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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

Senate Party Leaders and Whips
Leader of the Australian Labor Party—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Hon. Stephen Michael Conroy
Leader of the Liberal Party of Australia—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party of Australia—Senator Hon. George Henry Brandis SC
Leader of The Nationals—Senator Barnaby Thomas Gerard Joyce
Deputy Leader of The Nationals—Senator Fiona Nash
Leader of the Australian Greens—Senator Robert James Brown
Deputy Leader of the Australian Greens—Senator Christine Anne Milne
Chief Government Whip—Senator Anne McEwen
Deputy Government Whips—Senators Carol Louise Brown and Helen Beatrice Polley
Chief Opposition Whip—Senator Helen Kroger
Deputy Opposition Whips—Senators Judith Anne Adams and David Christopher Bushby
The Nationals Whip—Senator John Reginald Williams
Australian Greens Whip—Senator Rachel Mary Siewert

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

(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
GILLARD MINISTRY

Prime Minister: Hon. Julia Gillard MP
Deputy Prime Minister, Treasurer: Hon. Wayne Swan MP
Minister for Regional Australia, Regional Development and Local Government: Hon. Simon Crean MP
Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate: Senator Hon. Chris Evans
Minister for School Education, Early Childhood and Youth: Hon. Peter Garrett AM, MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate: Senator Hon. Stephen Conroy
Minister for Foreign Affairs: Hon. Kevin Rudd MP
Minister for Trade: Hon. Dr Craig Emerson MP
Minister for Defence and Deputy Leader of the House: Hon. Stephen Smith MP
Minister for Immigration and Citizenship: Hon. Chris Bowen MP
Minister for Infrastructure and Transport and Leader of the House: Hon. Anthony Albanese MP
Minister for Health and Ageing: Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs: Hon. Jenny Macklin MP
Minister for Sustainability, Environment, Water, Population and Communities: Hon. Tony Burke MP
Minister for Finance and Deregulation: Senator Hon. Penny Wong
Minister for Innovation, Industry, Science and Research: Senator Hon. Kim Carr
Attorney-General and Vice President of the Executive Council: Hon. Robert McClelland MP
Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate: Senator Hon. Joe Ludwig
Minister for Resources and Energy and Minister for Tourism: Hon. Martin Ferguson AM, MP
Minister for Climate Change and Energy Efficiency: Hon. Greg Combet AM, MP

[The above ministers constitute the cabinet]
Minister for the Arts                                      Hon. Simon Crean MP
Minister for Social Inclusion                           Hon. Tanya Plibersek MP
Minister for Privacy and Freedom of Information         Hon. Brendan O'Connor MP
Minister for Sport                                      Senator Hon. Mark Arbib
Special Minister of State for the Public Service and Integrity Hon. Gary Gray AO, MP
Assistant Treasurer and Minister for Financial Services and Superannuation Hon. Bill Shorten MP
Minister for Employment Participation and Childcare      Hon. Kate Ellis MP
Minister for Indigenous Employment and Economic Development Senator Hon. Mark Arbib
Minister for Veterans' Affairs and Minister for Defence Science and Personnel Hon. Warren Snowdon MP
Minister for Defence Materiel                           Hon. Warren Snowdon MP
Minister for Indigenous Health                           Hon. Mark Butler MP
Minister Assisting the Prime Minister on Mental Health Reform Hon. Kate Ellis MP
Minister for the Status of Women                         Senator Hon. Mark Arbib
Minister for Social Housing and Homelessness             Hon. Gary Gray AO, MP
Special Minister of State                                Senator Hon. Nick Sherry
Minister for Small Business                              Hon. Tanya Plibersek MP
Minister for Home Affairs and Minister for Justice       Hon. Tanya Plibersek MP
Minister for Human Services                              Hon. Mark Dreyfus QC, MP
Cabinet Secretary                                        Senator Hon. Kate Lundy
Parliamentary Secretary to the Prime Minister            Hon. David Bradbury MP
Parliamentary Secretary to the Treasurer                 Senator Hon. Jacinta Collins
Parliamentary Secretary for School Education and Workplace Relations Senator Hon. Stephen Conroy
Minister Assisting the Prime Minister on Digital Productivity Hon. Justine Elliot MP
Parliamentary Secretary for Trade                        Hon. Richard Marles MP
Parliamentary Secretary for Pacific Island Affairs       Senator Hon. David Feeney
Parliamentary Secretary for Defence                      Senator Hon. Kate Lundy
Parliamentary Secretary for Immigration and Multicultural Affairs Senator Hon. Catherine King MP
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing Senator Hon. Jan McLucas
Minister Assisting the Attorney-General on Queensland Floods Recovery Senator Hon. Julie Collins MP
Parliamentary Secretary for Disabilities and Carers       Senator Hon. Don Farrell
Parliamentary Secretary for Community Services           Senator Hon. Nick Sherry
Parliamentary Secretary for Sustainability and Urban Water
Minister Assisting on Deregulation and Public Sector Superannuation
Minister Assisting the Minister for Tourism
Parliamentary Secretary for Agriculture, Fisheries and Forestry
Parliamentary Secretary for Climate Change and Energy Efficiency

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**SHADOW MINISTRY**

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<td>Leader of the Opposition</td>
<td>Hon. Tony Abbott MP</td>
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<td>Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Trade</td>
<td>Hon. Julie Bishop MP</td>
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<tr>
<td>Leader of the Nationals and Shadow Minister for Infrastructure and Transport</td>
<td>Hon. Warren Truss MP</td>
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<tr>
<td>Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations</td>
<td>Senator Hon. Eric Abetz</td>
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<tr>
<td>Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts</td>
<td>Senator Hon. George Brandis SC</td>
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<tr>
<td>Shadow Treasurer</td>
<td>Hon. Joe Hockey MP</td>
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<td>Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House</td>
<td>Hon. Christopher Pyne MP</td>
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<td>Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals</td>
<td>Senator Hon. Nigel Scullion</td>
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<td>Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate and Chairman, Coalition Policy Development Committee</td>
<td>Senator Barnaby Joyce</td>
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<tr>
<td>Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee</td>
<td>Hon. Andrew Robb AO, MP</td>
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<td>Shadow Minister for Energy and Resources</td>
<td>Hon. Ian Macfarlane MP</td>
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[The above constitute the shadow cabinet]
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Shadow Parliamentary Secretary for Regional Health Services
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Mr Andrew Laming MP

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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

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THURSDAY, 3 NOVEMBER 2011

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Thursday, 3 November 2011

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 09:30, read prayers and made an acknowledgement of country.

BUSINESS

Days and Hours of Meeting

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (09:31): by leave—I move:

That the order of the Senate agreed to on 21 September 2011, relating to the hours of meeting and routine of business, be amended as follows:

Omit paragraphs (3) to (6), substitute:

(3) On Wednesday, 9 November 2011, and Thursday, 10 November 2011, any proposal pursuant to standing order 75 shall not be proceeded with.

(4) That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Australian Renewable Energy Agency Bill 2011 and a related bill.

(5) On Thursday, 3 November 2011:

(a) the hours of meeting shall be 9.30 am to 8.40 pm;

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

(c) the government business order of the day relating to the Clean Energy Bill 2011 and 17 related bills shall have precedence over all government business;

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

(e) the question for the adjournment of the Senate shall be proposed at 8 pm.

(6) On Tuesday, 8 November 2011:

(a) the hours of meeting shall be 10 am to 6.30 pm and 7.30 pm to 10.40 pm;

(b) the routine of business from 10 am to 2 pm, and from the resumption of government business till not later than 5 pm, shall be the government business order of the day relating to the Clean Energy Bill 2011 and 17 related bills, and these bills have precedence over all government business till completed;

(c) commencing immediately after the preceding item the order of government business shall be consideration of the government business orders of the day relating to the:

(i) Steel Transformation Plan Bill 2011, and

(ii) Australian Renewable Energy Agency Bill 2011 and a related bill; and

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

(7) On Wednesday, 9 November 2011:

(a) the order of government business shall be consideration of the government business orders of the day relating to the:

(i) Steel Transformation Plan Bill 2011, and

(ii) Australian Renewable Energy Agency Bill 2011 and a related bill, and

that consideration of these bills shall have precedence over all government business till 5.30 pm; and

(b) consideration of government documents shall not be proceeded with.

(8) On Thursday, 10 November 2011:

(a) the hours of meeting shall be 9.30 am to adjournment;

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

(c) the government business order of the day relating to the Tobacco Plain Packaging Bill 2011 and the Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011 shall have precedence over
all government business, except that the routine of business from 12.45 pm till not later than 2 pm shall be the following government business orders of the day:

Excise Tariff Amendment (Condensate) Bill 2011
Excise Legislation Amendment (Condensate) Bill 2011
Aviation Transport Security Amendment (Air Cargo) Bill 2011
Coal Mining Industry (Long Service Leave) Legislation Amendment Bill 2011
Tax Laws Amendment (2011 Measures No. 7) Bill 2011
Veterans’ Affairs Legislation Amendment (Participants in British Nuclear Tests) Bill 2011
Work Health and Safety Bill 2011
Work Health and Safety (Transitional and Consequential Provisions) Bill 2011
Maritime Legislation Amendment Bill 2011
Protection of the Sea (Prevention of Pollution from Ships) Amendment (Oils in the Antarctic Area) Bill 2011;
(d) divisions may take place after 4.30 pm; and
(e) the question for the adjournment of the Senate shall not be proposed until a motion for the adjournment is moved by a minister.

(9) The government business order of the day relating to the Clean Energy Bill 2011 and 17 related bills be considered under a limitation of debate and that the time allotted be as follows:
(a) on Thursday, 3 November 2011, from not later than 3.45 pm to 4 pm—second reading; and
(b) on Tuesday, 8 November 2011, from not later than 11 am to noon—all remaining stages.

(10) The government business order of the day relating to the Steel Transformation Plan Bill 2011 be considered under a limitation of debate and that the time allotted be as follows:
on Wednesday, 9 November 2011, from not later than 10 am to 11.30 am—all remaining stages.

(11) The government business order of the day relating to the Australian Renewable Energy Agency Bill 2011 and a related bill be considered under a limitation of debate and that the time allotted be as follows:
on Wednesday, 9 November 2011, from the completion of the Steel Transformation Plan Bill 2011 till 5.30 pm—all remaining stages.

(12) The government business order of the day relating to the Tobacco Plain Packaging Bill 2011 and a related bill be considered under a limitation of debate and that the time allotted be as follows:
on Thursday, 10 November 2011:
from not later than 3.45 pm till 7 pm—second reading
from 7 pm till 8 pm—committee stage
from 8 pm till 8.30 pm—all remaining stages.

(13) Paragraphs (9) to (12) of this order operate as a limitation of debate under standing order 142.

I table a statement of reasons relating to the Australian Renewable Energy Agency Bill 2011 and a related bill, and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

STATEMENT OF REASONS FOR INTRODUCTION IN THE 2011 SPRING SITTINGS
AUSTRALIAN RENEWABLE ENERGY AGENCY BILL 2011 AND
AUSTRALIAN RENEWABLE ENERGY AGENCY (CONSEQUENTIAL AMENDMENTS AND TRANSITIONAL PROVISIONS) BILL 2011

Purpose of the Bills
These bills create the independent statutory authority, the Australian Renewable Energy Agency (ARENA) and a statutory position of Chief Executive Officer of ARENA.

The bills confer functions and powers to allow the ARENA Board to make independent and binding grant funding decisions for renewable energy and related technology innovation funding currently administered by the Department of
Resources, Energy and Tourism and the Australian Solar Institute (ASI). ARENA will be responsible for awarding grant funding and other forms of financial assistance for the research, development, demonstration, deployment and commercialisation of renewable energy and related technologies and projects.

The bills further make consequential amendments to the proposed Clean Energy Regulator Act 2011; repeal the Australian Centre for Renewable Energy Act 2010; and transfer the policy advisory and related functions provided by the Australian Centre for Renewable Energy to ARENA.

