs.

This inquiry largely dealt with the cattle industry, but the sheep industry and markets including the Middle East, Turkey, Russia and other places were addressed. I would urge that the outcomes of this report and its recommendations, including the recommendation of the Farmer report, which was commissioned by the minister during this whole process, are listened to.

From an animal welfare point of view it is critically important that, of the 109 countries around the world that export animals live, there is only one—and that country is Australia—which invests heavily in the target markets into which it operates in areas such as animal welfare, nutrition, husbandry, management et cetera. If we exit those markets, or are caused to do so, the losers will be animals because animal welfare standards will once again deteriorate. Not only will we lose the live animal export markets but also we will lose those markets for chilled and other meats in those areas. More importantly, we will lose our influence to improve animal welfare and husbandry standards in those places. I commend the report to the Senate. I commend the recommendations to industry and to all interested participants. This has been a round and robust inquiry. I am very proud of its recommendations. (Time expired)

**Senator EDWARDS** (South Australia) (17:35): I rise to support my colleague's comment in endorsing the recommendations of the report of the Rural Affairs and
Transport References Committee on animal welfare standards in Australia's live export markets and on the Live Animal Export (Slaughter) Prohibition Bill 2011 (No. 2) and the Live Animal Export Restriction and Prohibition Bill 2011 (No. 2). From the outset it must be remembered that this debacle was of the Australian government's creation. The Australian government chose to ban the live cattle export trade to Indonesia. The government's actions have caused substantial damage to cattle breeders and affiliated businesses across Northern Australia. We just heard an inspiring speech by Senator Sinodinos—his first speech in this place—referring to the great frontier men, the northern cattlemen, and how they had their hopes dashed in those 30 days.

The Australian government's responsibility for this cannot be understated. It is therefore only fitting that the government bear full responsibility for the impact of its actions and the effect they have had on Northern Australia. With regard to the events leading up to the ban, as the report highlights, no-one condones the animal welfare violations which were seen in the Four Corners footage. The extent to which stakeholders in this industry—peak industry bodies, the Australian government, exporters and so forth—knew about animal welfare abuses is contested and is unlikely to be agreed by all concerned. It is abundantly clear, however, that it was the decision of the Australian government that crippled much of Northern Australia during that time.

The committee happily endorses in its report the sentiment of Dr Temple Grandin:

I think using animals for food is an ethical thing to do, but we've got to do it right. We've got to give those animals a decent life and we've got to give them a painless death. We owe the animal respect.

It is important for Australia to remain engaged with Indonesia to act as an agent of change for animal welfare improvements, particularly at the point of slaughter. Notwithstanding that if Australia were to withdraw from the live cattle export trade to Indonesia it is probable that Indonesia would source live animals from elsewhere, animal welfare abuse against any animal, not just those from Australia, is abhorrent. Australia should remain engaged to provide proper animal-handling practices, not just for the benefit of Australian exports but for all animals bred for slaughter in Indonesia.

I want to talk about the devaluation of Northern Australian land. Landholders have been left with significant uncertainty. There are residual issues with bankers over the devaluing of their properties through that period of time and there remains a cloud of insecurity over them. We have all had to deal with bankers in our time and we all know that they are human. To think that they could contemplate this happening again, when we have not seen the return of the values that these cattlemen were enjoying in the region at that time. These people were operating legitimate and legal businesses until the government decided to take away the security of their livelihood.

The government assistance at the time was one size fits all, and I will be talking about this later on. But the glib announcements from the minister at that time that there would be $60 million of assistance and funding actually translated to interest rate subsidies on cattlemen's new borrowings of $60 million. I reserve the right to continue my remarks. (Time expired)

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (17:39): I am proud to follow my colleagues in this debate. I don't think there has been a committee where we have seen such an avid interest in the issue from all members of the committee on this side. It
was really quite extraordinary to see. What we saw with the government's banning of the live export trade was a very clear indication of the government's complete lack of understanding of rural Australia. They simply did not consider what the ramifications would be of banning the live export trade. They simply did not consider it. In the context of the inquiry, that became even more clear. We on this side of the chamber all knew what the ramifications were going to be. When we heard what had happened we knew what the ramifications were going to be, but through the course of the inquiry it became even more clear what they were going to be.

Let me read you one part of the report. We are talking about the announcement of the temporary suspension of live exports. Mr Philip Hams, one of the witnesses who appeared at the inquiry, said:

I was laying in bed at 12 o'clock one night when the news came on the ABC ... that the ban had gone on for the next day. Outside not too far from where I stay four helicopters parked up and a whole heap of RTA road trains parked up. There were probably 30 people ready to roll the next day and at 12 o'clock the new comes. It was like a train crash—it just goes, 'Whoompa!'

That is precisely what the government did not understand. The government were reacting to what seemed to them to be a wave of community sentiment. There were, I would have to say, a plethora of emails going through to the government, but they did not think. The government and the minister simply did not think about what the ramifications were going to be. It was a knee-jerk reaction. This is indicative of the fact that the government will not think things through and that they do not understand rural Australia.

One of the things that became very clear during the course of the inquiry was the incredible people out there in rural Australia, farming, managing, working—not just cattle producers but all the people involved in the flow-on businesses. In the very short time I have available to me I want to take the opportunity to thank them very much for their evidence, because it was pivotal in making a change. It was pivotal in changing the practices of the government, what they were doing and how this whole issue was going to be taken forward. I take my hat off to them and thank them for what they do for this country. The government should start recognising what rural Australians, those people and families, are doing for this country. I thank them.

Senator ADAMS (Western Australia—Deputy Opposition Whip in the Senate) (17:42): I rise also to say how much I appreciated the way people came forward to our inquiry. It was probably one of the most practical, hands-on inquiries, to follow on from what Senator Nash said. Having been a live sheep exporter for 38 years, I certainly understand how those people in the north felt. None of us liked what we saw on Four Corners. That was absolutely dreadful. I think it was an ill wind that has probably done a lot of good in educating the general community. I know that these bills were to stop the export trade forever, but thank goodness the committee came to the conclusion that it does not recommend that either of these bills be passed. That was the consensus of our committee.

To go to Senator Nash's point about the process that was used, it was an utter disaster. Once again, there was no understanding of how this industry works. I feel very sorry for all the people involved. Some of them will never recover; others will. But it has been such a hard hit for all of them—for the pastoralists, the shipping people, the musterers and the hay exporters, who are mainly from the area I come from, the southern area of Western Australia. It has
just been so difficult for those men and women and their families trying to make ends meet after droughts, and then they were hit with a decision that was really nothing to do with them. And the way it was done too was hard—you just cannot cut off an industry like this. If that happened in the city, if something was closed down and the gates were locked and you could not go to work the next day, you can imagine what would happen. We had so many people saying, 'We can have abattoirs up in the north again.' I worked in the north years ago and the abattoirs were all closing down. They could not get manpower and the abattoirs were not suitable for what was being bred. Now we have specific cattle that are bred for the Indonesian market and people are doing a great job with the blood lines they are putting through. I think they should be given a chance to get on with what they are really good at and I wish them well in their endeavours.

Senator RHIANNON (New South Wales) (17:45): Unfortunately, this report does represent a lost opportunity to end the live export trade and a lost opportunity to introduce mandatory stunning. That should have been the very least that was gained out of this work. I thank both Senator Rachel Siewert and Senator Nick Xenophon for their work in initiating this inquiry. I congratulate Animals Australia and the RSPCA, and I really think that should be unanimous because from what I have heard everybody was disturbed about the animal cruelty that was witnessed. It was their work that ensured that this was exposed.

We know that the cruelty that was shown on the ABC Four Corners has not been resolved. Indonesia has no domestic animal protection laws to enforce mandatory stunning. The OIE guidelines and enforcement of standards in over 4,000 slaughter locations across Indonesia will obviously be near impossible or extremely costly to ensure that that occurs.

What is apparent is that both Meat and Livestock Australia and LiveCorp have failed to adequately monitor or improve animal welfare practices in foreign markets to which Australian animals are shipped. We really have to be clear here: it is implausible that MLA or LiveCorp were unaware of the animal welfare issues in Indonesia, including the failure of facilities where the slaughter of Australian cattle was not meeting OIE standards. The Greens agree with the committee view that the industry must review the delineation of authority and strengthen communication channels between government stakeholders and the community. Clearly, the government need to play a greater regulatory role over the industry to ensure the animal welfare standards which Australians expect should be met. It is crucial that the government take an active and hands-on role in the implementation of any traceability systems, including the auditing of such systems. This compliance and audit role cannot be left to third parties.

Ultimately, the Australian Greens believe that there is no way to implement safeguards that can guarantee the humane transport and slaughter of animals in overseas markets and so do not believe that the implementation of a traceability system will adequately protect Australian animals from cruel treatment. The need to look at how to improve and increase processing in Australia to support local producers and jobs remains a priority that the Australian Greens will pursue, and we believe should be the priority work of this parliament and this government, and should have been the outcome for this report.

Senator XENOPHON (South Australia) (17:48): Time is short so I will stick to the salient points. There is unanimity in this
chamber about issues of animal cruelty. We were all shocked by what we saw on the *Four Corners* coverage. From my visits to the Northern Territory, from my participation in this inquiry and in Western Australia, it must be noted that producers in Australia have high standards of animal welfare and act in good faith when it comes to live exports. They do not deserve to have their livelihoods put at risk because of regulatory and planning failures. But these issues have been raised on many occasions over the years.

There have been serious failures in the regulatory processes and Australian producers have been let down. It is still my belief that in the longer term we need to phase out the live animal trade, to process animals here and to value add here. But I acknowledge, as I did in the report to the committee, that there ought to be a longer time frame in conjunction with industry and RSPCA consultation. Three years is not practical.

We need to look at mandatory stunning. We need to look at the best practice. We also need to ensure that there are no exemptions to pre-slaughter stunning in all Australian abattoirs as well. On the one issue where I think there is unanimity with my colleagues in the coalition, there ought to be a much better system of compensation. The producers that have acted in good faith do not deserve to be out of pocket. I was very concerned by the evidence heard from good people who have done the right thing in the way they have looked after their animals in Australia. They deserve a much better system of compensation. Those involved in ancillary industries deserve much better compensation so that they are not out of pocket. There needs to be a much better way of dealing with this. Essential expenses are not currently covered under the existing compensation scheme and that is a very deep flaw.

It also needs to be taken into account that if we want to transition away from live exports and at the very least to ensure that there are fewer animals slaughtered overseas and more processed here we need to look at the economics of that. We need the feedlots, the economics and the infrastructure in place to allow for that. That would unambiguously be a good thing for producers to have greater choice in their markets. That is an issue that I like to think we can all work on constructively. Having said that, this is an important issue. The government in the short term needs to ensure that the producers are subject to much more generous compensation that is fair and equitable so that those in the north of Australia can deal with what has occurred recently as a result of what I believe was not their fault but regulatory failures on the part of other bodies.

**Senator EGGLESTON** (Western Australia) (17:51): I support the live export trade but do so on the understanding that Australian livestock are not subject to grossly inhumane treatment, as appears to have been the case in several Indonesian abattoirs. I would like to focus on our relationship with Indonesia. The Indonesian government was caught completely off guard when the Gillard government stopped the live export trade. There was no call from the Prime Minister to the President of Indonesia and no information whatsoever was given to the Indonesians. Yet the live export cattle trade from Australia is a very vital part of their food chain and protein supply.

I happen to know that from the very highest levels of the Indonesian government there was enormous irritation, even anger, and great surprise that the Australian government had treated them so discourteously. It is a very interesting story.
During estimates I asked the head of the Department of Foreign Affairs and Trade whether the government had sought advice from them before the ban was imposed and I was told that, indeed, the government had. I asked what the advice was. I was told it was not to impose the ban in the way that was subsequently done but to have discussions with the Indonesians. That was very important.

Indonesia is our closest neighbour. It is a country which is very friendly towards Australia. It is very important that this government in particular needs to learn to deal more sensitively with Indonesia and the countries of the Asian region in general. Rather than the imposition of this blanket ban without notice, it would have been much more preferable if the Australian government had discussed the problem with the Indonesians and sought a joint solution.

The impact of the ban on the cattle industry, particularly in the north-west of Western Australia, where I came from before I came into the Senate and where I attended hearings on this matter, was enormous. The pastoralists of the Pilbara and the Kimberley were hit very badly by this export ban and, unfortunately, their cattle have now grown too heavy to be exported to Indonesia. Eighty Indigenous properties across the north of Australia, employing some 14,700 people, were also affected by the ban. The bottom line is that we must learn from this experience and never again treat our close neighbour and friends in Indonesia in the way that they were treated in this case. We also need to remember that there are people, businesses and livelihoods involved in the farming organisations which were affected by this ban.

Senator IAN MACDONALD (Queensland) (17:54): So that Senator Colbeck can have a very brief stay I am going to confine my remarks to about two minutes. I draw the Senate's attention to the last two recommendations of this report— that is:

6.45 The committee recommends that the Australian government, in consultation with the live export industry and other ancillary businesses develops a package of further assistance or reallocates existing packages of assistance to address those identifiable and otherwise irrecoverable financial costs incurred as a result of the temporary suspension of live cattle exports to Indonesia.

A lot of people who cannot afford it lost a lot of money through no fault of their own. I hope and urge the government will take notice of that recommendation to get a proper package of assistance ready.

I also draw to the Senate's attention the final recommendation, which, summarising, asks the government to establish a dialogue with financial institutions with regard to the financial difficulties faced, as a result of the suspension, by producers and businesses involved in the live export cattle industry. It is an area that I come from—it is Northern Australia's biggest industry apart from mining—and banks are being rather nasty to people up that way in the approaches they are taking. I hope the government and the Treasurer can put some pressure on the banks to get them to deal very leniently with their defaulting beef producer clients. There is a way through it. The banks will not achieve anything by foreclosing on farmers. If it were possible for them to work cooperatively and for the government to lean on the banks to do that then we might get something out of this. I will conclude my remarks there so that my colleague may be able to have 60 seconds or so.

Senator COLBECK (Tasmania) (17:56): I acknowledge Senator Macdonald for giving me a few moments on this report, which is a very important one. I acknowledge Senator
Siewert too, who has not sought the call, because I know this is an important issue to her and she has spent a lot of time working on this through estimates and through the committee process.

This report again highlights the failure of the government's decision-making processes. We learnt through the estimates process and through freedom of information documents that have been released that the government made this decision to ban the live export trade through a cabinet process but without formal papers. We know, through that process, that the government was not in possession of all of the information or, most critically, the impact on the industry in Northern Australia. They were not appraised of what that impact was going to be because they had not sought that information.

In the lead-up to this decision, in fact the day before the decision was taken, when the Minister for Foreign Affairs was talking to his Indonesian counterpart, we know that the discussions the government had were that it would continue to work with the Indonesians to resolve the issues that needed to be resolved within the live cattle trade. I acknowledge comments in Senator Xenophon’s dissenting report where he indicates that it is a tragedy that it takes such a crisis to make the quantum leap that has occurred in this particular trade. I hope that the government is now alert to the fact that it needs to work very closely with our trading partners. In fact, I have had that conversation with the RSPCA and other people who are interested in this, that the government needs to be proactive in working with our trading partners so that every effort is made to ensure that high animal welfare practices are in place.

It is also a disgrace that the Indonesians found out about this decision to ban the trade in the media. Despite the fact that they were having conversations about us continuing to work with them, they had to find out through the media that the decision-making process was not robust enough to ensure that there was proper communication. I have had the opportunity to see what good can be done when we work closely through the provisions that are put in place in Egypt. It is a tragedy that some people will never recover from this bad decision. I urge the government to seriously consider the recommendations of the report.

The ACTING DEPUTY PRESIDENT (Senator Crossin): Order! The time allotted for this debate has expired.

BILLS

Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.

Senator BOYCE (Queensland) (18:00): It has been an afternoon for quotations. I think the government, including their partners, the Greens, should very much keep in mind the adage, ‘As ye sow, so shall ye reap.’ The Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011 produces a very pale imitation of the commitment made by the coalition—the coalition of the Liberal and National parties, I might point out—during the election campaign to establish an independent, and fearless therefore, Parliamentary Budget Office. In fact, the legislation was introduced by the shadow Treasurer, Mr Joe Hockey, into the House of Representatives on 22 August. Soon after, on 24 August, we had the government bringing in its own pathetic
attempt at a bill to establish a Parliamentary Budget Office.

There is nothing at all independent or useful about the organisation that the government is going to set up. For a start, it will be within Treasury, basically, and it will do the bidding of Treasury—or whoever the government chooses to ask it to do it for. It will immediately release information on costings it has been asked to do and it will release those costings as soon as they are done. I am very concerned at the cynicism of this apparent exercise by the government in this area, because what body, what group within this parliament, is going to give the government their figures and the costings without an opportunity to review them themselves?

As the shadow Treasurer, Mr Hockey, pointed out, there was an example at the last election, where costings were done by Treasury on some of our policies that suggested that there would be a shortfall. After the election, Treasury agreed with Mr Hockey and Mr Robb that the interest rate we had chosen to use was the correct one. Of course, the damage had already been done. The government had run around, based on the incorrect assumptions used by Treasury, to claim that there was a black hole in our election costings.

The purpose of having a Parliamentary Budget Office is to give every person in the Senate and every member of the House of Representatives the opportunity to get sensible and independent economic advice and costings on policy ideas. This will not happen if these figures are not able to be kept private whilst people work through what may be wrong assumptions or matters that they did not take into consideration when they first raised the policy idea. There must be a confidential service for costing policy proposals for all MPs and senators—the opposition, minor parties, Independents and even government backbenchers if they have the courage to put forward policy ideas that differ from those of their party. It must be a crucial and non-negotiable element of the legislation that this confidentiality is available. It will be absolutely pointless and useless to have a Parliamentary Budget Office that does not include the prospect of confidentiality. Senator Cormann will shortly be moving amendments to seek to ensure that this is what happens. We will not be submitting our policy costings to either Treasury or a Parliamentary Budget Office prior to an election if we do not have the opportunity to talk to the body doing the costing about assumptions that underlie the costings or even perhaps—though highly unlikely—errors made in costing the policies in the first place.

The Charter of Budget Honesty was actually brought in by the Howard coalition government. Its primary task was to ensure that a government could not mislead the public prior to an election about the state of the fiscal position. It was put in place because of the misleading and disastrous position that the Howard government discovered when the Keating government went out of power in 1996. The Labor Party has really never used the facility at all—not in opposition, not in government. In 2007 and in 2010 they released their full policy costings the day before the election—with the intended idea that this could not be challenged in any sensible way. There were shortcomings with the Charter of Budget Honesty, and one of those was that the service was not confidential; hence our promise at the last election, our commitment at the last election, to have a confidential costing service available to any member of this place who wants to develop policy and find out what the fiscal effects of that policy would be. Under the government's scheme,
members of parliament would have no control over the timing of release of policies. They would not have the prerogative to decide to change their policy or amend their policy if the costing turned out to be substantially different from what was expected. So why on earth would they bother?

The point of a Parliamentary Budget Office is to improve governance and policy-making in this place. The only way that that can happen is if members of the opposition and members of minority parties have the same access to information that Treasury and Finance do, but they do not because this bill is designed to ensure they do not. The Parliamentary Budget Officer will have no right to seek information, in fact from anywhere; no right to ask people to appear before him or to pass on information. You cannot arrive at accurate and agreed costings unless there is the opportunity to test those costings with people who understand what is happening in the field. The idea of a Parliamentary Budget Office as we set it out was to level the playing field so that not just the government has the ability to access Treasury and Finance figures but there is the opportunity for everyone to access proper information.

This is a very important change, if it is done properly, to assist in good government of this country. It means that the opposition, the alternative government, would have the opportunity to properly test its policies against the figures that are available but not given to anyone by the government. We have so many examples where the government have chosen to keep secret parts of the modelling—we need only to go back to the carbon tax—they have used. There is no opportunity other than the work—the very good work—done by many stakeholder organisations to disprove the government's figures. The government might like it that way now but they need to remember that they will be in opposition very soon and that a system with probity and that is independent would help. It is quite interesting to note that Senator Sherry in 1997 said:

Costings of opposition policy can only be undertaken at the discretion of the Prime Minister. This is unbalanced and clearly advantages the incumbent government. Only costings of previously announced policies is allowed—that is, policy decisions would have to be made on the basis of incomplete information and be announced.

The paragon of all things good governance, the Leader of the Australian Greens, Senator Bob Brown, said he would be moving amendments so that:

… all participants in elections can avail themselves of having their policies vetted. I think it should be expanded beyond Labor, Liberal and Democrats to all players …

These people are right: that is how it should be. It should provide objective and impartial advice and it should be able to do so in a confidential manner for the person or the party seeking the information. It is very, very short-sighted of this government and their coalition friends the Greens not to accept the amendments that we will be proposing to this bill.

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:11): I rise to conclude the second reading debate on the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011 and, in doing so, want to make this comment: it has been interesting to watch—intermittently; I agree I have not been glued to the television set for the entirety of the debate—the opposition try to justify their position. We had some extraordinary contributions. I have to say that Senator Joyce's was one of the oddest. There was discussion of Monty Python and
hermaphrodites. I am not quite sure what that has—

Senator Cormann: I am sure you enjoyed his contribution. You were glued to the television.

Senator WONG: 'Enjoy' is not the word I would have used, Senator Cormann. I think sometimes it would be useful if he recalled the fact that he is in the federal parliament and spoke accordingly.

My broader point is this: the opposition have not been able to justify the position that they are now putting, and nor have they tried. They have not tried to justify the fact that they signed up to this report—

Senator Boyce: The fact that yours is useless?

Senator WONG: No, the fact that they, Senator Boyce—your representatives—signed up to the report, which is faithfully reflected in the bill, and you are now changing your position.

Senator Cormann: We are not changing our position. This has been our position for a very long time.

Senator WONG: Did you not read, Senator Cormann—

Senator Cormann: This has been the opposition's position for a very long time.

Senator WONG: It is interesting, Senator Cormann: I think I listened to Senator Boyce in silence but you cannot help yourself, can you?

We on this side happen to believe that the establishment of a Parliamentary Budget Office is very significant and very important, and there was a time when the opposition thought so too. Mr Pyne and Senator Joyce signed up to the report, signed up to the recommendation, and said, 'Yes, we're in.' Now what are they doing? They are crab-walking away from their commitment.

The legislation before the chamber is important legislation. It is a permanent reform. It will build on Australia's already very strong fiscal frameworks. It will ensure greater accountability and transparency in policy-making. It will promote greater understanding in the community about fiscal policy and, importantly and relevantly, it will ensure that the Australian public are kept better informed about the fiscal impact of policy proposals, particularly during the election period.

These reforms will allow all parliamentary parties and Independent members to have their policy costed by the PBO. Confidential policy costings are possible. The opposition keep suggesting they are not possible. They are. Not in a caretaker period but outside the caretaker period of a general election, members and senators will be able to request confidential policy costings. They will be able to test policies, they will be able to amend policies, they will be able to rework them, they will be able to develop different options—all of these things will be available to the opposition, all costed confidentially by the PBO outside the election period. But Mr Hockey is either too lazy or too incompetent to understand that and so now has a fig leaf around no confidentiality and the need for transparency during the caretaker period, a position advocated by Mr Peter Costello— they are Peter Costello's caretaker conventions of the Charter of Budget Honesty. Now Mr Hockey is saying, 'Oh no, we do not want that.' Inconvenient, this budget honesty thing, is it not? It is inconvenient, this budget transparency thing—inconvenient to actually have to front up to the Australian people and tell them what your policies cost.

During general elections, as I have said, the election policy costing service will be fully transparent, with costings made available to the public. This is exactly as
proposed by Peter Costello when he introduced the Charter of Budget Honesty Act in 1998. I note that there are no interjections now.

**Senator Cormann:** What did you do in 2007?

**Senator Wong:** At the time Peter Costello introduced the Charter of Budget Honesty Act, he said:

By requiring the costs to be made publicly available, there is limited scope for the results of the costs to be misrepresented.

This is what the opposition wants to walk away from. It is a transparency requirement which is fundamental to ensuring that Australian voters are informed about the fiscal impact of election policies before they cast their vote. The Parliamentary Budget Office will help to ensure that the Australian people will not again be subjected, as they were at the last election, to a veritable avalanche of fiscal lies. We know that the opposition had an $11 billion black hole in their election costings. We know that and nothing they say can hide that. That is what occurred in the last election campaign. What we know is that the opposition spent that campaign trying to avoid public scrutiny of their election policy costings under the Charter of Budget Honesty.

Now they are creating excuses to hide from public scrutiny, walking away from the very model they signed up to earlier this year. The bill will provide the opposition with an advantage no other opposition has ever had. No other opposition has ever had the sorts of advantages which are provided for in the bill before the chamber. The opposition would have access to a confidential costing service outside of a general election period—never provided before—and a fully transparent costing service during a general election. The opposition will have two options when it comes to costings. They will be able to elect to have Treasury and Finance cost their election policies or they will be able to elect to have the PBO do it, but they will have no excuse. They will not again be able to hide their policy costings from public scrutiny.

As I said earlier, a very important fact is this: the government's bill is based on the model recommended by the Joint Select Committee on the Parliamentary Budget Office. Every single member of that committee supported the model the government is now putting forward. The Liberal Party signed up to the model in March this year. There was broad Parliamentary representation on the committee. It included members of the Liberal Party, the National Party, the Labor Party and the Australian Greens and an Independent member of parliament. It included two shadow ministers—Senator Joyce and Mr Christopher Pyne as deputy chair. This is how good the member for Sturt's word is. He is now walking away from a report he signed up to because it is inconvenient. We on this side welcomed the bipartisan support for this proposal—the bipartisan inquiry, the bipartisan recommendations. That is why it is so deeply disappointing to see the opposition come in here and walk away from the model which was recommended by the joint select committee and supported by the opposition.

The fact that the opposition are now walking away from what they signed up to can only be understood in one way—a continued intention to deceive the Australian people about the cost of their policies. That is the only explanation for their position, that they no longer want to support a Parliamentary Budget Office and that they no longer wish to support the Charter of Budget Honesty proposition. It is a very clear indication that the Liberal Party want, yet again, to keep the Australian people in
the dark at the next election when it comes to policy costings, just as they sought to at the last election.