The bills also incorporate the functions, responsibilities and activities of the ASI into the ARENA.

Reasons for Urgency

The bills require urgent drafting for the 2011 Spring Sittings period. This is to allow the bills to be considered alongside other legislative bills being considered in the sitting period that are part of the Australian Government's carbon price legislative package.

If these bills are not considered alongside the other legislative bills that enable measures agreed as part of the carbon price package, this could impede consideration and passage of the Clean Energy Future legislative package through Parliament.

The need for these bills was previously unseen, as the formation of ARENA was only recently agreed.

Senator Ludwig: This motion is to facilitate the consideration of government legislation in the Senate, including the clean energy package of bills and a number of bills which include the steel, ARENA and tobacco bills. First, let me summarise this motion's effect, should it be passed, for the information of the chamber. The second reading debate on the clean energy package will draw to a close this afternoon at 3.45 pm. The committee stage of the package follows, with all government business time on Monday to be spent in committee on the bills. The committee stage will be completed by 11 am on Tuesday, 8 November. The Senate will then debate the steel bill at 10 am on Wednesday, 9 November. The Senate will debate the steel bill till 11:30 am on Wednesday, 9 November, and then move to the Australian Renewable Energy Agency Bill and a related bill till 5.30 pm that day. After private senators' business and housekeeping on Thursday, 10 November, a range of non-controversial legislation is listed for debate and in the afternoon the tobacco package will be debated and finalised.

Opposition senators interjecting—

Senator Ludwig: I say to the opposition that they will shortly have an opportunity to put their grievances. However, at this point I am trying to outline for the information of the Senate what the hours will be. There are also two minor changes to sitting times. The Senate will commence at 10 am on Tuesday, 8 November. The adjournment will be a little later, as on Thursday, 10 November.

I have moved this motion because it has become quite clear that the opposition will do almost anything to delay voting on the clean energy legislation. Yesterday the Senate spent 3½ hours debating a relatively minor committee matter that could have been resolved out of the chamber. Instead the opposition chose to waste a significant amount of government time and to avoid debate on the clean energy bills. This is in addition to the hours previously spent in these spring sittings debating procedural motions: over two hours to set up the joint select committee on the clean energy package and over three hours on setting up the initial motion for this fortnight's sitting. That is a total of five hours on procedural motions, not on the substantive matters, not on the actual bills themselves, but on procedural motions only. The Senate, as I
think is demonstrated by those opposite, seems to be unable to use its time constructively to debate the substantive matters. It is no surprise that in the sitting week in September the Senate spent just 33 per cent of its time on government legislation.

This time wasting has meant that the government is simply forced to move this motion today given the enormous amount of time that the opposition have spent on procedural motions. The Senate has to clear time for finalising significant legislation in a predictable way so that there is also space for the remaining legislation within the program. Notwithstanding the opposition's attempt to continue to use procedural matters to debate and waste time, the government is trying to achieve a balance between ensuring there is reasonable time on the clean energy package and allowing time for the consideration of bills. So far more than 40 senators have spoken on the clean energy package in the Senate. This motion contains reasonable time for committee consideration of the bills over three days, assuming that the opposition do not continue to get up to procedural shenanigans and waste their time when they could be dealing with the substantive matter within the bills. But we do already know the outcome of any opposition consideration: they will not support the bills, regardless of their complaint. They are crying crocodile tears here today. They are already clearly on the record as opposing the bills outright. They have already indicated that should these bills pass they will repeal them if they get into government. They have made their position obvious.

Let me summarise how much time we have spent on debate even though we know the opposition will continue to oppose. So far there have been nearly 55 hours of debate on the clean energy package in the parliament, and this motion allows for more. As of today more than 170 parliamentarians have spoken on the package, including 75 coalition MPs. This is a longer debate than the former Howard government allowed on the GST, on Work Choices or on the sale of Telstra. In addition to debate in the chambers, there have been hundreds of hours of committee hearings on the clean energy package. There have been 36 parliamentary inquiries and from the 2007 election until the defeat of the CPRS there were 13 parliamentary inquiries relating to climate change and the CPRS legislation. Those bills were considered twice by the Senate and there were over 63 hours of debate. Only the native title legislation and GST debates come close to that.

By any measure the Senate has spent a massive amount of time on legislation to which the opposition remains implacably opposed, and it is time for the chamber to focus on finalising the issue and moving the legislation on before the end of the sitting year. We want to get on with a number of other bills in the last two weeks of parliament as well. Those opposite continue to harp on with the same line. It is a refrain that I have heard from the opposition during five or six hours of procedural debate. I do not intend to take up my full time because I want to give the opposition the opportunity to deal with this motion and then the legislation. If they want to state their position on procedural motions then they can, but ultimately they should get on with the substantive task of debating the clean energy package. But I do not think they will. I think they will continue to argue and argue on procedural matters, which just demonstrates that they have lost their way.

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (09:40): The Australian Labor Party have always had nothing but unbridled contempt for the Australian Senate. It was long the
platform of the Australian Labor Party to have the Australian Senate abolished. They might as well put that back in their platform because today the Australian Labor Party have declared that they no longer see a role for scrutiny in the Australian Senate. The Australian Labor Party have given up any pretence of going through the barest motions of parliamentary scrutiny on this carbon tax legislation package. What we are seeing today is extraordinary. We are seeing in effect a gag on a gag. It was bad enough that the government put in place a gag to come into effect at the end of next Thursday, but bringing that forward to Tuesday morning next week represents a direct attack on the fundamental role of this chamber to provide scrutiny of legislation.

Senator Chris Evans, at the same time he was proposing with one hand the extra sitting week next week—which we were all meant to be extremely grateful for—was taking with the other hand by putting in place a guillotine motion. Senator Evans’s media release of 21 September said:

... the Senate will have more than two full weeks to debate the Clean Energy package of Bills. We were entitled to take the government at face value and believe that there would be two full weeks to debate the clean energy package of bills. It was not nearly enough; there should have been in the order of five months to consider something of this magnitude. That was the period provided to consider the goods and services tax legislation, the new tax system legislation, which did not have nearly the far-reaching economic consequences of this carbon tax package.

We were meant to be grateful for two full weeks. That is what the government and Senator Evans undertook to provide for this package of bills. We will not have two full weeks, as Senator Evans promised, for the consideration of this legislation. We will not even have 1½ weeks. This week was meant to be fully dedicated to the second reading debate. Next week was meant to be completely given over to the committee stage of this legislation. But all stages of this package of 18 bills will now be concluded by 11 o’clock or 12 o’clock on Tuesday morning—not even a day and a half for the committee stage of legislation of this magnitude.

In my seven years in this chamber I have never seen anything as audacious as this. When we were the government we were lectured time and again by the Australian Labor Party about the importance of scrutiny and the importance of the Senate as a house of review. We were told time and again that the Labor Party in office were going to be so much better; that the Labor Party were going to establish new standards of accountability, new standards of scrutiny, new standards of probity, new standards of propriety—and apparently new standards of administrative competency as well. None of that has come to pass.

I find it difficult to believe that Senator Ludwig, who is a straight shooter, has agreed with this course of action today. I think he has been given his orders by the Prime Minister and I think he has also been given a set of orders by the government’s coalition partner, the Australian Greens. How do we know that? I will leave you hanging as to how we know that the Australian Greens really issued the order for this, because I have a feeling Senator Abetz may have something to add on that. So I will just leave you hanging.

Another outrage with this motion is the fact that GetUp! seem to have known about the decision to bring the carbon tax legislation to a vote on Tuesday before the Australian Senate knew. The government
advised the opposition yesterday afternoon of their intention, but, when you jump on the web, you see that GetUp! have had buses booked for a couple of days to bring people from Sydney, Melbourne and from all over Australia for the grand celebration of the passage of the carbon tax legislation.

_Senator Ian Macdonald interjecting—_

_Senator FIFIELD:_ If you thought that we saw scenes of celebration and jubilation in the House of Representatives when the carbon tax package passed that place, you ain't seen nothing yet compared to what they have planned for Tuesday next week.

_Senator Ian Macdonald interjecting—_

_Senator FIFIELD:_ We saw disgraceful scenes in the other place when the carbon tax package legislation went through—disgraceful scenes, with government ministers kissing, embracing and whooping it up that the carbon tax legislation had passed. What they were really doing was whooping it up, embracing each other and congratulating each other because they had completed the first stage—

_Senator Milne:_ Mr Deputy President, I rise on a point of order. Senator Ian Macdonald referred to the young people involved as the 'Hitler Youth'. I find that extremely offensive and I ask him to withdraw.

_Senator Ian Macdonald:_ On the point of order, Mr Deputy President: before you take any instructions, I suggest you hear what was actually said to Senator Milne. I repeat it now: 'GetUp! is the Hitler Youth wing of the Greens political movement,' and I stand by that.

The _DEPUTY PRESIDENT:_ There is no point of order, Senator Milne, but I would remind senators that interjections and speaking when not given the call is disorderly.

_Senator FIFIELD:_ When we saw government ministers in the other place shaking each other's hands and giving each other hugs to celebrate the passage of the carbon tax legislation, they were celebrating the first stage in a breach of promise to the Australian people. Prime Minister Julia Gillard put her hand on her heart and declared on one of the morning TV shows, 'There will be no carbon tax under a government I lead.' Treasurer Swan said that anyone who did not believe that was being hysterical, that anyone who doubted the Prime Minister was 'an hysteric'. So we had hand on heart, 'There will be no carbon tax under a government I lead,' with no qualifications. That was a commitment and it is a breach of that commitment which was being celebrated in the other place. Such is their contempt for the Australian people. That was the first stage in their breach of promise. We are now well down the path for the completion of the second stage of the breach of promise and the Greens and GetUp! are already gathering for that celebration. We can understand the Greens and GetUp! celebrating, because for all their faults the Greens at least have had a consistent policy that they want to impose a carbon tax on Australians. They were at least upfront about this, but the true travesty, the true outrage, is that the Australian Labor Party want to join in those celebrations and will join in those celebrations. This is deceit on a massive scale.

Senator Ludwig said that we prefer on this side to continue to debate procedural motions, that we do not want to debate the substance of the legislation. I could not disagree more strongly because these procedural motions are of great note, of great significance. The procedural motions which the government are moving are part of the facilitation of the breach of promise. For the opposition in any way, shape or form to turn
a blind eye, to wave through procedural motions of this nature, would make us complicit in the breach of promise to the Australian people. We cannot do that. This is not just a procedural motion; this goes to the very essence of the breach of promise because, had the government not broken their commitment to the Australian people, we would not be debating this procedural motion. There would not be a need; there would be no legislation.

We have to hold this government to account. We have to remind the Senate at every opportunity that this government is seeking to break its ironclad commitment and we will not be complicit for one second in what the government is intending to do.

I have something here which I think will make you laugh. Senator Evans's press release from yesterday announcing that the guillotine was to be brought forward from Thursday next to Tuesday next, was headed— and this is almost Pythonesque—'Extended sitting hours for Senate to pass legislation', the clean energy package. So 'extended sitting hours' is now how we describe a gag on a gag. That is how we describe a guillotine being brought forward from one day to another, and that is as an extension of sitting hours! You could have fooled me. I thought that was a limitation of sitting hours. I thought that was reducing debate. I thought that was curtailing scrutiny. I thought that was limiting the opportunity for senators to do their job, but no. Apparently the way we extend hours is by reducing them! This is bizarre. What planet are these people on? They extend hours by reducing them. This is madness. I am not speechless but I must confess to being gobsmacked. It is bad enough that this government formed office on the back of a lie. It is bad enough that this government fibbed to the Australian people. It is bad enough that they are seeking to breach their solemn election commitment. What the government should do is immediately withdraw this legislation. They should discharge these bills. They should go to an election and seek the mandate of the people. They should seek the verdict of the people—the verdict the people were denied the opportunity to render at the last election. But we know they are not going to do that and we know that they are committed to breaking their election commitment. That is bad enough, but the least that you would expect this government to do to regain a little bit of dignity, to regain a little bit of decency, is to have a proper parliamentary process, proper parliamentary scrutiny. The lie was bad enough, but there should at least be decent parliamentary scrutiny—

Senator Ronaldson: At a minimum.