It is very instructive to consider what occurred after the last federal election, which, as we all know, was a very close election, in the process of discussions between Mr Abbott and the Independents and between the Prime Minister and the Independents. We owe a debt to the crossbenchers in the lower house because they ensured that the holes in the opposition’s costings were made transparent to the Australian people. What we have to ensure, in the interests of democracy, is that that cannot occur again. You cannot rely on a hung parliament and a process of analysing costings being required by Independents to help them determine whom they are going to support to form government to disclose the sorts of errors—deliberate or otherwise, who knows?—contained in the election costings of the opposition.

This is particularly relevant at this time for two reasons. One is that we know from Mr Robb that the opposition have to make some $70 billion worth of cuts just to get to the starting line. I have said before in this place that we know that the largest parts of the budget are defence, social security, health and education. If you are going to cut $70 billion out of the federal budget, you have to take a substantial slab out of those areas; otherwise you are not going to be able to do it. I think the Australian people deserve to know where that money is coming from. I think the Australian people deserve to know that.

If the opposition were as good as they say they are, they would not be scared of putting up their policy costings and they would not be scared about telling Australians which part of the social security system or which part of education they are going to cut. These are the people who say, ‘We are such great economic managers; we are going to make our numbers add up.’ If you are so sure of it, why are you opposed to a Parliamentary Budget Office which is going to help you do that, which you signed up to and which will enable you to put your costings transparently to the Australian people? There is only one answer to that and that is that you do not want to tell people, you do not want the costings public and you do not want to be transparent—despite all your words.

The second reason it is important, apart from those more electoral and political aspects of the fiscals, is the broader economic environment. Given the uncertainty in Europe and given the importance of responsible fiscal policy, it is incumbent upon parties of government to demonstrate their fiscal positions, their budget positions and how they are going to pay for things. Again, I do not think the opposition wants to do that. We have seen that in the last fortnight. I do feel somewhat sorry for Senator Cormann. We have all been in internal discussions at different times in our political lives on the losing side of an argument. He was very publicly on the losing side of an argument which involved Mr Abbott deciding to spend money he does not have. I do say to Senator Cormann that, if he is serious about showing himself to be a responsible economic spokesperson, he really ought to do away with this pretence that his opposition to this bill is based on anything other than very base political motives. There is no principle in this; it is simply that the opposition do not want to be held to account on their policy costings.

I have circulated a letter—I trust Senator Abetz has passed it on to Senator Cormann—to the opposition, to Senator
Joyce, Senator Bob Brown and Senators Madigan and Xenophon. The letter has attached to it a minute from the secretaries to Treasury and Finance and Deregulation which outlines the difficulties associated with what is being proposed by Senator Cormann. While we do not have substantial time for the committee debate, I am happy to address it in part during the committee debate. I will briefly touch on it here. The secretaries' advice is very clear as to the problems associated with amending the bill to allow the PBO to provide confidential costings during the caretaker period. The secretaries' advice makes the very clear point that the proposal is inconsistent with the Charter of Budget Honesty. It is also inconsistent with constraints associated with the caretaker conventions. The secretaries make the point also that such an amendment will create an environment which enables game playing and the secretaries also make reference to the resource implications of the increased workload which would arise.

The first two, for the purposes of this discussion, are probably the most relevant and most important in terms of the opposition's response. The opposition should consider very carefully the advice of these apolitical officers in the Public Service who are very senior officials heading Treasury and finance when they speak about the way in which the opposition's proposals are inconsistent with the Charter of Budget Honesty. The opposition, in continuing in the face of this advice and in the face of the propositions which have been put to them, are really walking away for their own political purposes from the framework Mr Costello set up when he was Treasurer, a framework set up by a man whom the opposition continue to point to as being such a great Treasurer and continue to point to as their bastion of fiscal and economic responsibility. He is their hero.

People in this chamber have lauded Mr Costello up hill and down dale for many years, but they cannot answer the basic question of why they are walking away from the framework he put in place. The only reason they are walking away is that they do not want to have to front up to the Australian people and disclose what their policies cost. It is demonstrated that this particular economic team of the opposition has been unable to get their costings right. We have had the $11 billion black hole. We have had the compete stuff-up in the floods costings and now we have continued spending promises being made by the opposition which are not funded.

The only thing they can do in response to that is not to do the hard yards; it is to engage in the same sort of dishonesty which we saw at the last election where the opposition failed to tell Australian people the truth about what their policies would cost. That is manifesting in the context of this debate with their opposition to a Parliamentary Budget Office which they previously supported. In March of this year, they signed up to a model of the Parliamentary Budget Office which was endorsed by members of their own frontbench, including the Leader of the National Party in the Senate. They are now walking away from it and they have not proffered any reason to this chamber nor of the Australian people as to why they are doing so. I say the only reason they are doing it is that they do not trust themselves to do what this economic team has not yet done, which is to get their costings right. So they do not want to be held to account during the election campaign.

I have a view that numbers do matter, particularly in the current economic environment. I do have a view that Australians are entitled to know the choices that politicians make. Budgeting is all about
choices. Sometimes those choices are not particularly happy; sometimes they are difficult. Parties are defined by the choices they make and what they prioritise. For example, the Labor Party has prioritised in recent decisions the increase in wages for low-paid workers in the social and community services sector. That is an indication of priorities. I think the opposition should be required to tell the Australian people what their priorities are. Their priorities are demonstrated not by the chest beating, not by the yelling, not by Mr Abbott doing his one-liners, his three-word grabs about taxes and the sky falling in; they are demonstrated by the policies they put to the Australian people, by what they choose to fund and by what they choose to cut in order to fund it. That is the business of government. It is regrettable, in a party that previously cared about this, that there is an economic team, of which Senator Cormann is part, who do not seem to believe that that is part of their job within our democratic tradition, that their job is also to say to the Australian people: ‘These are our policies. This is what they will cost. We have made sure those costings are correct. This is how we are going to fund them.’ On these key issues, the opposition are found wanting.

The parliamentary Budget Office is an important and necessary step to improve the quality of the management of our nation's finances. But it has to be a strong and effective Parliamentary Budget Office. It has to be a truly independent Parliamentary Budget Office. The bill before us, the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011, seeks to establish a Parliamentary Budget Office that falls well short of those very important aspirations.

The Minister for Finance and Deregulation, Minister Wong, came into this chamber trying to give the coalition a bit of a lecture on sound financial management. Let me just make this observation. The coalition does not have to take any lessons from the Labor Party when it comes to sound financial management. When it comes to sound financial management, Minister Wong is long on rhetoric and very short on delivery, because she is part of a government that has delivered four successive deficit budgets, including two of the largest deficit budgets in the history of the Commonwealth, both in dollar terms and as a share of GDP. Minister Wong is part of a party, the Labor Party, which has not delivered a single surplus budget in more than 20 years. People across Australia know that, when it comes to financial management, the Labor Party in government stuffs things up, and people across Australia know that it always comes down to the coalition to fix up the mess that was created by the Labor Party in government. This is a Labor government in the true tradition of past Labor governments, which spends too much and then has to go for one ad hoc tax grab after another to try and make up ground. Even as it is going through these multibillion-dollar tax grabs, it actually makes further promises, meaning that the budget ends up being even worse off than when the government started imposing a new tax.
I well remember sitting with Minister Wong in a Lateline interview during the budget, when Minister Wong was queried: 'Why is it that the government hasn't included the revenue from the carbon tax in its budget figures? Why is it that the government hasn't included the expenditure attached to the carbon tax in its budget figures?' This is a minister who wants to give us lessons on transparency when it comes to financial management, who wants to tell us about being transparent with the Australian people about budget estimates and budget information. The government produced a budget, when it knew that it wanted to impose a carbon tax, without even including any of the revenue estimates or any of the expenditure estimates, knowing that the employment figures in the budget were wrong, knowing that the CPI figures in the budget were wrong. That is the record of Senator Wong.

Do you know what Senator Wong's excuse was at the time? Senator Wong's excuse was: 'Don't you worry about that. It doesn't matter, because the carbon tax is going to be budget neutral. We're going to raise all these billions of dollars of revenue off businesses across Australia and we're going to introduce all of these additional expenses, but don't you worry; it is going to be budget neutral, so it won't matter.' Well, we now know what the definition of 'budget neutral' is in Senator Wong's language. The definition of 'budget neutral'—to the extent that Senator Wong and the government have fessed up to it so far—is an additional $4.3 billion hit on the federal budget that was not disclosed at budget time, back in May 2011. We know that, from the Mid-Year Economic and Fiscal Outlook in November 2010 to the budget just six months later, there was a massive deterioration in the budget bottom line—an $8½ billion deterioration in the budget bottom line for 2010-11 and another $10 billion deterioration in the budget bottom line for 2011-12. We know that that has got worse since then.

Let me just talk about transparency around the fiscal impact of government or opposition initiatives. This is a government that is not even transparent about the fiscal impact of its current initiatives. This is a government that proposes to introduce a massive new tax in the mining sector and attaches a whole series of promises to it, and it is not prepared to be transparent about the revenue estimates that are the foundation of the mining tax revenue. It is not prepared to be transparent even about the cost of all the measures that it has attached to it. It is not prepared to be transparent about the cost of the promises it has made as part of the mining tax package.

Here we have a minister who tries to give us all a lecture that is long on rhetoric, but, when it comes to actually delivering now, to being transparent now, she is nowhere to be found. This is a minister that is part of a government that treats this Senate with absolute contempt, which is why it is important for us to give the Parliamentary Budget Office appropriate powers in terms of accessing information, in terms of making its own economic and budget estimates forecasts independent from Treasury, independent from government. This is a government that has had in front of it, for three or four weeks, an order of the Senate to produce costings in relation to all the promises attached to the mining tax. This is a government that has ignored an order of the Senate with a deadline of 8 November—it did not respond to it at all. This is a government that has a terrible track record when it comes to financial management. This is a government that has yet again, in the bad old tradition of Labor governments in the past, made a complete mess of our public finances.
They now try to ratchet up the rhetoric; they now try to yell and scream the loudest to make people out there believe, somehow, that they might be bad but that others might be worse. Let me tell you this, Minister: people across Australia know that the coalition has a strong track record when it comes to sound financial management. People across Australia know that the Labor Party has a disastrous track record when it comes to financial management. I move opposition amendment (1) on sheet 7177:

(1) Schedule 1, item 16, page 7 (line 29) to page 8 (line 10), omit subsections 64E(2) and (3), substitute:

(2) For the purposes of performing his or her functions under subsection (1), the Parliamentary Budget Officer may prepare, or have regard to, either or both of the following:

(a) economic forecasts;

(b) budget estimates (whether at the whole of government, agency or program level).

This amendment will help to establish a Parliamentary Budget Office that is truly independent and will ensure that we have a Parliamentary Budget Office that can actually pursue its own economic forecasts and its own preparation of budget estimates. The amendment relates to the functions of the Parliamentary Budget Officer. Currently, schedule 1, item 16, section 64E(2) prevents the Parliamentary Budget Officer from preparing economic forecasts or preparing budget estimates. Proposed section 64E(3) states:

... the Parliamentary Budget Officer must use the economic forecasts and parameters and fiscal estimates contained in the most recent relevant reports ...

That is a completely inappropriate constraint on the Parliamentary Budget Office. To use only the official economic and budget forecasts in its work is an inappropriate constraint from undertaking independent assessments or analysis of the economic or fiscal impacts of policy proposals.

These subsections also seem to be at odds with the purpose of the Parliamentary Budget Office outlined in proposed section 64B, which states that the purpose of the Parliamentary Budget Office is to provide:

... independent ... analysis of the budget cycle, fiscal policy and the financial implications of proposals.

The way the legislation is currently drafted would seem to prevent the Parliamentary Budget Office from preparing longer run economic or budgetary projections beyond the period of the forward estimates.

Let me just quickly reflect on this whole issue of making assessments of the period beyond the forward estimates. Again, I say to people across Australia: do not listen to what this minister says; watch what this minister does. Do not listen to what the Gillard government says; watch what the Gillard government does. Here the minister was talking about transparency and the importance of integrity in the way you present your information around the fiscal impact of various initiatives. Let us look at how the government goes about this. When it comes to the carbon tax, we were told by the government that they could not possibly provide us estimates of the fiscal impact beyond the current forward estimates. In fact, we were told that longer term fiscal costings have a low reliability and are therefore misleading. That is what we were told by the government. But former Prime Minister Rudd was pursuing the Carbon Pollution Reduction Scheme, he published a 10-year forecast for the fiscal impact of the Carbon Pollution Reduction Scheme in his budget papers. That was Prime Minister Rudd. Obviously, we had issues with former Prime Minister Rudd's proposals for a carbon pollution reduction scheme, but at least he was open and transparent enough to present
information in his budget papers about the fiscal impact over a 10-year period.

Under the Gillard government, which was supposed to be a new era of openness and transparency, that has gone. We are now told: 'No, you can't do that. You can't possibly do that.' The opposition cannot do it in relation to the government; but of course the government can do it in relation to the opposition. This is the hypocrisy of it all. This government is all about politics and not about delivering good policy. It is a completely different rule for us. It is one rule for them and another rule for us. Everybody in this chamber would remember—and I am sure Senator Macdonald and Senator Cash and Senator Adams would well remember—when the Gillard government used the so-called department of climate change figures to assess the fiscal impact of the coalition's policy through to 2020. That is five years beyond the forward estimates. That was after they had told us: 'No, no, no, we can't give you the figures about the fiscal impact of our carbon tax beyond the current forward estimates because longer term fiscal costings have a low reliability and are therefore misleading.' As soon as they said that, to justify hiding information about the impact of their policy out they went on a political attack, just running the rhetoric, as this minister and the government always do. Here they go—they put out a press release in which they say:

The economically irresponsible Direct Action policy would necessitate the Coalition needing to spend $5.2 billion on international permits in 2020 to meet the bipartisan target of minus 5 per cent.

That is supposedly in addition to the $2 billion that direct action would spend on domestic abatement.

The Prime Minister repeated that again yesterday, but the department of climate change has since conceded that its figuring on coalition direct action is a little rubbery. Answering a question on notice about those numbers a couple of days ago, this is what Minister Combet now says:

The Department agrees with the Treasury that longer-term fiscal costings have a lower reliability than those over the forward estimates. The Department agrees with the Treasury that the fiscal estimate of climate change policies can only be prepared to budget quality over the forward estimates period.

The reason I read this out is that it demonstrates the importance of having a parliamentary budget office that is independent from government because we have a government now, and we might well have a Labor government in the future, that politicises the Public Service, that uses Treasury, that uses the department of climate change inappropriately and that compromises hardworking public servants. This is a government that politicises, that has a track record of politicising, the federal Public Service. Of course, they have verbally the Public Service. They give them directions that are inappropriate and of course they run spin after spin after spin. The minister comes out here again today perpetuating this lie out of context that, somehow, we have a $70 billion black hole. It is just not true. What the minister does is add in all of the revenue from all of its new and increased taxes, assuming that somehow we will lose all of that revenue without losing any of the related expenditure. That of course is completely wrong. The record already shows that on getting rid of the carbon tax and associated measures or on getting rid of the mining tax and associated measures, even when you do not rescind the increase in compulsory superannuation contributions, the budget is actually better off. The budget is better off by scrapping the mining tax package even if we do not rescind the increase in compulsory superannuation. These are all important
matters. They demonstrate the importance of the Parliamentary Budget Office having an independent capacity—indeed from government, from Treasury and from other departments that are part of government—to come up with credible independent economic forecasts and budget estimates.

This is why I, on behalf of the coalition, have moved the amendment, which would see sections 64E(2) and 64E(3) omitted. I have moved that they be replaced with proposed section 64E(2), which gives the Parliamentary Budget Office the powers to prepare its own economic forecasts and budget estimates or to have regard for existing economic forecasts or budget estimates as it sees fit. This would allow the Parliamentary Budget Office to fully meet its objective of providing truly independent analysis of fiscal policy and the financial implications of proposals. If the government were serious about having a strong, effective, independent Parliamentary Budget Office they would support this very sensible amendment.

Senator Wong (South Australia—Minister for Finance and Deregulation) (18:46): As tends to be Senator Cormann’s wont he has sought in volume to exceed the merit of his arguments. Certainly there was a lot of shouting in that contribution but, if I may say, very little of merit that warrants much attention. But I will go through a number of propositions in relation to the issues he raised. I see Senator Macdonald is on his feet. I would make the point that I am responding to the senator's own speech.

Senator Ian Macdonald: Mr Temporary Chairman, I rise on a point of order. We now have 10 minutes left to do all of these amendments and vote on five bills. The minister is now going to take the time of the Senate in, as she said, not answering anything, because she claims there is nothing to answer. Could I ask you, Mr Chairman, if you might give me the call so that I can raise—

The TEMPORARY CHAIRMAN (Senator Mark Bishop): What is the point of order, Senator Macdonald?

Senator Ian Macdonald: That the call should have been given to someone who wants to ask questions.

The TEMPORARY CHAIRMAN (Senator Mark Bishop): The calling of senators to speak is within the discretion of the chair under the standing orders. I saw Senator Wong stand first. Senator Wong has the call.

Senator Ian Macdonald: I stood first.

Senator Wong: The opposition previously spoke and we do generally go to both sides of the chamber, as you know. If you have an issue perhaps your spokesperson might be someone you could speak to. I am going to respond to a number of the propositions that were raised, because I think—

Senator Ian Macdonald interjecting—

Senator Wong: You are so relevance deprived—

The TEMPORARY CHAIRMAN (Senator Mark Bishop): Do you have a point of order, Senator Macdonald?

Senator Ian Macdonald: I want to move that so much of standing orders be suspended as would—

The TEMPORARY CHAIRMAN (Senator Mark Bishop): Senator Macdonald, you know that you cannot do that.

Senator Ian Macdonald: Why?

The TEMPORARY CHAIRMAN (Senator Mark Bishop): Because there is a motion before the chair. You know that, Senator Macdonald.
Senator Ian Macdonald: Mr Temporary Chairman, I want to move that the standing orders be set aside.

The TEMPORARY CHAIRMAN (Senator Mark Bishop): Senator Macdonald, I am advised by the Clerk that that is a fresh motion. It may not be done whilst there is a motion before the chair. Do you have a point of order?

Senator Ian Macdonald: Yes, that I am moving that whatever orders we are—

The TEMPORARY CHAIRMAN (Senator Mark Bishop): No, you are ruled out of order, Senator Macdonald. That is the advice I have received from the Clerk. You know that. Resume your seat, Senator Macdonald.

Senator Ian Macdonald interjecting—

The TEMPORARY CHAIRMAN (Senator Mark Bishop): Senator Macdonald, I am not making a ruling; I am just applying the standing orders. The minister has the call.

Senator WONG: If I may say—

Senator Ian Macdonald: This is outrageous. The debate is being guillotined and the minister is now going to filibuster.

Senator WONG: I think what is outrageous is someone who is so relevance deprived coming in here and taking spurious points of order and then they cannot bear that someone else is on their feet and is the centre of attention for a moment.

Senator Ian Macdonald: You have guillotined this debate.

Senator WONG: Senator Macdonald, you are a serial offender. Even those on your side are embarrassed by you. If I may return to the debate—

Senator Cash: No, we aren't.

Senator WONG: That is true. Senator Cash may not be. She may not be amongst those. I will return to the debate—

Senator Cormann: Mr Temporary Chairman, I rise on a point of order. The minister is now imputing motive to senators on this side which is incorrect. She is not allowed to impute motive to senators. She would know that and you should get her to withdraw the imputation.

Senator Ian Macdonald: Mr Temporary Chairman, on the point of order. This is a travesty of justice. We have five minutes left, due to a guillotine applied by the Labor Party and the Greens, to deal with five bills plus the nine amendments we have on this bill. Mr Chairman, you are allowing Senator Wong to waste the precious time we have left to deal with these nine amendments and five other bills in the next 10 minutes.

The TEMPORARY CHAIRMAN (Senator Mark Bishop): There is no point of order. Senator Wong has the call.

Senator WONG: I was trying to respond to Senator Cormann's speech in the Committee and also to the amendment. First, I want to place on record my disappointment that Senator Cormann has persisted with the attack on the Public Service that we have seen from the opposition in the context of this bill, particularly in the House of Representatives. I say this to Senator Cormann: if he is serious about being a senior economics spokesperson I do not think it behoves him to come into this chamber and accuse the Treasury and Finance departments of being politicised.

Senator Cormann: I am accusing you.

Senator WONG: He is now interjecting, through you, Mr Chairman, and accusing me—

Senator Cormann interjecting—
The CHAIRMAN: Order, Senator Cormann!

Senator WONG: I am a minister and I am a member of a political party—that is hardly a secret. But that is not what you said, Senator Cormann. What was asserted was the politicisation of the Public Service. I want to place on record that I believe that the comments made in the other place in the context of this bill, about the politicisation of the Treasury—personal comments and attacks on Dr Henry—were reprehensible. And I would have regarded them as being reprehensible had they been made by Labor members in opposition. Economic spokespeople from the opposition, like Senator Cormann, ought to put those things to bed. They ought to say: 'We do not agree with those propositions which were put by members on our side'—because the Treasury and the Department of Finance and Deregulation are important institutions in our economic framework and they ought to be defended by spokespeople with responsibility for those portfolios. Instead of defending them, you have gone along with it—and, really, it is quite shameful. That is the first point.

The second point I want to respond to was Senator Cormann's assertion, in the context of his amendment, that we had made up the $70 billion figure. That is a lie. I invite him to look at the transcript of at least two interviews by his senior economics spokesperson, Mr Robb, including on Meet the Press, where he made it clear that the $70 billion was your figure. I think the quote was something like, 'No, it's not a furphy.' So don't come in here, Mr Chairman—Senator Cormann and accuse the government of making up a figure that your own finance spokesperson has made public. Of course, as you know, Senator Cormann, that $70 billion figure does not include the subsequent spending you have now engaged in.

Senator Cormann: You are spinning it in a dishonest way, and you know it.

Senator WONG: Senator Cormann, you had your opportunity. I am now on my feet.

Senator WONG: You cannot come in here—through you, Mr Chairman—Senator Cormann and accuse the government of making up a figure that your own finance spokesperson has made public. Of course, as you know, Senator Cormann, that $70 billion figure does not include the subsequent spending you have now engaged in.

Senator Cormann: That is actually wrong.

Senator WONG: It does not include the subsequent—

Senator Cormann: No, that is not right.

Senator WONG: I will take that interjection. He says I am wrong. That figure was put out there by the finance spokesperson for the coalition. Subsequent to that, we then have additional spending decisions by Mr Abbott, contrary to the advice of Senator Cormann, where apparently there is now a multibillion-dollar promise from the coalition in relation to the spend on superannuation that is funded by the mining tax.

Opposition senators interjecting—

The CHAIRMAN: Order on my left!

Senator WONG: I am a minister and I am a member of a political party—that is hardly a secret. But that is not what you said, Senator Cormann. What was asserted was the politicisation of the Public Service. I want to place on record that I believe that the comments made in the other place in the context of this bill, about the politicisation of the Treasury—personal comments and attacks on Dr Henry—were reprehensible. And I would have regarded them as being reprehensible had they been made by Labor members in opposition. Economic spokespeople from the opposition, like Senator Cormann, ought to put those things to bed. They ought to say: 'We do not agree with those propositions which were put by members on our side'—because the Treasury and the Department of Finance and Deregulation are important institutions in our economic framework and they ought to be defended by spokespeople with responsibility for those portfolios. Instead of defending them, you have gone along with it—and, really, it is quite shameful. That is the first point.

The second point I want to respond to was Senator Cormann's assertion, in the context of his amendment, that we had made up the $70 billion figure. That is a lie. I invite him to look at the transcript of at least two interviews by his senior economics spokesperson, Mr Robb, including on Meet the Press, where he made it clear that the $70 billion was your figure. I think the quote was something like, 'No, it's not a furphy.' So don't come in here, Senator Cormann, and say, 'Senator Wong has just made it up; she shouldn't be believed'. We took it from you! That is what you say is the black hole you have to fill, that is the extent of the cuts you will have to find—

Opposition senators interjecting—
Senator WONG: Mr Chairman, I wonder if I could have only one of them interjecting at a time. I have got three at the moment and I just wonder which of them you would like me to respond to.

The CHAIRMAN: Order!

Senator Cormann interjecting—

The CHAIRMAN: Order! Senator Cormann! Interjections are disorderly. Also, Senator Wong, would you direct your remarks to the chair, not across the chamber. Senators on my left are not to interject. Senator Wong, you have the call.

Senator WONG: Thank you, and I will attempt to do so.

Senator Ian Macdonald: On a point of order, Mr Chairman: We now have three minutes left to deal with nine amendments and five new bills and this government, because of its—

The CHAIRMAN: Senator Macdonald, there is no point of order.

Senator Ian Macdonald: deal between the Greens and the Labor Party, is filibustering on this last three minutes.

The CHAIRMAN: Senator Macdonald, there is no point of order.

Senator Ian Macdonald: It is outrageous.

The CHAIRMAN: Senator Macdonald, there is no point of order. Senator Wong, you have the call.

Senator WONG: Thank you, Mr Chairman. I turn now to the amendment which was moved and I will make a couple of comments on that. The government opposes this amendment. I would ask Senator Cormann to recognise that in moving it he is actually moving a position different from that which was signed up to by his colleagues in the joint committee report on the Parliamentary Budget Office. There is a lengthy discussion in chapter 3. If you look at the concluding comments, which commence on page 45, I would make this point. This is what was signed up to by Senator Joyce and Mr Pyne in March this year. It is amazing what a difference a few months make. It says:

In fulfilling this mandate, it is further proposed that the key functions of the PBO are to prepare responses to the requests of individual Senators, Members and ... committees ... There is then a further discussion exactly on the point that Senator Cormann raises with this amendment. It says:

Given the resource intensive nature of the work and the need to minimise the duplication of work produced elsewhere, the PBO should not be required to produce its own fiscal forecasts. Rather, it should provide analysis of the Government’s fiscal forecasts, commenting on the assumptions, judgements and overall reliability of Government assessments.

Senator Cormann ought to explain to this chamber why it is that in March 2011 senior shadow ministers, including the leader of the National Party in this chamber, agreed—

Senator Cormann: On a point of order, Mr Chairman: the minister has just invited me to respond to her contribution.