Senator FIFIELD: at a minimum. We on this side of the chamber have all said time and again that we think a period of something of the order of five months would be appropriate to consider legislation of this magnitude, as was the case with the new tax system legislation, where we had multiple Senate committees inquiring at the same time. I will just put to one side the fact that we took the goods and services tax to an election before deciding to put the legislation into parliament. I will just leave that to one side as a mere technicality, because I know that is all the government see it as—a mere technicality. There should be something of the order of five months, but we know that this government is not committed to serious parliamentary scrutiny. You would have thought, though, having rushed it through the House of Representatives, that they would at least go through the barest of motions of parliamentary scrutiny in the Senate.

The first thing you would do is you would have a decent Senate committee inquiry, and that would involve having multiple Senate
committees inquiring at the same time into different aspects of the bills. That is something that the opposition proposed and the government said: 'No, we prefer having a mickey mouse joint committee that was racked and stacked.' The 18 or 19 bills were racked in there and the membership was stacked to ensure a preordained outcome. Senator Cormann and Senator Birmingham did their best on that committee to at least bring a modicum of scrutiny. They did an outstanding job, but the numbers were against them. The outcome was a foregone conclusion. You would have thought that there would at least be a decent Senate committee inquiry process.

This chamber has always jealously guarded its prerogative to undertake scrutiny the way it sees fit. In this chamber, we are not too fussed if those in the other place have their own committees. That is fine. They can do what they want. We are not too fussed if there is a joint committee. Joint committees can do what they want. But this chamber jealously guards its prerogatives and its rights, and this chamber was denied the opportunity to exercise that function of review, that function of scrutiny, by the Australian Labor Party and by the Australian Greens.

Having had that opportunity for scrutiny denied, we thought at the very least the government would provide a reasonable amount of time. It would not be enough, but at least it might at face value look like an attempt at some decent parliamentary scrutiny. And what do we see? We thought the government would give two weeks to this chamber. Senator Evans said in his press release that the Senate would have more than two full weeks to debate the clean energy package of bills. That is not enough, not nearly enough, but we thought: 'Well, they have denied proper scrutiny in the House of Representatives—they rushed it through—and they denied the opportunity for Senate committees to meet and inquire, they have denied a decent length of time for the Senate itself to consider these bills, but at least they will honour the two weeks that they committed to. At least they will do that.' No. Senator Evans's words are not worth the paper they are written on. Never again will we believe a word that Senator Evans says—never again. Why would we? This is black and white.

But we should not be surprised. This is a government that finds it as easy as getting up in the morning to say, 'There will be no carbon tax under a government I lead,' and then, 'Sorry, we lied—there will be.' If you do not struggle with deceit of that magnitude, merely fibbing to this place about having two full weeks of debate will come very easily. So we should not be surprised. Why, therefore, should we or the Australian people believe this government when it says: 'Don't worry about the cost implications for the household budget of a carbon tax—you'll get decent compensation. Don't worry, business, about the cost implications of a carbon tax—you'll get decent compensation. Don't worry about the rise in the carbon tax over time—we will increase the compensation'? If you cannot believe that the government would stick to its word not to introduce a carbon tax, if you cannot believe it when it commits to two full weeks of scrutiny of the carbon tax in this place, why should anyone believe that compensation for the carbon tax will be adequate? You cannot believe a word those on the other side say.

Madam Acting Deputy President Moore, welcome. It is good to see you in the chair. I will not ascribe any particular thoughts to you on this issue. That would be quite wrong. So I will instead ascribe them to someone else in this chamber—Senator Faulkner. I think that Senator Faulkner would be absolutely disgusted by what is
occurring here today. Senator Faulkner holds himself up as a paragon of virtue. I think Senator Faulkner is possessed of a bit of integrity and a bit of decency. He has styled himself as one of the custodians of the rights and prerogatives of this chamber, as an elder statesman who is committed to proper parliamentary scrutiny. I think Senator Faulkner would be disgusted at what we are seeing here today. The Leader of the Government in the Senate, Senator Evans, committed to two full weeks of scrutiny of the carbon tax package of bills, only to completely go back on his word, only to put a gag on a gag. I would hope that inside the Australian Labor Party there is great angst about this. It is bad enough that the Australian people were lied to. I will not say it is worse that proper parliamentary process and scrutiny is not being brought to bear. I will not say that it is worse, because nothing could be worse than lying to the Australian people. But this is shameful. This is outrageous. It is disgusting that the Australian Senate is being denied the opportunity to provide decent scrutiny of the most economically significant package of legislation to be brought before this place in living memory. I hope we do not see something of its like again. I really hope we do not.

In a sense, this is not a partisan issue. I would have hoped that all senators were committed to this chamber doing its job. It does not matter if the positions of the various parties are already determined. It does not matter if it is highly likely that this legislation will go through this place. This chamber still has a job to do to scrutinise legislation. This chamber still has a job to do to hold the government to account. This chamber is being denied this opportunity and the government should be condemned. *(Time expired)*

**Senator ABETZ** (Tasmania—Leader of the Opposition in the Senate) *(10:01)*: Oh, how a once proud Labor Party has become a pathetic shadow of its former self. Today we are witnessing again the Australian Labor Party coming into this chamber to do the Greens' bidding. Yesterday the first and most urgent item on the government's agenda was to remove a coalition senator from the chairmanship of a committee and to replace that very good senator with a Greens senator who has only been here for five minutes. It was Senator Ludwig, Manager of Government Business in the Senate, who moved the motion, doing the Greens' dirty work. Here he is again today and his first item of business is to bring to fruition that which the Australian Greens bragged about on their website before the Senate was even told what was planned in relation to the truncating of the debate on the clean energy bills.

I refer to the Greens website, which told us that there was going to be an historic vote. It said:

If you are near Canberra next Tuesday, please come to the Senate to see the historic carbon price package pass into law.

We were able to access that well before—indeed, hours before—Senator Ludwig rang Senator Fifield to tell him what the Labor Party had in mind. It is quite clear that the Greens and GetUp! developed their strategy, put it up on their website and then told the hapless Manager of Government Business in the Senate, 'You will now ring the opposition and tell them that this is what is going to happen,' and, as if he were Senator Brown's ventriloquist doll, that is exactly what Senator Ludwig did. I was surprised at Senator Ludwig's speech this morning because I could have sworn it was Senator Brown speaking, but Senator Brown did not move his lips at all. An expert ventriloquist is our Senator Brown because he has a
willing doll in Senator Ludwig, who is willing to mouth that which Senator Brown wishes to put to the Senate. It is interesting that it is always the Labor Party doing their dirty work. It is never the Greens actually getting up and asking, 'We want to pull a stunt on Tuesday; therefore, can we bring the vote forward?' No, they do it under the guise of the Australian Labor Party and the Manager of Government Business in the Senate, which highlights yet again that they are in an alliance and therefore not deserving of the chairmanship of a committee, which they got just the other day.

One wonders what the Greens, with arrogance and hubris oozing out of every pore of their collective body, see the role of the Senate as being. They put up on their website what is going to happen. Yesterday it was the chairmanship of a committee. Today it is a vote of the Senate in relation to truncating what the Australian Labor Party and the Greens boast to be the most important piece of legislation ever to come before this parliament. When they say it is historic, I think they are right. As we know, the books of history are littered with events good and bad. This will be an historic event which will go down on the bad side of the ledger. History will record that the Australian people were deceived, that a leader of the Australian Labor Party and a deputy leader of the Australian Labor Party went to the electorate saying there would be no carbon tax. Every single Labor member and senator in this place and the other place was elected on a promise of no carbon tax, as was every one of the coalition members and senators. So well over 90 per cent of parliamentarians were elected on a no-carbon-tax policy. Yet, somehow, it is going to get through against the express promise of all those parliamentarians to the Australian people. This gross deceit is now dressed up as being historic.

The Australian Greens might boast and gloat and say this is a wonderful historic day when the tail is able to wag the Australian Labor Party dog, but I say to those in the Australian Labor Party that this will be a historic day for the Australian Labor Party as well because the good, conservative, blue-collar workers whose jobs you will be destroying and whose cost of living you will be increasing will know that those good, traditional Labor values for which you once stood have now been discarded in favour of doing the bidding of the Australian Greens. That is why the Australian people wherever I go these days are saying, 'Eric, when can we have an election?'

I have been involved in politics a long time, not only as a senator, but as a state president and before that as a rank-and-file volunteer. Come election time, most people say, 'Oh no, not again, not another election.' Now the Australian people are actually clamouring and asking: 'When can we have another election?' The reason for that is that they feel betrayed and they feel deceived. They have a right to feel deceived, because that is exactly what the Australian Labor Party has done to so many of their very good and very faithful followers — people who have voted for the Australian Labor Party for generations in fact. A lady came up to me the other day and said, 'My father and his father before him were proud Australian Labor Party voters. I'm 70 years myself, Senator Abetz, but do you know what? Come the next elections, state and federal, I will be voting for your party, Senator Abetz. I never thought I'd be saying that to you, but it's nice to meet you here at the shopping centre.' That was at Eastlands, over on the eastern shore of Hobart. She indicated to me that she was switching her vote, and the reason was the deceit and betrayal by the Australian Labor Party in relation to the carbon tax promise.
The Australian Labor Party is right to call what will happen on Tuesday a historic day, but it will be a day that will be marked in the index of the history books under the word treachery. You will look up the word treachery and you will see an insert underneath it: ALP carbon tax. Because that is exactly what the Australian Labor Party has done: it has deceived the Australian people. This government has no moral authority to introduce this legislation, because it said it would not. As a result, of course, it stands to reason that neither does it have a mandate for this legislation. Indeed, the exact opposite is true. Nor can the Australian Labor Party hide behind the assertion, 'Sure, we said one thing before the election, but the Australian people have changed their mind. There is popular support for this move. We were somehow out of step and we are now going to bow to the will of the Australian people.' We know that that is untrue as well. So on what basis does the Australian Labor Party come into this place and vote for this legislation? No moral authority, no mandate, no popular support: why would you do it other than to protect one job, the job of Ms Gillard? That is the only reason, and it is a shameful reason. When you lie to the electorate in a democracy you do not have a mandate and you do not have popular support. One wonders what motivates the government in relation to these matters.

I understand that the Australian Greens have a view on precommitment with poker machines. I never knew that their views on precommitment extended to votes of the Senate, because they have precommitted by their media releases votes of the Senate in relation to, I think it was, Senator Wright getting a chairmanship before the Senate had decided anything. It begs a very interesting question: why was Senator Wright given that chairmanship and not Senator Sarah Hanson-Young? Senator Hanson-Young has more seniority, she has been here longer and we know that the Senate Legal and Constitutional Affairs Committee deals with matters legal and immigration, which are her forte. But, somehow, the Greens have overlooked her. Senator Milne, who is in the chamber, is busy studying her papers. We know why, but we will leave that for the Australian Greens to sort out. That is another indication of the arrogance of the Australian Greens: that they were willing to put out a press release, precommit the Senate and indicate what was going to happen. On the Greens website yesterday the same arrogance and hubris showed through. It is an honour and a privilege to be able to serve in this place, but for the Greens to treat this place now as their own fiefdom because they can make the Australian Labor Party do whatever they want is not something to be proud of and it is not something to be claimed as historic.