Senator WONG: No, this is not a point of order.

Senator Cormann: It is a point of order.

The CHAIRMAN: It is not a point of order. It is a debating point, Senator Cormann; it is not a point of order.

Senator Cormann: Mr Chairman, I seek leave to move a motion to enable this debate to be extended to enable the coalition to
make a further contribution to the debate responding to the invitation from Minister Wong.

The CHAIRMAN: Senator Cormann, you cannot seek leave whilst there is a question before the chair.

Senator Cormann: I can seek leave.

The CHAIRMAN: You cannot, not to move a motion while there is a question before the chair. Senator Wong, you still have the call.

Senator WONG: Thank you, Mr Chairman. I was simply making the point that this issue—

Opposition senators interjecting—

Senator WONG: I would have been finished far earlier if you had just stopped interrupting me. This issue was considered by the joint committee and was unanimously supported. The position that Senator Cormann is now putting is inconsistent with the position that has been agreed to by the leader of the National Party in this chamber.

The CHAIRMAN: Order! The time allocated for consideration of this bill and the five other bills listed on today's Order of Business has expired. The question is that amendment (1) on sheet 7177 be agreed to.

The committee divided. [19:04]

(The Chairman—Senator Parry)

Ayes.................29
Noes....................36
Majority..............7

AYES

Adams, J (teller)  Back, CJ
Bernardi, C  Birmingham, SJ
Boswell, RLD  Boyce, SK
Brandis, GH  Cash, MC
Colbeck, R  Cormann, M
Edwards, S  Eggleston, A
Fawcett, DJ  Fieravanti-Wells, C
 Fifield, MP  Fisher, M
Heffernan, W  Humphries, G
Joyce, B  Macdonald, ID

AYES

Madigan, JJ  Mason, B
McKenzie, B  Nash, F
Parry, S  Payne, MA
Ronaldson, M  Ryan, SM
Williams, JR

NOES

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

PAIRS

Abetz, E  Collins, JMA
Bushby, DC  Conroy, SM
Johnston, D  Sherry, NJ
Kroger, H  Carr, KJ
Sinodinos, A  Evans, C

Question negatived.

Senator CORMANN (Western Australia) (19:07): by leave—I move amendments (2) to (9) and (12) on sheet 7177:

(2) Schedule 1, item 16, page 8 (lines 14 to 29), omit section 64F, substitute:

64F  Information gathering powers and secrecy

(1) The Parliamentary Budget Officer has the powers and obligations set out in Schedule 2.

(2) A person who has obtained information in the course of performing a function of the Parliamentary Budget Officer has the obligations set out in clause 4 of Schedule 2.

CHAMBER
[information gathering powers and secrecy]
(3) Schedule 1, item 16, page 9 (line 22), omit "; and", substitute ",."

[information gathering powers and secrecy]
(4) Schedule 1, item 16, page 9 (lines 23 to 25), omit paragraph 64H(3)(d).

[information gathering powers and secrecy]
(5) Schedule 1, item 16, page 9 (lines 26 and 27), omit the note.

[information gathering powers and secrecy]
(6) Schedule 1, item 16, page 10 (lines 10 and 11), omit "publicly announced".

[requests for costings—requirement for public announcement]
(7) Schedule 1, item 16, page 10 (line 25), omit "publicly announced".

[requests for costings—requirement for public announcement]
(8) Schedule 1, item 16, page 11 (line 20) to page 12 (line 31), omit sections 64L and 64LA, substitute:

64L Public release of policy costings

(1) The Parliamentary Budget Officer must publicly release a policy costing if requested to do so by:

(a) if the costing was requested under subsection 64H(2)—the Senator or Member who made the request; or

(b) if the costing was requested under subsection 64J(2)—an authorised member of the Parliamentary party that made the request; or

(c) if the costing was requested under subsection 64J(5)—the independent member who made the request.

(2) The Parliamentary Budget Officer must not otherwise publicly release a policy costing.

64LA Public release of responses to other requests by Senators or Members

(1) The Parliamentary Budget Officer must publicly release a response to a request under paragraph 64E(1)(c) if requested to do so by the Senator or Member who made the request.

(2) The Parliamentary Budget Officer must not otherwise publicly release a response to a request under paragraph 64E(1)(c).

64LB Public release of submissions and other work

The Parliamentary Budget Officer must ensure that the following are made publicly available:

(a) requests by Parliamentary committees referred to in paragraph 64E(1)(d), and the submissions prepared in response to those requests;

(b) the results of any work done in the performance of the functions of the Parliamentary Budget Officer under paragraph 64E(1)(e).

[public release of costings, responses, submissions etc.]
(9) Schedule 1, item 16, page 13 (lines 1 to 7), omit section 64M and the note, substitute:

64M Disclosure of personal information

A requirement to publish under this Division does not authorise the disclosure of personal information (within the meaning of the Privacy Act 1988) without the consent of the individual concerned.

[information gathering powers and secrecy]
(12) Schedule 1, page 20 (after line 20), at the end of the Schedule, add:

19 At the end of the Act
Add:

Schedule 2—Information gathering powers and secrecy

Note: See section 64F.

1 Relationship of information gathering powers with other laws

The operation of clause 3:

(a) is limited by laws of the Commonwealth (whether made before or after the commencement of this Act) relating to the powers, privileges and immunities of:

(i) each House of the Parliament; and

(ii) the members of each House of the Parliament; and

(iii) the committees of each House of the Parliament and joint committees of both Houses of the Parliament; but

(b) is not limited by any other law (whether made before or after the commencement of this...
(4) A determination under section 71 may prescribe scales of expenses to be allowed to persons who are required to attend under this clause.

(5) In this clause:

Agency has the same meaning as in the Financial Management and Accountability Act 1997.

authorised officer means a person who:

(a) is an official within the meaning of the Financial Management and Accountability Act 1997; and

(b) is authorised by the Parliamentary Budget Officer, in writing, to exercise powers or perform functions under this clause.

4 Confidentiality of information

(1) A person commits an offence if:

(a) the person discloses information; and

(b) the information was obtained by the person in the course of performing a function given to the Parliamentary Budget Officer by this Act or another Act.

Penalty: Imprisonment for 2 years.

(2) Subclause (1) does not prevent the Parliamentary Budget Officer from disclosing particular information to the Commissioner of the Australian Federal Police if the Parliamentary Budget Officer is of the opinion that the disclosure is in the public interest.

5 Sensitive information not to be disclosed

(1) The Parliamentary Budget Officer must not include particular information in a policy costing, response or submission, or in any document publicly released by the Parliamentary Budget Officer, if:

(a) the Parliamentary Budget Officer is of the opinion that disclosure of the information would be contrary to the public interest for any of the reasons set out in subclause (2); or

(b) the Attorney-General has issued a certificate to the Parliamentary Budget Officer stating that, in the opinion of the Attorney-
General, disclosure of the information would be contrary to the public interest for any of the reasons set out in subclause (2).

(2) The reasons are the following:

(a) it would prejudice the security, defence or international relations of the Commonwealth;
(b) it would involve the disclosure of deliberations or decisions of the Cabinet or of a committee of the Cabinet;
(c) it would prejudice relations between the Commonwealth and a State;
(d) it would divulge any information or matter that was communicated in confidence by the Commonwealth to a State, or by a State to the Commonwealth;
(e) it would unfairly prejudice the commercial interests of any body or person;
(f) any other reason that could form the basis for a claim by the Crown in right of the Commonwealth in a judicial proceeding that the information should not be disclosed.

(3) The Parliamentary Budget Officer cannot be required, and is not permitted, to disclose publicly or to:

(a) a House of the Parliament; or
(b) a member of a House of the Parliament; or
(c) a committee of a House of the Parliament or a joint committee of both Houses of the Parliament;

information that subclause (1) prohibits being included in a policy costing, response or submission, or in any document publicly released by the Parliamentary Budget Officer.

(4) In this clause:

State includes a self-governing Territory.

[information-gathering powers and secrecy]

The CHAIRMAN: The question now is that amendments (2) to (9) and (12) on sheet 7177 circulated by the opposition be agreed to.

Ayes .................29
Noes .................36
Majority ..............7

AYES
Adams, J (teller)  Back, CJ
Bernardi, C  Birmingham, SJ
Boswell, RLD  Boyce, SK
Brandis, GH  Cash, MC
Colbeck, R  Cormann, M
Edwards, S  Eggleston, A
Fawcett, DJ  Fiealvanti-Wells, C
Fifield, MP  Fisher, M
Heffernan, W  Humphries, G
Joyce, B  Macdonald, ID
Madigan, JJ  Mason, B
McKenzie, B  Nash, F
Parry, S  Payne, MA
Ronaldson, M  Ryan, SM
Williams, JR

NOES
Arbib, MV  Bilyk, CL
Bishop, TM  Brown, CL (teller)
Brown, RJ  Cameron, DN
Crossin, P  Di Natale, R
Farrell, D  Faulkner, J
Feeney, 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
Siewert, R  Singh, LM
Stephens, U  Steele, G
Thistlethwaite, M  Urquhart, AE
Waters, LJ  Wong, P
Wright, PL  Xenophon, N

PAIRS
Abetz, E  Collins, JMA
Bushby, DC  Conroy, SM
Johnston, D  Sherry, NJ
Kroger, H  Carr, KJ
Sinodinos, A  Evans, C

Question negatived.
Senator CORMANN (Western Australia) (19:12): The opposition opposes item 16 in schedule 1 in the following terms:

Schedule 1, item 16, page 15 (line 27) to page 16 (line 14) section 64U **TO BE OPPOSED**
[public release of costings, responses, submissions etc.]
Schedule 1, item 16, page 16 (line 15) to page 17 (line 6), section 64V **TO BE OPPOSED**
[information gathering powers and secrecy]

Question put.

The committee divided [19:12]
(The Chairman—Senator Parry)
Ayes........................36
Noes........................29
Majority..........7

AYES
Arbib, MV
Bilyk, CL
Brown, RJ
Conroy, SM
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Stephens, U
Thistlethwaite, M
Waters, LJ
Wright, PL

NOES
McKenzie, B
Parry, S
Ronaldson, M
Williams, JR

Noes..............30
Majority........6

NOES
Adams, J (teller)
Bernardi, C
Boswell, RLD
Brandis, GH
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Fisher, M
Humphries, G
Kroger, H
Madigan, JJ

McKenzie, B
Parry, S
Ronaldson, M
Williams, JR

Noes..............30
Majority........6

NOES
Adams, J (teller)
Bernardi, C
Back, CJ
Birmingham, SJ
Boyce, SK
Cash, MC
Cormann, M
Fawcett, DJ
Fifield, MP
Heffernan, W
Joyce, B
Macdonald, ID
Mason, B

Nash, F
Parry, MA
Ryan, SM

Pairs
Carr, KJ
Collins, JMA
Evans, C
Hogg, JJ
Sherry, NJ

Johnston, D
Scullion, NG
Aberz, E
Eggleston, A
Sinodinos, A

Question agreed to.

The CHAIRMAN: The question now is that the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011 be agreed to without amendments.

Question put.

The committee divided. [19:16]
(The Chairman—Senator Parry)
Ayes .........................36
Noes .........................30
Majority .................6

AYES
Arbib, MV
Bilyk, CL
Brown, RJ (teller)
Conroy, SM
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Stephens, U
Thistlethwaite, M
Waters, LJ
Wright, PL

NOES
Adams, J (teller)
Bernardi, C
Back, CJ
Birmingham, SJ
Boyce, SK
Cash, MC
Cormann, M
Fawcett, DJ
Fifield, MP
Heffernan, W
Joyce, B
Macdonald, ID
Mason, B

Back, CJ
Birmingham, SJ
Bill agreed to.
Bill reported without amendments; report adopted.

Third Reading

Senator CORMANN (Western Australia) (19:19): I seek leave, responding to a request by Minister Wong, to provide further explanation to the chamber about the deep flaws in the Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011 and the coalition’s ideas on how this bill can be further improved. I seek leave to move a motion that debate on this bill be extended by a further hour to enable the Senate to further explore the deep flaws in this bill and to assess and discuss the many coalition suggestions on how this bill can be improved so that Australia can have a strong, effective and independent Parliamentary Budget Office.

Leave not granted.

The DEPUTY PRESIDENT: Order! The time allotted for the consideration of this bill has now expired. The question is that the remaining stages of the bill be agreed to and the bill be now passed.

Question put.
Senate divided. [19:21]
(The Deputy President—Senator Parry)

Ayes .................36
Noes .................30
Majority.............6

AYES

Arbib, MV Bishop, TM Bilyk, CL
Bishop, TM Brown, RJ Cameron, DN
Brown, RJ Conroy, SM Crossin, P
Conroy, SM Di Natale, R Farrell, D
Di Natale, R Faulkner, J Feeney, D
Faulkner, J Furner, ML Gallagher, AM
Furner, ML Hanson-Young, SC Ludlam, S
Hanson-Young, SC Ludwig, JW Lundy, KA
Ludwig, JW Marshall, GM McEwen, A
Marshall, GM McLucas, J Milne, C
McLucas, J Moore, CM Polley, H
Moore, CM Pratt, LC Rhiannon, L
Pratt, LC Steier, R Singh, LM
Steier, R Stephens, U Sterle, G
Stephens, U Thistlethwaite, M Urquhart, AE
Thistlethwaite, M Waters, LJ Wong, P
Waters, LJ Wright, PL Xenophon, N
Wright, PL

NOES

Adams, J (teller) Back, CJ
Bernardi, C Birmingham, SJ
Bernardi, C Boswell, RLD Boyce, SK
Boswell, RLD Brandis, GH Bushby, DC
Brandis, GH Cash, MC Colbeck, R
Cash, MC Cormann, M Edwards, S
Cormann, M Faieravanti-Wells, C Fisher, M
Faieravanti-Wells, C Fifield, MP Humphries, G
Fifield, MP Heffernan, W Kroger, H
Heffernan, W Joyce, B McKenzie, B
Joyce, B Macdonald, ID McKenzie, B
Macdonald, ID Mason, B Parry, S
Mason, B Nash, F Payne, MA
Nash, F Payne, MA Ronaldson, M
Ryan, SM Williams, JR
Wright, PL Williams, JR

CHAMBER
Question agreed to.

Bill read a third time.

Higher Education Support Amendment Bill (No. 2) 2011
Tax Laws Amendment (2011 Measures No. 8) Bill 2011
National Residue Survey (Excise) Levy Amendment (Deer) Bill 2011
Indigenous Affairs Legislation Amendment Bill (No. 2) 2011
Defence Legislation Amendment Bill 2011

Second Reading

The DEPUTY PRESIDENT: In respect of the Tax Laws amendment (2011 Measures No. 8) Bill 2011, the question is that schedule 2 stand as printed. That has been circulated on the revised opposition amendment sheet 7181. Is everyone clear on the question now before the chair?

Senator Ian Macdonald: I am not clear on this. Have we debated this particular amendment?

The DEPUTY PRESIDENT: In accordance with the resolution that the Senate passed on Monday, the bills cannot be debated. We are now putting the final stages of all these bills and amendments.

Senator Ian Macdonald: When you say, 'Is everyone clear on this?' I am not clear. How can we vote on something that we have not even discussed. This is a travesty of democracy.

The DEPUTY PRESIDENT: Senator Macdonald, the amendments have been circulated in the required time under the standing orders. I will put the question again so that senators are absolutely clear on the question. In respect of the Tax Laws Amendment (2011 Measures No. 8) Bill 2011, the question is that schedule 2 stand as printed.

Opposition's circulated amendment—
(1) Clause 2, page 2 (table item 2, 1st column), omit “Schedules 1 and 2”, substitute “Schedule 1”.
[Petroleum Resource Rent Tax]
(2) Schedule 2, page 5 (line 1) to page 6 (line 2), TO BE OPPOSED.
[Petroleum Resource Rent Tax]

Question put.
Senate divided. [19:27]

(The Deputy President—Senator Parry)

Ayes ......................36
Noes ......................30
Majority...............6

AYES
Arbib, MV
Bishop, TM
Brown, RJ
Conroy, SM
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Siewert, R
Stephens, U
Thistlethwaite, M
Waters, LJ
Wright, PL

NOES
Adams, J (teller)
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC

Back, CJ
Birmingham, SJ
Boyce, SK
Bushby, DC
Colbeck, R
The DEPUTY PRESIDENT: The question now is that the remaining stages of the Higher Education Support Amendment Bill (No. 2) 2011, the Tax Laws Amendment (2011 Measures No. 8) Bill 2011, the National Residue Survey (Excise) Levy Amendment (Deer) Bill 2011, the Indigenous Affairs Legislation Amendment Bill (No. 2) 2011 and the Defence Legislation Amendment Bill 2011 be agreed to and that these bills now be passed.

Question agreed to.

Bills read a third time.

ADJOURNMENT

The DEPUTY PRESIDENT: Order! I propose the question:

That the Senate do now adjourn.
Mental Health

Same-Sex Relationships

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (19:33): I have spoken on the topic of mental health on a number of occasions; however, I feel that now—with all the pressure of end-of-year exams, the unknown of new beginnings and the competition to attain the best academic points—is an important time to be reminded of the importance of positive mental health for our young Australians.

There can be a huge amount of pressure on young people in this day and age. With the expectations to achieve in a variety of fields, study hard, work hard, have a balanced social life, play sport, and the list goes on, sometimes I have to wonder: how do our young people cope? My thoughts are with Australia's teenagers and young adults, particularly at this time of year when many are undertaking end-of-year exams and hoping for enough points to go on and achieve their dreams. As a society we expect so much of these young people, but do we offer them enough support to cope with stress and mental illness and to maintain general mental health? I believe we have excellent support services in this country. There is 24-hour phone assistance as well as youth drop-in centres, counsellors in schools, large organisations focused on improving the mental wellbeing of our young people and much more.

However, I have to wonder, with the high rates of youth suicide in Australia, do we talk about the availability of these services enough? Suicide, particularly youth suicide, is a major public health issue in my home state of Tasmania, where the rate is 18 per cent higher than the national rate. According to the ABS, in the 15- to 19-year-old age group suicide accounted for a total of 113 registered deaths in 2003. There can be many causes of youth suicide, including depression, mental illness, body image issues, alcohol and drug related problems. Suicide is a particularly devastating occurrence, with the effects on the family and the wider community being significant. Statistically speaking, almost everyone in Australia is going to be affected by attempted suicide, death from suicide or the death of a loved one from suicide.

There are approximately 2,000 deaths from suicide each year in Australia. It is estimated that more young people die from suicide than from car accidents. Males make up 80 per cent of deaths from suicide while females make up 80 per cent of all suicide attempts. These statistics make it quite clear that it can happen to anyone. In 2002, suicide accounted for 25 per cent of all male deaths and 15 per cent of all female deaths in the 12- to 24-year-old age bracket. That is shocking and disturbing. We must do more to prevent this tragic loss of life.

I am passionate about the importance of life and feel very strongly about taking any and all steps to ensure the protection of our young people, who are our greatest resource. For that reason, I would like to take this opportunity to speak about some of the fantastic services available to our young people. I hope that those people listening and those in the chamber will have a conversation with their children, their friends, their grandchildren, and their nieces and nephews about the importance of looking after themselves physically and mentally for their holistic wellbeing. Headspace is the National Youth Mental Health Foundation, whose primary aim is to help young people who are going through a tough time. Youth aged between 12 and 25 can seek health advice, support and information from headspace, which has centres all around our great country. Headspace's focus is on assisting young
Australians with general health, mental health, counselling, education, employment and other services and with alcohol and other drug services. If you know of a young person who is feeling down or stressed, who cannot stop worrying or deal with school or who is being bullied, hurt or harassed, headspace is an organisation that can help.

Youthbeyondblue is another service available to young Australians who need assistance with mental health and wellbeing issues. Youthbeyondblue is an arm of beyondblue that has a specific focus on young people aged 12 to 25 years. Youthbeyondblue's programs and projects centre on early intervention and prevention of high-prevalence mental health problems for young people as well as on raising community awareness. Early intervention is a particularly important aspect of tackling the problem of youth depression and suicide. The earlier that help is provided, the better the chance of a positive outcome. Youthbeyondblue's key messages are: look for the signs of depression, listen to your friends' experiences, talk about what is going on and seek help together. Youthbeyondblue does a fantastic job conveying the message that it is okay to talk about depression.

Kids Helpline also is a service available to young people. Kids Helpline is a free 24-hour-a-day counselling service for young people between the ages of five and 25. I particularly admire the efforts Kids Helpline has made to be as accessible as possible to young people who need counselling, whether by telephone, email or over the web. The service aims to empower young people by assisting them to develop options and identify and understand the consequences of a particular course of action, by facilitating more productive relationships with family and friends and by providing information on local support services. Kids Helpline counsellors are fully qualified professionals who undergo additional accredited training at Kids Helpline.

I would like to acknowledge all the wonderful work that is currently being undertaken by government and non-government organisations in an effort to reach out to young people who are affected by suicidal thoughts, depression or any other mental illness. As can be seen, there are numerous groups and organisations working towards a brighter future for youth affected by mental illness. We can all help to spread their messages and make their services known. I hope my brief comments tonight will help to continue to raise awareness and encourage parents, grandparents, aunties and uncles to talk about depression.

I will turn to an issue that has been the subject of a number of speeches this week. It is fairly topical, at least within the Labor Party and, more recently, in this chamber. It is the issue of same-sex marriage. I will put on record my views about how important it is that we adhere to the Labor Party's platform, that we do not make any change to the marriage act and that the definition of marriage is not changed at national conference. The Prime Minister has put on the public record her belief in and commitment to the existing definition of marriage in this country. When I move around my home state and the country in my committee work—wherever I travel—people talk about this issue. They talk about it because it has been put into the political arena, not because they believe it to be one of the most pressing issues facing our community—it is a politically motivated agenda.

We all know that marriages fail, and that is considered to be one of the issues in the discussion about same-sex marriage. The definition of marriage has always been a union between a man and a woman. It has
been that way since time began. I am accused quite often in this debate about holding these views simply because I am a Christian. Yes, I am a Christian and I am very proud of my faith, but that is not the only reason I speak out on this issue. I speak out on it because I think it is fundamental as a cornerstone of our society and it is one that has held us in good stead. A recent survey of people's views on same-sex marriage in the Australian, a newspaper that is referred to quite often here, showed that unfortunately too many people are very complacent about this issue. But there are also those who tell you that they feel intimidated about speaking out publicly on this issue because they are fearful about being accused of being homophobic.

People in this chamber have spoken about the importance of recognising people's relationships. I make no judgment at all about whom one falls in love with. I believe that we as a community can and should acknowledge people's relationships. We removed discrimination laws in order to help achieve this. The Tasmanian government has led the way in this field by introducing a register in which people can register their relationship, whether it is a same-sex relationship, a heterosexual relationship or any other form of relationship, to protect their interests.

The argument has been made in this chamber that people's views would be different if they had a brother or sister or some other relative who was gay. Indeed, I have had many a debate with colleagues who say that my views would change too. I do have family and friends who are gay and in same-sex relationships, but that does not change my relationship with them one bit. It also does not change the view that I hold, and that I believe the majority of Australians hold, that the definition of marriage as being between a man and a woman should be retained, even as other relationships, such as same-sex relationships, should be acknowledged. That is why we have the Tasmanian register, which, I have to say, has not been overwhelmingly received within the community if you look at the number of relationships that are registered there. But I thought it was important tonight to put on the public record, as others have done here, that I support the Prime Minister and I sincerely hope that people will support her view at the national conference.

**Superannuation**

Senator **BUSHBY** (Tasmania—Deputy Opposition Whip in the Senate) (19:45): I note Senator Polley's comments earlier on about beyondblue. You may notice that I have been growing a moustache since the beginning of this month and that is in aid of Movember, which is raising money for both beyondblue and the Prostate Cancer Foundation. My main motivation for that was the fact that my father died of prostate cancer in 1994. But I acknowledge that it is also raising money for beyondblue, which is also an excellent organisation.

That is not why I rise tonight. I rise tonight to discuss the need for the Gillard government to be fairer when it comes to developing and applying its superannuation regulation policies. I use the word 'fair' as this was the word that the Assistant Treasurer used in the debate in the House on 3 November 2011 when he said:

Fees in superannuation are unfair, so we are going to have SuperStream and MySuper and make sure that we put downward pressure on fees and charges in superannuation. We are going to improve and reform the provision of financial advice in Australia.

In my view, and in those views that have been put to me by countless people involved in the industry, it would be an understatement to say that this government's
superannuation regulation policies are unfair in the extreme in the way they operate within the industry itself, to the detriment of those on behalf of whom the funds are managed. Further, the Labor government's approach is effectively locking out competition from the market, which can only lead to less than optimal outcomes for future retirees. These may sound like fairly strong assertions, but they are supportable.

Let me catalogue some of the instances of unfairness. As this year ends, we are now into the third year of unfair and anticompetitive allocation of default fund status under the Fair Work Australia regime. What we have is a system which entrenches super fund tenders into an industrial relations approach which predates the superannuation guarantee charge regime and which fails to successfully incorporate advances in the funds' management since that time. This throwback into the prechoice super fund era means that some low-cost funds, funds that meet all the criteria the government says it would like to see offered to super savers, are unable to tender to become default funds. Consequently, for most industries, employers can only choose a default fund from a narrow list of options which have been agreed by employers associations and unions. New offerings and lower cost options are effectively excluded. Worse, we have seen the Fair Work process add some funds to these default super options, including funds like the MTAA fund, which was added as a default fund at the same time as the Australian Prudential Regulation Authority was investigating it for losing lots of money and doing some things that were not in the interests of its members.

I challenge senators to give an example of any other industry which offers its products in such an anticompetitive environment, although I acknowledge that the government is working hard to turn the broadband industry into a similarly anticompetitive state. In this regard, well-known and successful super fund brand names have been excluded from competition. Successful brands with substantial capital backing such as AMP, BT, Colonial First State and MLC—some of whom have offered products in this segment for well over a century—have been locked out under Labor, despite their offerings being of proven stability and appeal. I am not sure how this contributes to fairness in superannuation. What is worse, this approach of locking out the competitors has spanned three ministers—Ministers Sherry, Bowen and now Shorten.