I return to the once great Australian Labor Party. They do have a few days left to redeem themselves in the eyes of the Australian people. They might do that by trying to change their leader. We do not know what they are going to do in that regard; that is for them to determine. One thing I would say to the Australian Labor Party, that once great party that did actually look after workers, that was actually concerned about people's cost of living, is that you still have a few days left to change your mind. You can change your vote. You can decide, 'We will in fact honour that which we promised, we will in fact honour the mandate we were given, we will in fact honour the popular view of the Australian people,' all three of which are against the introduction of the carbon tax. I have no doubt that if the Australian Labor Party were to do that their support in the opinion polls
would go up. It would go up; there is no doubt about that. I say to the Labor Party: 'Change leaders as often as you like. Your problem is not your leader and your leadership; your problem is your policy.' It is a policy that is nowadays linked inextricably with the Australian Greens. You have formed a dirty deal with the Australian Greens. You have formed an alliance and partnership that will haunt you to your political graves, because the Australian workers, whom you used to champion, whom you used to look after, know that the carbon tax proposals are bad proposals for their jobs and their cost of living. These workers are also very decent people, very decent Australians who are genuinely concerned about the future of our environment. But they know that this carbon tax suite of measures will do nothing to help or protect the environment. The coal workers in the states of Queensland and New South Wales say, 'It is passing strange, is it not, that this Australian Labor Party, which used to support us, says it is right to dig up coal in Australia, ship it to China, burn it in China for the benefit of the Chinese and not tax it but, if we dig out the same Australian coal and burn it in Australia for the benefit of Australians, it is an unmitigated evil that needs to be taxed?'

Senator Ronaldson: Extraordinary.

Senator ABETZ: It is, as Senator Ronaldson just said, extraordinary. Where is the logic in that? Ms Gillard is saying to people, 'We will increase our coal exports despite these clean energy bills.' So we are going to ship out the coal from Australia, give everybody else the advantage of our high-quality, cheap coal, without a tax, but tax Australians who want to use Australian coal for Australian households and Australian manufacturing. Go figure. This is the policy of the once proud Australian Labor Party. As we have said before as a coalition, time and time again, there is a better way to do this. We have a direct action plan. I will not repeat that now, other than to say it is good, practical and fully costed.

If the Australian Labor Party were genuinely concerned about carbon dioxide emissions, what could they do for the benefit of the people of the world? They could simply say to the Indian government, 'You can have some of our uranium.' That would do more than anything this carbon tax could provide. That would reduce carbon dioxide emissions many times more than this carbon tax would. But once again the Australian Workers Union, other unionists and Labor Party people would say: 'Hang on a moment. How is it that this once proud Australian Labor Party says you can dig out Australian uranium, ship it to another country to allow them to use it to heat their homes and to help them supply electricity for their manufacturing sectors, and that that is a good thing to do, but somehow it is an unmitigated evil if we dig out Australian uranium for use in Australia by Australians for Australians?' That is the great dilemma that the Australian Labor Party has.

I have said once before to Senator Ludwig, 'If you lie down with dogs, you will get up with fleas.' The Australian Labor Party have deliberately got together with the Australian Greens and they now have flea-infested policies all over them, from the carbon tax to all manner of other things.

Senator Brandis interjecting—

Senator ABETZ: I agree with Senator Brandis. Senator Scott Ryan went one better than that analogy. He disagreed with me. The flea analogy was not all that good, he thought. He thought the Greens were more like a tick that was—

Senator Brandis: Sucking the lifeblood.

Senator ABETZ: Yes, sucking the life out of the Australian Labor Party. That is
what the Australian Greens are doing and, lemming-like, the Australian Labor Party just march towards the cliff. They know what is going to happen. They still have three days. I somehow think the reason they have sought to truncate this debate is that they are not sure that they could have kept the whole Labor caucus together in relation to this issue for the next couple of weeks. The Labor Party also need to explain to this place whether Senator Stephen Conroy is going to make a contribution in this debate and put on the table how strongly he feels about the need for a carbon tax. I somehow think that he will not be making a contribution and that they will be seeking to put him out of his misery more quickly by having this legislation voted on earlier than anticipated.

The Manager of Government Business in the Senate also needs to advise the Senate why they came into this place, moved an extension of hours and days—indeed an extra sitting week—on the basis of the need to debate the carbon tax. That was the reason. Some might call it a deceit but nevertheless it was the reason given—a reason that we now know does not stack up, because the very rationale for it has now been swept away. We gave up private coalition opposition time in this place to help get the carbon tax debate through this chamber, to cooperate with the government to ensure that we could fully ventilate the issues in relation to the carbon tax.

And what does the government do? It simply throws that generous behaviour by the opposition back in our faces by saying, 'If you give us an extra half a day for this debate—thank you very much—we'll truncate the debate by a full week.' Everything this government does, from the 'no carbon tax' promise to the promise of an extra week in this place to debate this issue, is based on falsehoods and misleading, which is completely unacceptable to us as an opposition. That is why we will be voting against this measure by the government—because the parliamentary process deserves to be honoured.

The ACTING DEPUTY PRESIDENT (Senator Moore): The question is that the motion moved by Senator Ludwig be agreed to.

The Senate divided. [10:25]

(The President—Senator Hogg)

Ayes .................. 35
Noes .................. 29
Majority ............. 6

AYES

Arbib, MV
Bishop, TM
Brown, RJ
Carr, KJ
Crossin, P
Farrell, D
Feeney, D
Gallacher, AM
Hogg, JJ
Ludwig, JW
McEwen, A (teller)
Milne, C
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Urquhart, AE
Wright, PL

NOES

Adams, J (teller)
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fifield, MP
Heffernan, W
Joyce, B
Macdonald, ID
McKenzie, B
Payne, MA
Scullion, NG

Back, CJ
Birmingham, SJ
Boyce, SK
Bushby, DC
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Fisher, M
Humphries, G
Kroger, H
Mason, B
Parry, S
Ronaldson, M
Sinodinos, A
Question agreed to.

**BILLS**

- Clean Energy Bill 2011
- Clean Energy (Charges—Customs) Bill 2011
- Clean Energy (Charges—Excise) Bill 2011
- Clean Energy (Consequential Amendments) Bill 2011
- Clean Energy (Customs Tariff Amendment) Bill 2011
- Clean Energy (Excise Tariff Legislation Amendment) Bill 2011
- Clean Energy (Fuel Tax Legislation Amendment) Bill 2011
- Clean Energy (Household Assistance Amendments) Bill 2011
- Clean Energy (Income Tax Rates Amendments) Bill 2011
- Clean Energy (International Unit Surrender Charge) Bill 2011
- Clean Energy (Tax Laws Amendments) Bill 2011
- Clean Energy (Unit Issue Charge—Auctions) Bill 2011
- Clean Energy (Unit Issue Charge—Fixed Charge) Bill 2011
- Clean Energy (Unit Shortfall Charge—General) Bill 2011

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (10:28): What an appalling thing we have just seen. We have seen Labor and the Greens combine to put a gag on a gag and to shut down debate on these bills in this place. Some weeks, if not months, ago the government parties—Labor and the Greens—voted to put in place a planned guillotine on this debate. The hours for the various stages of the debate were set down in advance with a time imposed for votes on each stage regardless of the need for further debate or consideration of the single most massive government intervention in our economy ever contemplated in this country. The impact of this on the ability of this place to do its job as a house of review by cutting off the legitimate examination of the bills and their impacts and not allowing full consideration of the proposed amendments and so on was bad enough. But today we have seen that that timetable is to be slashed on short notice. This means that many senators who have their names on the speakers list will lose their opportunity to speak on the second reading debate. It also means that the time for consideration of the details and to assess the need for amendments has been more than halved, again meaning that the prospects of these bills being improved and presenting as the
best possible legislation that they could be has been severely curtailed. The legislation was expected to be put to a vote by 21 November. However, the government has brought forward the vote to next Tuesday.

The government refused to give the community a say on the carbon tax at the last election by promising not to introduce it. Once more, the government is shutting down debate. The government is desperate to ram through this legislation because it knows that it is electorally unpopular. It wants to limit debate, because the more the carbon tax is debated and the more people want to understand how it will impact on their lives, the more people want to get rid of it. Instead of ramming the carbon tax through the Senate, the Prime Minister should take the bills to an election as a matter of urgency and decency.

Yesterday, before my comments were interrupted, I was responding to the interjections of government senators about core and non-core promises. I was saying that after the 1996 election the new coalition government found that the Keating Labor government had misled the public about the state of public finances. The fiscal position was nowhere near as rosy as the then Labor government had presented prior to the 1996 election—so much so that many of the promises made by the coalition in the lead-up to that election based on their understanding of the amount of money that was available simply could not possibly be delivered. This was not because the will was not there to do so but because the money was not there, a fact that only became apparent upon the coalition assuming the Treasury benches.

Accordingly, Prime Minister Howard had to prioritise those promises and identify those that were core to his program and those that were not. It was an agonising decision for a new government but one that was forced on them by misrepresentations by the previous Labor government. The promises were made in good faith but because of the deception of the previous Labor government could not in good faith be kept. There is very little good faith in either the promise made that there would be no carbon tax under a government led by the Prime Minister or in Labor's unseemly haste to abandon that promise in order to hang on to power after the election.

Similarly, the GST is a different case again. In that case, Prime Minister Howard went to the people to seek a specific mandate to introduce the GST, having released comprehensive detail on how it would work prior to the election. Compare this to the current Labor government's approach. The only mandate that they have is not to introduce a carbon tax, a mandate that they have blatantly rejected in order to do a dirty deal to hang on to power.

But let us set aside the incredible and blatant breach of public trust that this involves. What of the bills themselves? Will they solve the climate crisis? To what extent will they help reduce temperature- and climate-changing man-made emissions? Will they contribute to improved environmental outcomes? And can they do this without undermining the strength of our economy and costing Australian jobs? The reality is that these bills will not achieve any environmental benefit but will come at great economic cost and Australians—real people—will lose their jobs.

Proponents of the bills tell us that those who are opposed are wrong to object on the basis that Australia should not go it alone. They say that we should lead and show the rest of the world the way and that, as one of the world's highest emitters of carbon dioxide and equivalent gases per capita, we
have a moral obligation to take action. Very noble indeed. But is it noble to take action that will simply shift emissions offshore at the cost of Australian jobs? Is it noble to take action that might mean Australia emits less than we might otherwise have done if it does not reduce the overall emissions across the world? I think not.

If the government is to be believed, the problem presented by climate change is clearly and without doubt a global one and only a global reduction in emissions can address it—that is, if there is no net reduction in global emissions to keep CO2 down to the specified parts per million, then the doomsday predictions of flood and pestilence will eventuate. So how noble is it to take action on Australian emissions that does not guarantee a net global reduction and, worse, that is likely to actually increase global emissions? It might help government and Greens senators to sleep better at night because Australia has done its bit, but has it actually contributed to addressing the problem? I think not.

I was very careful a minute or so ago to talk about how these bills are intended to reduce emissions from where they might otherwise have been. This was deliberate, as it is important to remember that, even under the government’s own modelling, the implementation of these bills will not actually reduce our total emissions. Indeed, Treasury modelling shows our emissions continue to increase throughout the period modelled. The bills are intended only to slow the growth of those emissions.

Even with carbon pricing, the government’s own predictions show our emissions going up from 578 million tonnes to 621 million tonnes, leaving an abatement shortfall of up to 100 million tonnes, which is going to have to be met by purchasing permits from abroad. That is right: the way that the government will reach its emissions reduction targets is by buying carbon credits from offshore at a cost to Australian taxpayers of billions of dollars. Australian businesses will have to spend more than $3 billion a year purchasing abatements from abroad and this is just when the scheme starts. The government’s own modelling shows that the value of permits will rise to the value, in 2010 dollars, of $57 billion in 2050. Incidentally, these will need to be purchased by Australian companies, and the secretary of the Department of Climate Change and Energy Efficiency, Mr Comley, has acknowledged that the cost of these billions in international permits will be passed on to all Australians by those companies.

It is absolutely clear now that major economies like the US, India, China and Canada are unlikely to introduce as far a reaching carbon pricing scheme as the one we are debating here today, if at all. Recent statements by international leaders, like the Canadian foreign minister, confirm this as fact. Lightweight arguments posed by the government and its senators in this place that other nations have a price on carbon—a shadow carbon price, I think Senator Wong has called it—without a specific carbon tax or ETS are ‘own goal’ arguments that just serve to bolster what we are saying, which is that there is more than one way to reduce emissions. Despite that, given the lack of equivalent carbon pricing and trading schemes in our competitor nations, it is difficult to imagine where all these carbon credits are going to come from. If, by implementing a carbon pricing scheme in Australia that goes so much further and harder than anything even contemplated elsewhere—and that includes the European Union, New Zealand and individual states in the United States—we cannot reduce our emissions enough to domestically meet our
targets without buying credits from elsewhere, how are other nations going to produce surplus credits that they can sell and still reduce their emissions? How will their approach to carbon dioxide and equivalent reductions deliver them enough abatement to meet their targets and have surplus when our heavy, comprehensive scheme still allows our emissions to go up? It may add up on the unknown but apparently highly favourable government assumptions in the Treasury modelling, at an Australian level, but it just does not seem to add up at a global level. I remind you, it is ultimately irrelevant how it adds up in Australia: it is at the global level that the problem exits and at the global level that the problem must be addressed.

That fact highlights again the main problem with the scheme proposed through these bills: in the absence of coordinated global action—at least amongst those nations with whom we compete on imports, exports and import and export substitution—adding extra costs onto the cost of doing business in Australia can only make Australian businesses less competitive compared with those located elsewhere. This may mean that Australian businesses choose to up stumps and set up in lower-cost alternative locations. It may mean that Australian companies can no longer compete against cheaper imports. And it may mean that Australian goods and services exporters can no longer compete against competitors from other nations.

The potential for reduced comparative advantage as a direct result of this tax, and the flow-through of the higher costs it imposes on everything that has an energy or transport cost, is real. It will add costs that would not otherwise exist and which are not imposed by our competitor nations. It will be the straw that breaks the camel's back for many of our businesses and will force cost savings in other areas for many others just to survive—cuts leading to losses of jobs that will be replaced magically by 'green jobs' in Australia but will be replaced by even higher-emissions jobs in our competitor nations.

The net effect on emissions will be like squeezing a balloon—and the bit that is squeezed is comparable to Australia. Emissions might be less than otherwise; but they have just been forced into another part of the global balloon—so, for the production of like for like, emissions will increase. I have heard examples in this place and across Australia of how the production of a given amount of aluminium, zinc, steel, cement clinker and so on can be achieved with far less carbon dioxide and equivalent emissions in Australia compared with elsewhere, particularly compared with nations where they are likely to be produced when the carbon tax shifts that production offshore.

The fact is that Australian industry has become very efficient over the past 10 to 15 years at doing what it does in terms of its carbon dioxide emissions. I have seen evidence of massive improvements in all sorts of industries. As such, we are world leaders in emissions efficiency in many emissions-intensive industries. For example, we can produce a tonne of aluminium with fewer emissions than anywhere in the world except for Japan. But if that tonne of aluminium is shipped from Japan to Australia then, by the time it arrives here, the emissions involved will exceed the emissions that would be produced if that tonne had been produced in Australia. This makes Australian-produced aluminium, if it is used in Australia, the most globally efficient in terms of emissions.

Clearly, to address the emissions challenge at a global level, it is better that we produce that tonne in Australia. But this tax will make that far less likely and may well render it impossible. And it is not like we do
not need aluminium, or steel or concrete or zinc. They will all still be produced, just elsewhere—employing people other than Australians and with the consequence of higher emissions at a global level.

I have said in this place before, and I say it again: if we are serious about addressing the climate change challenge at a global level—where, I remind you, it must be addressed, we should be looking to attract more high-emissions-intensive industry to Australia because, in many cases, every extra tonne produced here means lower emissions released into the global atmosphere. We should be looking to set our policy settings at a level that encourages emissions-intensive industry to set up in the location that leads to the lowest possible emissions per unit of production. If that means setting them up in Australia, we should not shy away from that fact. Of course, chasing more emissions-intensive industry because we can produce here with lower emissions would increase our emissions per capita—and that would not be a look this government would want. But it would make sense in terms of reducing global emissions and actually tackling climate change head-on.

The approach taken in these bills is simply not the answer to the challenge of climate change. If Australia is to do its bit—if it is to lead the world and show the way—it must come up with a scheme that will effect an absolute reduction in emissions in a global sense. The coalition’s direct action plan does just that: it delivers an absolute lockup and reduction of harmful greenhouse gases, not just a token slowing down of growth of emissions at the expense of higher emissions elsewhere. The government’s plan of shifting emissions out of Australia just does not cut it, especially if Australian jobs go with them.

When members of this place are considering a set of bills that will have such a far-reaching impact and consequence as these purport to do, it is vital that we have full disclosure of all information available to be able to make fully informed decisions, properly understand intended and unintended consequences and be able to prudently test the contentions of the government. The government has failed dismally to provide senators in this place with the information to be able to do that. The bills should be rejected.


Leave granted.

Senator POLLEY: Under the extenuating circumstances of Senator Ryan, we are quite happy for his speech to be incorporated.

The ACTING DEPUTY PRESIDENT (Senator Moore) (10:43): Leave is granted for that incorporation.

Senator RYAN (Victoria) (10:43): The incorporated speech read as follows—

I thank the Senate for being granted this opportunity to have these remarks regarding the Clean Energy Bill 2011 and related bills incorporated into Hansard.

These bills represent the most significant repudiation of the Australian people in generations.

Despite making a clear, unambiguous promise not to do so only days before the last election, the Labor Party and their Green allies, with the connivance of certain opportunistic and so-called independent members of the other place, are attempting to levy a new tax on all Australians.
There was no qualification when the Prime Minister stated, directly into the camera, 'There will be no carbon tax under a government I lead.' And no justification has been provided for this breach other than the excuse that circumstances have changed.

It is a statement of the obvious that circumstances had changed, that is why we have elections—to allow the people to bring about that very change.

So when the non-elected Prime Minister led the Labor government to an historic defeat, losing a majority on the floor of the House after less than three years, that change was the result of the people rejecting the Labor agenda.

Yet Labor claims this rejection as a justification to cut a deal with ideologues who brag about rejecting the results of elections and opportunistic independents to see the introduction of a measure explicitly and unambiguously ruled out.

When the trust of the voters is so profoundly breached, no excuse, obfuscation or parsing of words will succeed in washing away the stain that remains with this package of bills.

These bills will be the focus of the next election, as they should be, for the people have spoken—but their voice has not been heard.

Despite the attempts of Labor and their Greens allies to prevent the people's voice being heard with unfounded scare campaigns regarding the constitutional status of these bills; despite the threats of the Prime Minister and Senator Brown to oppose that voice being reflected in this Parliament; the Opposition is happy to let the people judge this policy.

As every student of Australian political history knows, repudiating the right of the people to determine major policies will only end in tears for those who do so.

These bills truly do represent an attempt to transform the Australian economy. But not in the manner the spin merchants of the government, nor the rent seeking interests that comprise the Greens and the modern-day Labor Party portray.

These bills put into place the aspiration of the former Prime Minister and current Minister for Foreign Affairs—they put government at the heart of the economy.

Through the imposition of new taxes, redistribution to preferred individuals and groups, the granting of concessions and economic privilege to select industries—government is truly inserting itself into our most basic economic activities.

The government and Greens, although from this point I might just refer to the government as they march in lock-step on issues like this, pretend it is not a tax, claim it is merely a price on carbon. Yet it is a tax with all the dead-weight costs that entails, until it becomes a trading scheme, with all the transaction costs that entails.

This is not a market mechanism at all—this is a fictional market, created and administered by bureaucrats, based on a so-called property that is not property in any traditional economic sense.

There has been a trend in recent years amongst the progressive left, to use so-called 'market mechanisms' to achieve social or other objectives that their previous commitment to planned economies failed at. Especially amongst the Greens, this is no more a commitment to the market than the commitment of the long-dead eastern European people's republics was to the human rights outlined in their constitutions.

On this side we believe the market is not important simply as a tool to achieve the most efficient outcomes, but it is also an expression of individual will and preferences. Despite the alleged commitment of those opposite to so-called market solutions, although I doubt both the understanding and level of commitment, no government, no group of bureaucrats can capture the expressed preferences of millions of individual transactions.

Similarly, no government plan can truly capture technological development. There is an old economists' saying, 'The stone age didn't end because they ran out of stones.' With respect to these bills one could add that it didn't end because stones were made more expensive by a stone tax.

New energy technology will not develop because of this tax on what is today more efficient and less expensive.
Technological development occurs as a result of human ingenuity, it then diffuses and proliferates through the application of capital and labour. Good ideas succeed; expensive, inefficient and poor ones eventually fail.

This is how a change in our energy mix will occur—not through the unilateral action of a nation that represents a tiny proportion of global emissions. And not through government fiat that somehow, things shall simply change.

This government no more has the capacity to limit global emissions growth than it does to alter the weather. Yet the proponents of this legislation lack the humility to see the limits of their own knowledge or capacity.

One of the furphies of this debate is that somehow Australia needs to be a 'first mover' in the field of renewable energy, that somehow we have to develop and own the technology. While this has an emotional attraction it lacks a serious economic analysis.

As a nation with cheap, abundant carbon-based energy, Australia has a comparative advantage in the production of energy as well as its use. This comparative advantage has been one of the bases of our economic success.

There is no evidence that being a first-mover in this field has a major advantage. The economic costs that these bills entail are enormous—the dead weight costs of the tax and trading scheme, the opportunity cost by directing capital to less efficient uses.

Despite the duplicity of the government refusing the release the modelling for comparative work, and failing to admit the obvious—it cannot be denied Australians will be worse off with this tax than if these bills do not pass.

Throughout economic history since the industrial revolution, cases abound where the diffusion of technology has provided much greater economic benefits than those delivered to its developers or inventors. It is through the application of new technology on a wide scale that the major economic benefits occur.

Consider the development of railways, electricity, the telephone and information technology.

In all four cases the economic benefits flowing from the diffusion and application of those technologies across the world far outweighed the economic gain flowing to the initial inventers.

Indeed, it was often subsequent inventors that developed ways to diffuse the technologies and see them applied across communities.

This is not to dismiss the gains that can flow to inventors and developers—but it does mean that we need to determine the opportunity cost of directing resources into the development of preferred technologies.

It is at this point that these bills come particularly unstuck.

The idea that somehow Australia needs to 'own' new energy technology is based on an old mercantilist mindset. This is not to dismiss the efforts of those working in this field—they deserve every opportunity to do so. But it is 'opportunity' that is the key here. Weakening our economy, seeking to replace private effort with state effort, hinders rather than assists these efforts.

There is no agreement amongst economists that this is the best means to reduce carbon emissions. There has not even been a consideration of the opportunity cost of directing resources away from patently more productive activities.

In my maiden speech in this place I referred to the fatal conceit' that afflicted those with political power, a phrase not first coined or popularized by me but to which there has been no better application in this country in recent decades than the government opposite.

For through these bills this government is attempting to plan the economic development of Australia. For a government that could not organize roof insulation or the construction of school halls to claim a mandate and the credibility to undertake such a task requires a degree of hubris that would make Caesar blush.

Only a Labor government could boast about leading the world in the introduction of new taxes. The problem for the Prime Minister is that, if she looked behind her, she would realise no other countries are following. That may well be a
parable for other political problems she is facing as well as she looks closer to home.

The Obama administration has shelved its plans for a cap and trade scheme. Despite some direct action on clean energy, China's coal-fired power production continues to soar, with a recent report finding that it is on track to exceed the United Kingdom in per capita emissions within a few short years. Yes, that's per capital.