As we move into a new calendar year the government continues to unfairly favour some parties, mainly those backed by unions and unfairly populated with union officials as directors. And we still await some announcement from the Minister for Financial Services and Superannuation—who is, amongst other things, the minister for productivity—on how he intends to drive competition for super fund default flows, which account for at least 80 per cent of superannuation guarantee flows and are in the order of $50 billion annually.

The second superannuation related matter is the unfair treatment that the government affords financial planners relative to super funds. These two players in the financial services industry vie for business in the same industry, and it is appropriate that they do so on a footing that is not rendered unequal through the picking of winners by government. Few would argue in this chamber that we do not need some reform in the financial advice space, and the Ripoll committee has made useful recommendations in this regard. However, this government has gone about this job with a reformist zeal which exceeds the bounds of reasonableness, in the absence of a regulatory impact statement, under best
practice regulation. Indeed, the changes it is seeking to ram through go way beyond those recommended in the Ripoll report and seek to address high-profile issues in the industry by measures that address problems that were not the cause of those issues but which make good political points for the government.

In the absence of any international or domestic benchmarking, the government's plans to implement reforms to financial planning are likely to make financial advice more expensive and less accessible to many Australians. The government plans to ban certain payments for financial planners and raise the bar for the standard of advice—arguably of benefit if done well and in a way that does not impose unreasonable cost burdens, but if not done well it will impose costs which ultimately will be passed on to those needing advice and in some cases pushing that advice out of the reach of many.

More specifically, super fund trustees and senior management should disclose their remuneration arrangements. To the extent that it is beneficial for financial planners to disclose their payments and have others proscribed as well, surely it would be beneficial for super fund directors and management, who have responsibility for direct management of superannuation funds—a huge responsibility—to have similar disclosure obligations. If it is in the interests of those seeking to invest their funds that financial planners should have to disclose any related party transactions and conflicts of interest, it must also be in their interests of super funds, who also give financial advice to members, to come clean under an analogous regime.

What further concerns me is that our independent prudential and disclosure regulators appear to have turned a Nelsonian eye when it comes to these concerns and have apparently done precious little for a lot of super fund members when it comes to enhanced disclosure and governance, notwithstanding a legislative remit to take action in this domain. Again, to the extent that requiring financial planners to allocate every dollar of costs and revenue to a client's account and not receive hidden payments helps protect super account owners from conflicted decision making, surely any advice rendered to account holders within a super fund should be treated in the same way and, if so, would similarly protect account holders. The final concern I want to raise tonight is in the area of advertising. If a financial planner were to advertise that people should come to his or her business based on a wealth creation projection of 30 to 40 years, I am sure that ASIC would be knocking on their door asking them to explain why their licence to advise should not be withdrawn. It would simply not be acceptable for such a planner to advertise a general statement not backed by any analysis of a particular person's circumstances with a conclusion as to what the end balance available on retirement would be some 30 or 40 years in the future. But for some super funds, particularly the union backed industry funds, notwithstanding the fact that there has been a dramatic shift in market fundamentals and returns, a 40-year projection, as indicated by the poker machine reel on those ads, is fair game. Accordingly, I have asked ASIC to examine further this form of promotion, the extent to which these ads reasonably alert the targets of the ads to the vagaries and uncertainties of future projections and whether they may be misleading.

It is time for the minister to stay true to his fairness principle and apply fairness more broadly across his portfolio. With Australia's productivity and competition indices now exhibiting vortex-like characteristics, perhaps the minister should begin his quest
for fairness in his own backyard and before the end-of-year break announce that he will address some of the issues which I have identified today. To take these issues further, I have placed on notice a host of estimates questions for our regulators so I can explore the regulator's approach and its thinking on how best to ensure the interests of superannuation account holders are promoted. I look forward to the regulators rendering some guidance to the parliament within the time lines required.

The PRESIDENT: I understand there is an informal arrangement between Senator Rhiannon and Senator Carol Brown and the clock will be set accordingly.

Western Sahara

Senator RHIANNON (New South Wales) (19:54): Australian companies, apparently with the support of the federal government, are trading in phosphate mined in Western Sahara with no benefits going to the local people. Western Sahara, illegally occupied by Morocco, is Africa's last colony. The Moroccan government has no title to the resources that it is selling. The three Australian companies involved are Incitec Pivot, Impact Fertilisers and CSBP, which is part of Wesfarmers, which owns Coles supermarkets.

Morocco is the biggest phosphate exporter in the world, with 70 per cent of its foreign currency income coming from the phosphates trade. Even though it is 30 years since the Moroccan occupation, no country recognises that Morocco incorporates Western Sahara. The African Union and over 80 countries, including most African nations, do recognise the government of Western Sahara—the Sahrawi Arab Democratic Republic. International court rulings have determined that Morocco has no legal rights in Western Sahara.

Morocco has close allies in France and the US, both of whom are on the United Nations Security Council. They have used their veto power to prevent the UN from enforcing resolutions calling for Morocco's withdrawal, or at least a free and fair referendum. The Australian government has expressed its support for a referendum, but meanwhile it is doing nothing to stop the trade in Saharan phosphate.

Barrister Tim Robertson SC has called on the Australian companies involved in this phosphate trade to stop their imports from the region. He believes these importers are breaching international law and could end up having to pay compensation. Incitec Pivot and the other companies state on their import declaration forms that the phosphate is from Morocco. As that is not the case, it appears these companies are breaching the Customs Act, which in Australia is a criminal offence.

The United Nations has not imposed sanctions but has condemned the trade. The Australian fertiliser companies importing phosphate are aware of the UN position but say they will continue to buy phosphate until the Department of Foreign Affairs and Trade warns otherwise. Exiled Western Saharan and their supporters have said that this trade and the Australian money that goes to Morocco helps maintain the illegal occupation of Western Sahara.

In 2007, when the ALP was in opposition, their national conference agreed to back self-determination for Western Sahara and all UN resolutions to that effect. But since forming government Labor has essentially followed the policy in force during the Howard years, allowing Australian companies to benefit from theft from the people of Western Sahara. The Minister for Foreign Affairs, Kevin Rudd, should provide a lead now he is looking to engage more extensively in Africa.
Australia increased aid to Africa by over 40 per cent to an estimated $165.2 million in 2009-10 and this trend is set to continue. For the financial year ending 30 June 2011, Australian exports to Morocco reached $29.3 million and imports from Morocco totalled $88.7 million. Does the foreign minister support voting in the UN General Assembly for Western Saharan self-determination? Will the foreign minister take a stand on violations of human rights in the occupied territories of Western Sahara? Will the Department of Foreign Affairs and Trade recommend that Australian companies stop importing phosphate from the Western Sahara while the trade is controlled by the Moroccan government?

The European parliament is starting to shift on Western Sahara. The EU's development and budget committee has called on its parliament to reject the EU-Morocco fisheries agreement. It is time Australia reassessed its position on Western Sahara. We have a direct link to the exploitation of the land and its people. Catherine Lewis, a spokeswoman for the Australia Western Sahara Association, summed up this connection with phosphate from Western Sahara: 'The food on every Australian's table is fertilised by this stuff, so I believe this issue affects everyone in their daily lives.' I congratulate the Australia Western Sahara Association for their work on this issue and I look forward to a statement from the foreign minister, Mr Kevin Rudd, about the status of Western Sahara.

White Ribbon Day

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (19:58): As White Ribbon Day approaches this coming Friday, 25 November, it is timely to reflect on the campaign to eliminate violence against women both in Australia and overseas. I seek leave to incorporate my speech on White Ribbon Day.

Leave granted.

The speech read as follows—

In Australia today one in three Australian women have experienced physical violence since the age of 15, and almost one in five have experienced sexual violence.

Gendered crimes such as domestic and family violence and sexual assault remain unacceptably high in our community and in communities in our region and beyond.

In Australia, our Indigenous women and girls are 35 times more likely to be hospitalised than other Australian women and girls.

What is most alarming is that for the majority of women who have experienced this type of violence, it has happened in their own homes, by men who are known to them.

In addition to the obvious personal costs to the women involved, this violence costs our community in a number of ways.

A 2009 KPMG report commissioned by the Federal Government found that violence against women and their children cost the Australian economy $13.6 billion per year.

The economic impact was expected to rise to $15.6 billion by 2021.

That report also found that domestic and family violence was the major cause of homelessness for women and their children.

Physical and sexual violence against girls and women is shaped by attitudes and social norms, gendered inequalities of power, and a wide variety of other social factors.

We know that one key factor in defining gender relations and norms are men's attitudes and beliefs towards women.

The bulk of the research and evidence about gender roles and relations suggests that men who do not hold patriarchal and hostile gender norms are less likely than other men to use violence against women.
It is also important that our social norms and practices do not tolerate violence in intimate relationships or against women more generally.

Further, we need to ensure that women in our community are not isolated and can access resources and systems of support.

Whilst we know that we have some way to go, there are many initiatives in our community and beyond that are aimed at ending violence and promoting equality.

White Ribbon Day is one example and represents Australia's only national male-led campaign to break the silence and take action to prevent violence towards women in our community.

On the 6 December 1989, a man walked into a Canadian university and massacred 14 of his female classmates. His actions traumatised a nation and brought the issue of violence against women to the forefront of our collective consciousness.

Following this tragedy, a group of Canadian men decided that they had a role and responsibility in speaking out about stopping men's violence against women. Their efforts led to the White Ribbon Campaign held annually between 25 November and 6 December.

Subsequently, in 1999 the United Nations General Assembly declared 25 November as the International Day for the Elimination of Violence against Women, with a white ribbon as its iconic symbol.

Here in Australia, White Ribbon Day began in 2003 and we now play a role in what is regarded as the largest global male-led movement to stop men's violence against women.

The campaign works to change the attitudes and behaviours that lead to men's violence against women, working to shift social norms, gendered inequalities of power, and other social factors.

The key part of the White Ribbon initiative is inviting men to swear an oath never to commit, excuse or remain silent about violence against women.

This oath represents an active commitment to promote positive attitudes and behaviours towards women.

On 25 November each year, men and women across Australia are encouraged to wear a white ribbon as a symbol of this oath.

The wearing of the ribbon and swearing of the oath represents our commitment to the campaign, affirming the personal role that we all must play in challenging and changing the attitudes and behaviours which contribute to violence against women.

It is great to see thousands of male ambassadors swearing an oath and supporting the White Ribbon campaign.

Among the supporters there are sportsmen, celebrities, comedians, politicians and men from around Australia who have all made a personal and collective commitment to ending violence against women.

Of course it is also great to see women working alongside these men around Australia to promote the campaign.

And I believe that the campaign really is gaining momentum.

At last count almost 17,000 Australians had sworn their support.

In addition, around Australia there are events being held this Friday to mark White Ribbon Day.

In my home state of Tasmania there are a number of events state-wide with the official White Ribbon site hosted by Unions Tasmania, Zonta Women's International and the Department of Police and Emergency Medicine.

Just this weekend, I was pleased to see our major newspapers around Australia publishing articles about ending violence against women and the White Ribbon campaign.

One example was an article by David Penberthy which featured in the Daily Telegraph and Herald Sun.

In his piece, Penberthy wrote about the role men can play in taking a stand on violence against women.

Penberthy also talks about the gap between the zero-tolerance rhetoric on violence towards women in the immediate personal setting and instances of violence towards women in the more
distant context of friends and acquaintances, neighbours and work colleagues.

Penberthy's article helps highlight the need to break the silence—and foreshadows the work of Dr Michael Flood from the University of Wollongong in preventing men's violence against women.

Dr Flood's latest work is to be released on Friday to coincide with the 2011 White Ribbon Day campaign and I look forward to that report.

It is also important to acknowledge the work of the Australian Government in reducing violence against women and children.

The national plan to reduce violence against women and their children is an action plan and framework that has been endorsed by COAG.

The plan articulates the path towards achieving an Australia where women and their children live free from violence in safe communities.

It contains six key national outcomes to work towards from 2010 to 2022 to reduce the prevalence of domestic violence and sexual assault, increase the proportion of women who feel safe in their communities, reduce deaths related to domestic violence and sexual assault and to reduce the proportion of children that are exposed to their mother's or carer's experiences of domestic violence.

Overall, the plan highlights that whilst living free from violence is everyone's right, reducing violence is everyone's responsibility.

As women and men here in Australia, in our own homes, in our local communities, within our region and beyond we must continue to express and work towards a vision for a violence-free world.

We can all play a role in breaking the silence.

We can all work to ensure that we maintain strong networks of services by and for women who have survived violence.

The first and most basic step is having an open dialogue with the women and men in our lives about equality and respect.

In the lead-up to White Ribbon Day, we have an even greater opportunity to build awareness about violence against women.

We must continue to teach our daughters and our sisters to expect equality for themselves and others.

We need to teach our sons and brothers to question sexism and reject violence, to respect women as equals, and to change systems based on concepts of dominance.

We all need to support one another and protect ourselves.

We should do this with a sense of pride and empowerment as we continue the campaign to end violence against women at home and abroad.