And the debacle of Copenhagen has shown us how absurd it is to hope for a binding global agreement on emissions reductions.

Ironically, by putting the Australian economy at a competitive disadvantage in relation to our competitors, the Prime Minister makes the prospect of a global deal still more unlikely.

Making energy more expensive through a carbon tax is not like free trade, where unilateral tariff reforms yield benefits even in the absence of reciprocal moves.

Any environmental effects of unilateral action are shared globally. Yet the costs are localised—only Australian businesses and households pay the tax.

The effect of unilateral action is thus to give our rivals a competitive advantage in relation to our competitors, the Prime Minister makes the prospect of a global deal still more unlikely.

Any environmental effects of unilateral action are shared globally. Yet the costs are localised—only Australian businesses and households pay the tax.

The only thing more absurd than wanting to be the lead lemming off the cliff will be our lonely, solitary descent when rival nations decide not to leap after us.

We know the Prime Minister understands how ridiculous this policy is. Indeed, it was the Prime Minister who persuaded her predecessor and putative successor, the Foreign Minister, to dump his own plan to price carbon. Why then does she pursue it?

Because the spin doctors of the Labor Party have told her that the real Julia needs to confect conviction, and the only way to do that is to champion an unpopular cause. Sometimes, however, causes are unpopular because they are wrong.

Like a drowning man grasping at driftwood, the Prime Minister is willing to latch onto anything. The carbon tax is wilful economic vandalism mimicking policy conviction.

Labor is bereft of ideas, bereft of governing philosophy and bereft of any reason for its very existence other than the retention of power and privilege.

It is willing to expend its political capital on a policy in which its leadership does not believe, simply because it has no genuine policy agenda to fill the political vacuum.

It is morally and intellectually bankrupt, so much so that it seeks to steal the wages and profits of Australian families and small businesses to bail itself out.

The modern Labor Party not only knows nothing about small business, it cares for it even less. I am passionate about my portfolio because small business is not just the heart of the economy, it is often the heart of our communities.

In the suburbs of our cities and in our regional cities and towns, it is the local small businesses that sponsor the footy and netball clubs, the neighbourhood watch programs, that provide the leadership of community organizations like Rotary and, in my home state, the CFA.

One of the various unfounded and misguided claims we have heard about this and the previous carbon tax is that somehow we have protected business, especially those who are export focused or import exposed.

But the truth is that this tax is another burden they must face.

How else could a minister simply telling small business that they must adjust to higher energy prices be explained? How else could billions be handed out to preferred industries, yet a paltry $40 million be allocated to fund what is basically an advertising campaign targeted at small business. This campaign is the equivalent of telling the frog in the slowly boiling water not to worry.

Thousands of small businesses will be hit by this, and all the government can say is 'deal with it.' How can a café on tight margins find the capital for new fridges, which will at best only keep its power bills from rising for a few years.
How can a small manufacturer, supplying components to a larger one, who is annually faced with imported competition face these additional costs?

The truth is that they cannot.

But this government does not care for small and family businesses.

They have no voice, they have no lobbyists to wander the corridors of power seeking favour. All they want is the opportunity to create, build and develop a business of their own. But Labor and the Greens do not understand this desire.

Despite Labor's attempts, and the threats of the Greens to ignore the people, the people will get to have their say on these bills.

Unlike the Labor Party, we will stick by our word—and as we promise to repeal this tax stained with dishonesty, we will do so.

Senator SCULLION (Northern Territory—Deputy Leader of The Nationals) (10:43): Since I have been in this place there have been a lot of firsts for me, as you can imagine. But this morning a whole new precedent has been established. I have always thought that those on the other side were a bit lost, in many ways. But the level of duplicity, the level of dishonesty, we have seen today, not only to the Australian people but directly in this parliament, has left many of us on this side quite gobsmacked. There seems to be a constant theme in the government's behaviour with regard to the carbon tax and how we have gone about instigating the carbon tax. The theme is that everything seems to be done in the interests of the Labor Party. If it has the opportunity to move in the interests of our nation on the one hand or in the interests of the Labor Party on the other, every single time the government has said: 'We're going to move in the interests of the Labor Party'. The events of this morning are a slap in the face for every Australian; the Leader of the Government in the Senate, via a media release, has basically taken away any credibility the government had in this argument. We have had this big debate, but we need to have a look at this carefully. We need to have a look at a number of pieces of legislation that are going to have the most fundamental impact on the future of Australia, probably since Federation. They kept contracting that, but in a moment of contrition they said, 'No, we'll extend the sitting days by a week to ensure that we can have a proper debate and a sufficient period in committee to drill down and find out about each and every person's particular sectoral interests'—whether it is a spatial interest, particularly in the Territory, or some other sectoral interest. But that has now been denied to us, with them saying, 'No, we're going to truncate that until Tuesday.' There is no real reason at all for that, only that it is in the interests of the Labor Party because it is all becoming too grim. The media, including newspapers, and Australians are becoming more and more offended and inflamed by the truncation of the debate and the issues that the debate is bringing out.

It is no surprise that I rise today to declare I will not be supporting the bills to create this toxic tax. This is consistent with the position I have taken for some time. I spoke at length to the people of the Northern Territory on a whole range of matters prior to the election—I was on talkback radio, TV and all the stuff that politicians generally do—and I was quizzed at length about my position and my party's position on a whole range of matters. One of the fundamental matters people put to me was: 'Where do you stand on a carbon tax, Senator? What are you going to do about a carbon tax?' I said, 'Look, we're not interested in a carbon tax,' quite clearly. It was a bit of an issue.

I recall that much of the debate was all about whether the government would introduce a carbon tax. We said, 'It looks like they might.' 'Hysterical,' they said. 'Duplicitious,' they said. Labor said, 'These
people aren't to be believed, of course we won't.' And then we had the historical comment by the Prime Minister, Julia Gillard: 'There will not be a carbon tax under a government that I lead.' It was a fundamental promise—absolutely unequivocal. The reason it was unequivocal is that she knew that the interests of her political party would not be served by losing an election. That election was there to be lost by them telling the Australian people that they were going to pursue a carbon tax. It was there to be lost. And when it came to the question of choosing between what is in Australia's national interest and what is in the interest of the Labor Party, for that bunch on the other side there was no question at all. Their response has always been to say, 'Let's increase the interests of our own political movement over the interests of this nation and our people.'

It is a toxic tax. There is no doubt about that. It has been acknowledged by those opposite—for what little they can be believed, and by what little modelling they have released—that this is certainly going to have a significant impact on the cost of living—over $500 a year increase. As Australians we all know that, wherever we live, the cost of living is acute. Electricity prices have risen by 51 per cent since 2007, gas prices have risen by 30 per cent, water and sewage rates up by 46 per cent, health costs up by 20 per cent, education costs up 24 per cent and rent up 20 per cent. It affects individuals and communities. It is a tax that is going to put up prices. Just like the 10 per cent increase in electricity prices and the nine per cent increase in gas prices—all of these things are going to go up again. If you thought you were doing it hard today then after this tax it will certainly be an awful lot harder.

Those on the other side have pontificated on the adjustments. They say that it is going to be all right. In her contribution, Senator Crossin said that if you are a pensioner in the Northern Territory it is going to be okay because a couple would get an extra $255 a year each. I am not sure where they are going to splash their extra $5 a week but it is not going to go too far. In the same contribution, she said that items were only going to go up by 10c each. You do not get too many items in the bottom of your shopping trolley before $5 a week is exhausted. She also went on to say: 'I don't know what we're worried about. If you get a truck that goes from Sydney to Melbourne, it's only another 35 bucks or 7c a litre. It's nothing.' As a Territorian, I am not surprised she is quoting Sydney prices for fuel! Anybody who lives in Darwin or elsewhere in the Territory will say that it is going to be an inordinately worse issue if you are trying to purchase fuel in Darwin. By the way, Senator Crossin, it is a bit further from Adelaide to Darwin than it is from Sydney to Melbourne. These are all increases in prices and this is a toxic tax on remoteness. The further you are away from the capital cities the more you will pay, as if you are not paying enough already.

This is not a fixed tax. For the pensioners who will be 'delighted' with their 70c a day—thanks a lot for that!—the tax is going to go up. Whilst their adjustment is apparently locked in—their last lock in—we know that the carbon tax is going to go up. We are told by the government modelling that it is going to creep up and by 2016 it is going to be $29 a tonne and by 2020 it is going to be $37 a tonne. There are other economic modellers who say it is going to be $49 a tonne by 2016. The Greens believe that if it is not $50 a tonne it is not going to make any difference. So you can guarantee the compensation will be fixed and the pain will be flexible and only going one way. This could not really happen at a worse time. If
you asked anyone around the world, 'If you could pick a year when you would impose an economy-wide tax, what would it be?' I do not think there would be any surprises to any clear thinking Australians that the answer would not be 2011, right now. Globally we are looking down the barrel after the sham in Europe. A week later it is already falling apart. We know that there is massive uncertainty in the global economy. And this is the time we have chosen to put an economy-wide tax on Australians.

If you go back to why we are doing it, it just seems crazy; it is nuts. It is not because we are worried about Australia; it is because we are worried about the Labor Party. The only way the Labor Party could have been in power is with the handshake of the Greens. The Greens said, 'We are not going to sit with you and give you government unless you promise us a carbon tax.' I do not believe anyone on the other side. They have been so duplicitous. They have a history of disinformation and duplicitous behaviour. But that is not why I do not believe them. In their eyes I can see they do not believe in a carbon tax. They did not believe in a carbon tax before the election and they do not believe in a carbon tax now, but it is in the interests of the Labor Party to be in power and so they have sold Australia out. The only issue is about timing. That is the only thing that they have been thinking about.

I remember one quotation from a senator opposite. She said, 'I am very pleased to be standing supporting the package of clean energy bills because the rest of the world is acting and our economy and our environment will be badly damaged unless Australia acts too.' It is a special quotation out of the Labor dirge. But I am not so sure whereabouts on the planet it is that Senator Crossin says they are acting. Perhaps, as we all suspect, it is a different planet, because there is no country in the world that is imposing an economy-wide carbon price. This is a fact. The United States, one would think, is a comparable economy, with pretty big numbers. It has an impact and is a major trading partner. Are they moving to a carbon price? They have abandoned their cap and trade and could not be standing further away from it. We are always making comparisons with Europe. They actually have a price on carbon, but it is not economy wide. Many industries in fact get free permits, so there is not a lot of comparison there. Instead of the size we are looking at, theirs is $500 million a year, against a $9 billion-a-year imposition, a $9 billion tax. It just beggars belief. We have heard: 'China is acting. China is out there, a big economy. They are only going to increase their emissions by 500 per cent by 2020.' We breathe a sigh of relief.

What were you thinking? Sorry, that's right: you were thinking about yourselves. You certainly could not have been thinking about Australians, our communities, our families, our individuals. You once again took the easy line and just thought about your own interests.

As part of the debate, this side of the chamber has had direct action. That side of the chamber has said, 'We want a price on carbon.' They have lied about it to the Australian people. But both sides agree that by 2020 we would have a five per cent reduction. Our five per cent reduction is ordered and we know we can get it; there is no question about that. But those on the other side have decided to weld themselves to a process whereby there is going to be a carbon market from 2016. There is going to be a carbon market under which we can buy credits. In fact, we are not actually going to reduce emissions in Australia; we are going to increase the amount of our emissions by 43 million tonnes. That is what this government is going to do. They said, 'We are going to increase by 43 million tonnes,
and we have been a bit lazy about that, but it's okay, because we're going to buy carbon credits. I have to say that carbon credits are probably not the most universally credible piece of currency around the place. Europe is awash with fraud and convictions; that is well known. But we are going to buy these from someone. Not only are we going to buy them from someone but we are going to buy them in a market that does not exist. It is all a little strange.