Senate adjourned at 19:59

DOCUMENTS
Tabling

The following government documents were tabled:
Aboriginal and Torres Strait Islander Social Justice Commissioner—Reports for 2011—Native title.
Social justice.
Government response to Ombudsman's reports.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Climate Change and Energy Efficiency: Code of Conduct Investigations
(Question No. 1064)

Senator Abetz asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice, on 29 August 2011:

1. How many Code of Conduct investigations have there been within the Ministers portfolio for the financial years: (a) 2010-11; and (b) 2011-to date.
2. How many investigations established: (a) a breach; or (b) no breach, of the Code of Conduct.
3. In each case, what provisions of the Code of Conduct were thought to have been breached.
4. What penalties were applied where the Code of Conduct was broken.
5. How many investigations are ongoing.

Senator Wong: The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator's question:

1. There were five Code of Conduct investigations commenced in the 2010-11 financial year within the Minister's portfolio. No Code of Conduct investigations have been commenced in the 2011-12 financial year.
2. Three Code of Conduct investigations established breaches of the APS Code of Conduct. Two Code of Conduct investigations were discontinued due to employee resignation.
3. The cases involved suspected breaches of various provisions of the APS Code of Conduct, as follows:
   Case One involved suspected breaches of subsections 13(1), (2), (3), (4), (7), (11) of the Public Service Act 1999 (the Act).
   Case Two involved suspected breaches of subsections 13(5), (8), (11) of the Act.
   Case Three involved suspected breaches of subsections 13(1), (2), (11), (13) of the Act.
   Case Four involved suspected breaches of subsections 13(1), (2), (11) of the Act.
   Case Five involved suspected breaches of subsections 13(1), (2), (5), (7), (8), (9), (11), (13) of the Act.
4. The sanctions applied, when a breach of the APS Code of Conduct was determined, varied due to the individual circumstances of each case. The sanctions applied were as follows:
   Case One: a reassignment of duties; a deduction from salary, by way of a fine; and a reprimand.
   Case Two: a reduction in salary; and a reprimand.
   Case Three: a reassignment of duties:
a deduction from salary, by way of a fine; and
a reprimand.
(5) No investigation is ongoing.

Families, Housing, Community Services and Indigenous Affairs
(Question No. 1151)
Senator Cash asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 12 September 2011:

How many corporations are registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 and can the name of each Corporation, listed on an individual state/territory basis, be provided.

Senator Arbib: The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator’s question:

As at 20 September 2011, 2313 corporations were registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006. The table below provides details of the total number of corporations registered on a state/territory basis.

<table>
<thead>
<tr>
<th></th>
<th>WA</th>
<th>NT</th>
<th>QLD</th>
<th>NSW</th>
<th>VIC</th>
<th>SA</th>
<th>TAS</th>
<th>ACT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 20/09/11</td>
<td>673</td>
<td>582</td>
<td>490</td>
<td>378</td>
<td>75</td>
<td>75</td>
<td>21</td>
<td>19</td>
<td>2313</td>
</tr>
</tbody>
</table>

A list of registered corporations in each state/territory is available free of charge from the Office of the Registrar of Indigenous Corporations (ORIC) website, www.oric.gov.au. The list of registered corporations changes day-to-day and it is therefore recommended that the names of all registered corporation be downloaded directly from the ORIC website when it is required.

Climate Change and Energy Efficiency
(Question No. 1218)
Senator Boswell asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice on, 19 September 2011:

In regard to the manufacturing sectors support for trade exposed industries:
(1) Does the department agree that approximately one million people are employed by Australia’s manufacturing sector.

(2) How many of these manufacturing workers are employed in sectors that will receive assistance under the Government’s Jobs and Competitiveness Program.

(3) Has the department an estimate of the number of manufacturing jobs shielded by its Jobs and Competitiveness Program; if not, why not.

Senator Wong: The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator’s question:

(1) As of June 2010, the manufacturing industry employed approximately 950,000 people (ABS 8155.0: Australian Industry, 2009-10).

(2) Businesses across all manufacturing sectors will be eligible to apply for assistance under either the Jobs and Competitiveness Program (JCP) or the Clean Technology Program (CTP).

The JCP will provide assistance to manufacturers that generate over 80 per cent of the manufacturing sectors emissions. Further information on eligible activities is available at:
The Government's CTP, amounting to $1.2 billion over the forward estimates, has been developed to provide support to manufacturing industries not eligible for assistance under the JCP. The CTP includes three components:

- the $800 million Clean Technology Investment Program will provide grants to manufacturers to support investments in energy-efficient capital equipment and low-pollution technologies;
- the Clean Technology Food and Foundries Investment Program will provide grants worth up to $150 million over six years to the food processing industry and up to $50 million over six years to the metal forging and foundry industries. The grants will assist the industries to invest in energy-efficient equipment and low-pollution technologies, processes and products; and
- an additional $200 million over five years for grants to support business investment in research and development in the areas of renewable energy, low-pollution technology and energy efficiency.

A comparison of the number of workers in industries shielded from a carbon price is not an appropriate measure of the effectiveness of a scheme in preventing carbon leakage and providing transitional assistance. The JCP targets assistance to industries that are particularly emissions-intensive and therefore most exposed to the impact of the carbon price. The targeted nature of the JCP means that it will provide assistance to manufacturers that generate over 80 per cent of manufacturing sector emissions.

The European Union Emissions Trading Scheme (EU ETS) is likely to provide far less assistance to the more emissions-intensive sectors under phase III of the EU ETS than proposed under the JCP. This is because under the EU ETS:

- assistance allocations are to be based on the top 10 per cent most efficient installations rather than the average emissions intensity of the industry as per the JCP;
- assistance is only guaranteed in respect of direct emissions, while under the JCP assistance is provided for the carbon cost exposure associated with direct emissions and electricity use; and
- there is a cap on the proportion of free allocations that can be provided to industry which decreases over time – there is no such cap under the JCP.

In addition, the EU ETS has less tightly targeted assistance than the JCP. In the EU ETS, assistance is provided to a wider range of sectors, some of which are trade-exposed but not very emissions-intensive. Given that the total pool of permits available to industry is capped, increasing the number of sectors that are eligible for assistance potentially reduces the assistance provided to any given sector.

**Infrastructure and Transport**

*(Question No. 1265)*

Senator Siewert asked the Minister representing the Minister for Infrastructure and Transport, upon notice, on 4 October 2011:

(1) Is the Minister aware that the Victorian Department of Transport is ignoring the Disability Discrimination Act 1992 (the Act) by ordering $300 million worth of new trams which do not meet federal standards?

(2) Will the Commonwealth be providing any of the funds for these trams?

(3) Has any rationale been provided as to why the decision was made to order these new trams when they did not comply with the requirements of the Act?

(4) Is the Minister concerned that the Victorian Department of Transport in ordering trams that do not meet federal standards is discriminating against people with a disability?

(5) Is the Minister concerned that people living with a disability will not be able to use public transport?
Senator Carr: The Minister for Infrastructure and Transport has provided the following answer to the honourable senator's question:

1. The Victorian Department of Transport has advised my Department that the E-Class trams that it is procuring are compliant with the Disability Standards for Accessible Public Transport 2002.
2. No
3. Not applicable
4. Not applicable
5. Not applicable

Building the Education Revolution Program
(Question No. 1276)

Senator Milne asked the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, upon notice, on 12 October 2011:

In regard to the Building the Education Revolution program: (1) How many schools used the program funding to build a vegetable or kitchen garden, a kitchen or school dining facility. (2) Can a breakdown of these schools be provided by state and territory.

Senator Chris Evans: The answer to the honourable senator's question is as follows:

The Australian Government has committed funding of $16.2 billion to provide new facilities and refurbishments in Australian schools to meet the needs of 21st century students and teachers through the Building the Education Revolution (BER) program. Under BER Guidelines, Education Authorities were required to report on a range of project types. Vegetable or kitchen gardens, kitchen or school dining facilities were not identified for reporting as a discrete project type.

While schools may have included such features in their projects, for example kitchens/canteen facilities are often included in multipurpose halls, the Department is unable to provide the information sought, as this level of detail is not required to be reported.

Australian Men's Shed Association
(Question No. 1298)

Senator Abetz asked the Minister representing the Prime Minister, upon notice, on 31 October 2011:

1. What discussions were held by the Ministers and/or the Prime Minister, their offices or Departments with the Australian Mens Shed Association (AMSA) involving the appointment of Mr Andrew Stark as its Communications Manager.
2. What funding has the AMSA received from the Government in the 2010-11 financial year and how much will it receive in the 2011-12 financial year.
3. Was any of the funding provided to the AMSA on the basis that it would appoint a Communications Manager; if so, what were the reasons and proposed job description for the position; and was the department involved in the selection process.
4. Has the Minister or Prime Minister provided a reference to Mr Stark; if so, can copies be provided of any written reference or notes from a call.

Senator Chris Evans: The Prime Minister has provided the following answer to the honourable senator's question:
(1) None.
(2) The Department of the Prime Minister and Cabinet has not provided any funding to the Australian Men's Shed Association.
(3) Not applicable.
(4) No.

**Fair Work Australia**

(Question No. 1311)

Senator Abetz asked the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, upon notice, on 31 October 2011:

In regard to the Fair Work Act 2009 (the Act), right of entry provisions: (1) Is it open to Fair Work Australia to issue an exception certification in certain circumstances; if so, what are these circumstances. (2) Have any exception certificates been granted by Fair Work Australia; if so: (a) how many; and (b) in what circumstances. (3) What restrictions are placed on a permit holder's powers to protect confidentiality and trade secrets. (4) Which party bears the costs of: (a) a right of entry; (b) staff time allocated to the right of entry; and (c) photocopying for the purposes of the exercise of a right of entry.

Senator Chris Evans: The answer to the honourable senator's question is as follows:

(1) Section 519 of the Fair Work Act 2009 provides that Fair Work Australia must issue an exemption certificate to an organisation for an entry under section 481 (which deals with entry to investigate suspected contraventions) if:

- the organisation has applied for the certificate; and
- Fair Work Australia reasonably believes that advance notice of the entry given by an entry notice might result in the destruction, concealment or alteration of relevant evidence.

(2) One exemption certificate has been granted by Fair Work Australia on the basis that Fair Work Australia reasonably believed that advance notice of the entry given by an entry notice might result in the destruction, concealment or alteration of relevant evidence.

(3) Section 504 of the Fair Work Act 2009 deals with the use or disclosure of information or documents obtained in the investigation of a suspected contravention of the Fair Work Act or a term of a fair work instrument.

(4) The Fair Work Act 2009 makes no provision as to which party bears the costs of: (a) a right of entry; (b) staff time allocated to the right of entry; and (c) photocopying for the purposes of the exercise of a right of entry.

**Fair Work Australia**

(Question No. 1321)

Senator Abetz asked the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, upon notice, on 1 November 2011:

In relation to section 335 of the Fair Work (Registered Organisations) Act 2009: (1) How many written notices requiring evidence and documents have been given and of these how many have been complied with. (2) In relation to any instances of non-compliance under this section what actions have been taken by Fair Work Australia (FWA). (3) Has FWA sought external legal advice on the operation of these provisions; if so, with what results, from whom was that legal advice sought and at what cost. (4) Having regard to the powers which have been conferred on other regulators, does FWA believe its investigation powers under section 335 are sufficient to allow it to discharge its duties as supervisor of trade unions and employer associations. (5) Is FWA aware that other Commonwealth agencies with
investigation and information gathering powers report on the use of such powers in their annual report to Parliament, and will FWA provide such information to Parliament in future annual reports.

Senator Chris Evans: The answer to the honourable senator's question is as follows:

(1) (i) Fifteen written notices requiring evidence and documents have been given. (ii) No answer is provided as to the question of how many of these notices have been complied with.

Consistent with the Senate's Order of 13 May 2009 governing the raising and treatment of claims of public interest immunity in committee proceedings, FWA considers the provision of information would be harmful to the public interest. FWA is of this view for the following reasons.

This part of the question seeks information including information relating to ongoing investigations. Disclosure of information sought during the period of the conduct of an inquiry or investigation may prejudice any future legal proceedings in relation to contraventions found to have occurred. Disclosure of the information requested could potentially prejudice any investigation into any non-compliance with such notices.

(2) Consistent with the Senate's Order of 13 May 2009 governing the raising and treatment of claims of public interest immunity in committee proceedings, FWA considers the provision of information would be harmful to the public interest. FWA is of this view for the following reasons.

This question seeks information including information relating to ongoing investigations. Disclosure of information sought during the period of the conduct of an inquiry or investigation may prejudice any future legal proceedings in relation to contraventions found to have occurred. Disclosure of the information requested could potentially prejudice any investigation into any non-compliance with such notices.

(3) FWA has sought external legal advice from the Australian Government Solicitor to assist with the conduct of current investigation as a whole. The advice would in part have dealt with the operation and preparation of written notices under section 335 of the RO Act. It is not possible to separately identify the cost of legal advice sought from the Australian Government Solicitor specifically in relation to the operation and preparation of written notices under section 335 of the RO Act.

(4) FWA has not to date undertaken a comparative assessment or analysis of the powers conferred on other regulators as against the investigation powers under section 335 of the Fair Work (Registered Organisations) Act 2009.

(5) FWA is aware that some Commonwealth agencies with investigation and information gathering powers report on the use of such powers in their annual report to Parliament. FWA will review what information is included in future annual reports.