Again, I am not surprised that they come to this place to say, ‘We were going to give it full scrutiny for another week’, because there has been a bit of argy-bargy. We are talking about the carbon tax and people are starting to focus on it a bit. Why don't we just cut the process of transparency out? What if those nasty buggers on the other side start asking us questions about the impact on our national interest? Why don't we just cut the process of transparency out? What if they start asking some questions about the basis of the assumption that there is actually going to be a market to sell carbon in?

There was an excellent article by Greg Sheridan in the Australian. He interviewed the Canadian foreign minister, John Baird and asked Baird whether Canada would join an international carbon trade. He said, ‘There is nothing to join. Where is it going on today?’ I know that those on the other side have got the earmuffs on and have locked themselves down in Dalek mode, but the rest of the world knows what is going on and is not acting. There is not going to be a market for carbon. You will not be able to throw away Australia's $3.5 billion—and that rolls off the tongue so casually—in all sorts of weird places to buy weird pieces of paper. That is not even going to be able to happen.

Do they have a plan B? I am not surprised that they do not really want to open themselves to that sort of level of scrutiny in terms of the committee stage. There is no doubt at all in my mind that the Greens are fundamentalist lemmings that are racing towards the cliff of reality. There is no doubt about that. But at least they have been consistent. The glint I see in their eyes is the glint of passion about what they believe in. But the glint I see in the eyes of those opposite is a glint of self-interest and of duplicity. I frankly cannot understand why they do not get that the Australian people are in the sports stores not to buy funny hats; they are there to buy baseball bats and they are waiting for the election—they cannot wait. I am constantly harassed by people saying, 'Why do we have to wait?' People say: 'Can't we just get a tank, Nige? They're doing it in the rest of the world.' They are all so frustrated. And this level of frustration comes because Australians themselves know that they are going to be the ones to pay for this duplicitous behaviour. Those on the other side I notice are shaking their heads. Senator, did you tell your electorate before the election that you were going to support a carbon tax? I am sure Hansard and every record in your electorate would say that you stood up, with Gillard, and said 'No, no, they're making it up.'

**Senator Polley:** Madam Acting Deputy President, I raise a point of order. The good senator is well aware of the protocol of referring to people in the other place and he should at least show respect to the Prime Minister. I ask him to use her proper title.

**Senator SCULLION:** I was in fact referring to you, Senator—no-one else.

**The ACTING DEPUTY PRESIDENT (Senator Boyce):** Please sit down, Senator Scullion. Senator Polley.
Senator Polley: He referred to 'Gillard', and it is totally inappropriate.

The ACTING DEPUTY PRESIDENT: I did not hear that reference.

Senator SCULLION: I believe I did say that. I withdraw it and I refer to the Prime Minister. Senator Polley, I was referring to—

The ACTING DEPUTY PRESIDENT: Senator Scullion, the other point is, of course, to direct your remarks through the chair.

Senator SCULLION: Through the chair, I was directing my remarks at Senator Polley—and all those on the other side. I did not hear one of you say before the election: 'By the way, I am going to be standing in the Senate saying: I absolutely support a carbon tax. I couldn't get a carbon tax in quick enough.' In fact, we have to get it in so quickly, we have to truncate the processes of the Senate, so we cannot actually question you properly.

Senator Polley interjecting—

Senator SCULLION: Senator Polley, any time you want to stand up in here and tell me what you told your electorate before the election: 'By the way, I am going to be standing in the Senate saying: I absolutely support a carbon tax. I couldn't get a carbon tax in quick enough.' In fact, we have to get it in so quickly, we have to truncate the processes of the Senate, so we cannot actually question you properly.

Senator Polley interjecting—

Senator SCULLION: Senator Polley, it is with great sadness that I stand in this place somewhat confused. We have reached an all-time low not only in how the government treat parliament but, through that process, how they treat their nation. It is with the utmost arrogance that they believe they will somehow get away with this. They will somehow go through this process and all will be forgiven. It will be all right. They think that they will get to the election and Australians will forget what they have done to them and will forget that they put their personal interests and the interests of their party before this nation. Let me tell you: they will not.

This is a toxic tax that does nothing for our national interest. It is a toxic tax that does absolutely nothing for the global environment. It is a toxic tax that does absolutely nothing for individuals, for families and for communities that are currently doing it very, very hard. They care, and they care sufficiently, and they understand all those things. They were very concerned about that before the election. As I said, I commend the Greens for their consistent approach: lemmings but consistent. But those on the other side, who have said to Australians, 'We are not going to have a carbon tax if you vote for us' lied to the Australian people, and the Australian people cannot wait to get to an election. I cannot support this toxic tax. (Time expired)

Senator XENOPHON (South Australia) (11:04): I have long supported action on climate change. I believe that there are real risks that if you do nothing the risks are great. I think anthropogenic climate change presents Australia, and indeed the world, with a very serious and complex policy problem. British sociologist Lord Anthony Giddens said that it is a paradox that politicians will not often take action on a problem when the impact is many years away, but when the impact of the problem becomes apparent it could well be too late to do anything about it. That is what I think has been broadly referred to as the Giddens paradox.

I think it is absolutely crucial, however, that any scheme that is introduced into an economy to combat climate change needs to be credible internationally and sustainable domestically. It needs to make a real difference to the environment. I want to pause to reflect on the process not with
rancour but with disappointment. I understood that we were going to have all of next week to deal with the committee stage of the carbon legislation. My understanding is that that will no longer be the case. I think that is a mistake. The Clean Energy Bill 2011 and related bills are important legislation. Whilst the numbers may be certain—and I respect that—for the passage of this legislation, I think it is important to ventilate as fully as possible such a huge policy change, and I believe I am consistent on these positions, whatever side of the debate I am on, in that you should not unnecessarily constrain debate. I for one would have been not so much happy but willing to attend this place on a Friday, a Saturday, a Sunday—however long it took—so that there would be no suggestion that debate was in any way constrained. I am afraid that there will be that very strong suggestion. I know this is an issue that we have debated on many occasions, but this is an important piece of legislation. It is complex, it is technical and I think there are legitimate questions that need to be asked.

I thought that the process that we had with the CPRS a couple of years ago was a good process in the sense that it was adequately ventilated and everyone had a fair go to raise their concerns. I acknowledged then that I thought that Senator Wong, as the minister responsible, the minister in charge of the legislation, did do a magnificent and dignified job in dealing with the issues, even though that legislation was ultimately defeated. I believe that if we choose the wrong scheme—if it causes irrevocable damage to our economy or does little for the environment, or both—then it is not legislation that we should support. I believe that this legislative package currently before the Senate will be damaging to the economy, will do little for the environment and could well serve as an excuse for other nations, particularly nations in our region, not to act, because of the design of the scheme. There are some seminal, fundamental issues that I want to address shortly—the issue of a mandate or in fact a reverse mandate.

It is fair to say that, contrary to the opposition's claim, we are not going it alone when it comes to action on climate change. There are a number of other countries that act on climate change. The United Kingdom, the European Union of nations, the United States, New Zealand and Japan, to name but a few, are taking action, but the scheme design varies widely, the impact on the economy varies widely and the targets vary widely. So the question today is not whether we should take action on climate change but whether this scheme will ensure that true environmental benefits are achieved without damaging Australia's economy or disadvantaging local industries. And of course there is that mandate issue as well.

I believe that imposing large adjustment costs in the economy with no prospect of incremental global abatement gain is simply not an efficient or economic proposition and is not responsible. I have long advocated for an intensity based scheme, as proposed by the economic consultancy Frontier Economics, where heavy polluters pay and those who keep their emissions below the benchmark in their industry are credited for their cleaner approach. Senator Wong in estimates and in other forums gently teases me, saying that she admires my loyalty to Danny Price of Frontier Economics, who I have dealt with for many years and who I have found to be uncannily accurate in his predictions. He is someone who has an enormous amount of credibility. My loyalty is not to Danny Price; my loyalty is to good public policy. Good public policy would be to seek the will of the people. Good public policy would be to adopt an intensity based approach.
The modelling was done when Mr Turnbull was opposition leader. We jointly commissioned Frontier Economics to undertake the research, and the modelling was undertaken by the same economic modellers using the same model used by federal Treasury. It found that with the Frontier scheme you could actually have deeper cuts, a 10 per cent target rather than a five per cent target, with much less cost to the economy because you do not have the same level of recycling of revenue, which is inherently inefficient and causes damage to the economy. It is important to have an approach that is a combination of carrots and sticks, rewarding those who do the right thing and punishing those who do not, and to do it in a way that does not involve the same level of recycling and the same price effects. Therefore, there is not the same need to compensate as much, because you do not have the distortion effects in the economy.

I believe the government's approach will result in much economic pain, with very little environmental gain. I note that this target is the same as the target that the government put up in the CPRS, which all non-government parties and senators rejected just two years ago. I believe a higher abatement target can be pursued under an intensity based scheme due to the economic cost savings and because the scheme will result in lower energy prices, which will make the low-carbon transition more acceptable to consumers.

This is all about transition. How do you best transition your economy to a low-carbon future? This bill will not do it. I note the comments of Professor Garnaut, the government's key adviser on climate change. He has said that if you want to bring about reform you need to have tax reform and a whole measure of reforms in place in order to allow for that transition. I do not believe that this package does that in any way, shape or form. I note the comments of the Productivity Commission, who have expressed concerns about having a dedicated fund in the way that is being proposed to deal with the issue of abatement, and Professor Garnaut has echoed those concerns. That is something that can be discussed later, at the committee stage. I believe in an intensity based approach. The Frontier approach preserves the same intention the government has, to reduce Australia's emissions, but it would not unnecessarily raise tax revenue or prices for consumers in the same way the proposed carbon tax or the proposed emissions trading scheme that will follow it will.

I also have concerns about the clean energy legislation package because, based on existing modelling that has been provided by Treasury, taxpayers may face a multibillion-dollar shortfall. Treasury has assumed a carbon price of $29 per tonne in 2015. However, analysts with Bloomberg energy futures—200 analysts around the world including here in Australia, people who live and die forecasting the price of carbon—have assumed a per unit carbon price of $16 per tonne in the international market. As compensation to households, which under the government's proposals is in the form of lump sum compensation, will not change in line with the carbon price, the concern is that if Bloomberg's forecast is correct carbon revenue will fall to about half of what has been predicted. This means that households would in effect be overcompensated and the government would see a significant deficit—a shortfall in revenue. For example, revenue from the sale of permits in 2014-15 is expected to be $8.6 billion. If the price in 2015-16 is $16, as predicted by Bloomberg, not $29 per carbon unit, then this revenue will fall to approximately $4.7 billion, close to a $4 billion shortfall to the budget.
I put these questions to Treasury during the recent Senate estimates and it came down to a question of what the price per carbon unit will be in 2015. The fact is, if the price is anything less than $29, as modelled by Treasury, there will be a revenue shortfall. Under the intensity based model proposed by Frontier Economics, this would not be an issue, as compensation to households would fall with the carbon price. It would not be fixed as it is in the case of the government's legislation.

I indicate now that I will be introducing a number of amendments that will adapt the government's legislation to a model that is in line with the scheme proposed by Frontier Economics, and I am grateful for the good, impartial advice of Danny Price and of his colleagues Matt Harris and Amar Breckenridge, who work in this field extensively giving advice to governments, to industry and to NGOs. I know that those individuals are concerned about getting the right policy response for effective action for climate change. Whilst these changes will not be a baseline and credit model, which was the basis of the GGAS model designed by Danny Price and Frontier Economics—that model was all carrot and no stick, and that is not appropriate if you want to deal with this in the long term and on an effective basis—it will adapt the carbon price to work with the same effect based on energy intensity and it will provide the transition that this economy needs. It is worth commenting on the coalition's direct action plan. I believe that plan is grossly inefficient. It carries with it risks to fiscal policy. It carries with it risks to the budget bottom line. It is incredibly clunky. It is about, in a sense, picking winners. I do not support that plan. The only advantage I see of that plan is that you can switch it off more easily and adapt to a much more efficient emissions trading scheme—that you will not be locked in. That is the only advantage. In a sense, I am damning the coalition's plan with very faint praise, but the ability to switch it off ought to be acknowledged.

The amendments I will move will be, firstly, to increase the target reduction of emissions to 10 per cent less than 2000 levels by 2020. Those emissions reductions are achievable at a lower cost because you will not have the revenue recycling. You will not have the inherent inefficiencies in what is being proposed. I believe we can achieve this higher abatement by 2020, and it is a better springboard for greater reductions. I also believe that the establishment of a clean energy standard will provide incentives for the electricity generator sector to reduce emissions. By allocating a number of free units each year and using a formula to reduce the number of permits issued under a benchmark for each year until 2030, this will encourage the electricity sector to reduce their emissions without substantially increasing energy prices to consumers, and it will give certainty to the electricity sector, as I think it must.

My great fear is that we will face a critical energy shortage in this country in the coming two to three years, and that will have enormous effects on our economy. We are not getting the investment that we need. The investment ought to be skewed, of course, to cleaner energy, but I just have real concerns about that. Wind power, whilst welcome, is not an answer to the baseload electricity generation that we require.

I also believe that amendments to establish a national energy efficiency scheme, or a white certificate scheme, would promote and recognise those who are introducing commercial and domestic efficiency measures. I note the advocacy of Senator Milne and others in the Australian Greens over a number of years for this. I
believe that is appropriate. The white certificate scheme is the approach that we should take. These schemes are successfully operating at some level in Australia; they are also common in Europe. It would lower compliance costs for electricity retailers already facing multiple energy efficiency schemes across different states and would support an increased emissions reduction target.

I also believe we should recognise voluntary action. It is important that the government recognise and provide incentives for voluntary action without reducing the obligations of emitters. Voluntary action by the Commonwealth, states and territories and by local government bodies, other entities or individuals to reduce or offset greenhouse gas emissions, which is not otherwise accounted for under the scheme, should be rewarded.

The government's proposal provides for emissions-intensive trade-exposed businesses to receive assistance, and I will move an amendment to provide that they receive 100 per cent assistance, not the 86 per cent that is currently provided for in the legislation. But I also believe that there must be a quid pro quo. If there is industry assistance, that should be tied to getting better outcomes in energy efficiency in terms of reducing emissions. It should not be a blank cheque. I believe that there ought to be greater compliance by these emissions-intensive trade-exposed industries to receive this assistance.

I have a fundamental, seminal issue in relation to this legislation. Unlike the opposition, I do not believe the Prime Minister lied when she made the statement shortly before the last election that there would not be a carbon tax. I believe she did not lie—that she told the truth at the time. That was her intention at the time. But she changed her position after the election, given the realities of minority government. I understand that. I also understand that the Australian Greens have been entirely consistent in their position on this, and I commend them for their consistency and indeed for their environmental advocacy. But I have a fundamental problem, in that, when a government say just before an election that they will not do something and after the election they turn around to say that they will do the opposite of what they said, in a way that could well have materially influenced the outcome of the election, and I think that is axiomatic, given that we now have a minority government.

I think it is incumbent on the government to go back to the people to seek a mandate. That was my position in my time as a member of the South Australian Legislative Council. I stood up to the then Liberal government to oppose the privatisation of the state's electricity assets because then Premier Olsen said just before the 1997 state election that there would not be a privatisation and a few months later he changed his mind. He was entitled to, but he should not have privatised the state's biggest assets in the absence of endorsement by the will of the people. My position is entirely consistent in relation to that. We might have a new paradigm, but that paradigm needs to have the will of the people acknowledged in terms of that.

That is why I will be moving an amendment for the proclamation of this legislation to occur only following the next federal election and after the 44th Parliament has met. My colleagues, my constituents in South Australia and the wider public know that I believe that we need to have responsible action on climate change—not this scheme and not the opposition's scheme; there is a better way to achieve outcomes, but you need to bring the people with you.
There are many people I speak to who I believe have been traditional Labor supporters, and they are angry that they were told one thing before the election and that something different is being done now. Even though I get hissed and booed sometimes, I do not believe that the Prime Minister told a fib. I do not accept the opposition's assertion. I believe she acted in good faith in what she said just before the election. But, having said that, because circumstances have changed, you need to get a mandate from the Australian people.

I believe the Frontier Economics scheme, carefully modelled, carefully researched, using the same modelling as the Australian government's modellers used, would achieve a more ambitious carbon emissions reduction target and would be more attractive in managing adjustment concerns because the scheme has lower cost properties in it. This would be desirable from an environmental perspective and in terms of sending a more credible signal internationally.

I look forward to debating my amendments during the committee stage. I get the feeling, however, that I will be quite lonesome with those amendments, but it is important that they be debated, because we cannot avoid the debate about having the best possible way to reduce emissions in this country. There is also the fundamental issue of obtaining the consent of the Australian people for such a monumentally significant piece of legislation. Because of the seminal issues that I outlined, I cannot support the second reading stage of these bills. I also have real concerns about the processes involved—and I say that again without rancour. I just do not think that this sets a good precedent. I think it would have been much better if we had slugged it out here in the chamber for a few more days. That way the process would have been much fairer, and I think, indeed, that many Australians would demand that process for such an important piece of legislation. I look forward to the committee stage of this legislation, and I assure my colleagues that I will participate in that stage constructively and in good faith. But I do worry that this legislation, this approach, is not the right way to go.

Senator BIRMINGHAM (South Australia) (11:22): Bad policy is always bad policy. That is why political parties who are true to their convictions should stand against bad policy from opposition and be willing to replace it with good policy in government. The Clean Energy Bill 2011 and related bills represent bad policy. That is why the Liberal and National parties are standing against them in opposition and, should the electorate endorse our position, it is why we would replace them with better policies in government. Above all else our approach to these issues demonstrates respect for the electorate. Labor ramming this carbon tax through the parliament demonstrates their complete and utter disregard for the electorate. Just because Julia Gillard's broken promise that there will be no carbon tax under a government she leads has been frequently referenced in this place and is widely understood throughout the Australian community does not mean it is any less relevant to this debate. In recent Australian political history the only comparable circumstance of a political leader making a crystal-clear, black-and-white promise to the Australian electorate only to do the exact opposite after forming government was Paul Keating's infamous I-a-w law tax cuts. Labor senators would be wise to remember how that act of electoral betrayal ended at the ballot box.

However, a broken promise is not in and of itself a satisfactory reason to oppose a policy or a package of bills. We should always consider legislation against the basic principle of whether it delivers on its stated
objectives in the most effective, efficient and fair way possible. This legislation does not. The explanatory memorandum to the primary bill in this vast legislative package, the Clean Energy Bill, argues that Australia needs to reduce its emissions of greenhouse gases, or carbon pollution as the government tries to emotively describe such emissions. The coalition agree with this objective. We share the commitment for Australia to reduce emissions by five per cent from 2000 levels by 2020. We stand ready, if a real global agreement to do more can be reached, to do more as part of a coordinated and integrated global effort. The Prime Minister's second reading speech describes this legislation as, 'A plan to cut carbon pollution by at least 160 million tonnes a year in 2020.' However, there is an act of trickery here because all modelling demonstrates that this package does not reduce Australia's emissions. Even if all of the government's policies and all of their optimistic assumptions go exactly as planned, Australia's emissions will still rise from 578 million tonnes of CO\textsubscript{2} equivalent gases in 2010 to 621 million tonnes of CO\textsubscript{2} equivalent gases in 2020. These are not my numbers; that is the assessment of the government's own advisers at the Treasury.

This legislation fails the basic test of actually meeting its stated objective. It has been sold through a multimillion-dollar taxpayer funded campaign in which it has been presented as delivering Australia a clean energy future. This is simply misleading. Labor is trying to con the Australian electorate into believing this package delivers something that transparently it does not. However, many Australians have not been conned and they rightly ask this simple question: if the carbon tax does not reduce Australia's emissions, what is the point of it? It is a fair question indeed and one that Labor senators have failed to confront head-on during this debate. Labor only manages to claim that this package reduces emissions by outsourcing action and responsibility to the rest of the world, not by taking action in Australia. This does, however, come at a great cost to Australia. The same Treasury modelling shows that in 2010 prices Australian companies will spend $2.7 billion in 2020 and $57 billion by 2050 on purchasing overseas permits annually. Assuming inflation of 2.5 per cent annually, this results in actual spending by Australian businesses on overseas abatement permits of $3.5 billion in 2020 and a staggering $153 billion in 2050. Not only is this a massive outsourcing of action and responsibility, it also sees Australia placing multibillion dollar bets on global carbon markets that have already been found to be susceptible to fraud and manipulation, and, as the Canadian foreign minister described them just the other day, resemble a pyramid marketing scheme. This is spending that is additional to the cost of Labor's carbon tax or trading scheme in Australia, which domestically starts off raising and costing around $9 billion per annum.

It is remarkable that the Greens and others who call for the transformation of emissions within Australia accept and go along with this trickery and go along with the sleight of hand that sees this massive outsourcing of action. We constantly hear claims, from the Greens in particular, about Australia having amongst the highest emissions per capita in the world, not that this is actually a valid consideration as considering emissions against GDP or domestic consumption are more valid approaches. Nonetheless, the ongoing failure of the Greens to explain why it is acceptable to them, even with this carbon tax in place, for Australia to continue to have the highest emissions per capita in the world speaks volumes about the fact that the Greens approach to this legislation is
more about politics than good policy. This legislation simply does not meet its stated objective of reducing emissions in Australia. That alone should warrant its defeat in this parliament. But matters of climate change are not just an Australian issue—quite the opposite. As I told the Senate in November 2009 during contributions on the previous CPRS debates:

Global action is essential, for unilateral action by Australia will not make any notable difference.

That statement is as true today as it was then. The science surrounding climate change makes it clear that addressing this issue requires all countries to act in an agreed way, especially those countries responsible for large volumes of emissions. Stabilisation of greenhouse gas concentrations in the atmosphere requires everyone in every country to do their bit. It cannot be achieved by some acting while others around the world continue on a trajectory of emissions growth.

In that 2009 debate I went on to state:

Global agreement is not easy and the pathway or processes towards it are messy, and we have seen that in recent weeks in the lead-up to Copenhagen.

If I thought the lead-up to Copenhagen was messy, it is hard to describe just how untidy, unsatisfactory and unseemly the outcomes of Copenhagen actually were. It was a debacle that has set global agreement back an indeterminable length of time. The Copenhagen conference collapsed. It produced no agreement on a second commitment period for the Kyoto protocol, nor did it produce any agreement on a new treaty structure to limit global emissions. Instead it produced a flimsy three-page accord under which some countries have proceeded to pledge a range of non-binding, non-measurable and non-verifiable emissions targets or emissions intensity targets. The same group gathered in Cancun last year, but again failed to make any meaningful progress towards a binding pathway forward on global emissions. Next month they will gather in Durban, where nobody, including the Gillard government, seems to expect any further progress.

If the Labor Party and the Greens get their way we will see the perverse situation next year where, just as the first commitment period of the Kyoto protocol expires, leaving the future of global emissions mitigation decidedly unclear and with no legally binding global framework in place, Australia will embark on a carbon tax and emissions trading regime that imposes a legally binding framework on Australian businesses with greater scope and higher targets than anywhere else in the world. Labor justifies this apparent madness by claiming the world is acting, citing the pledges made under the Copenhagen accord and a scattering of carbon pricing schemes, all of which have much less scope and impact than is proposed by this legislative model.

Rather than taking Labor's word for it, it is worth checking what the rest of the world thinks about the extent of complementary global action on climate change. The World Bank's Carbon Finance Unit recently surveyed market participants regarding the likelihood of an international agreement being reached for the post-Kyoto protocol period that we enter next year. They found:

Survey respondents were not optimistic that a binding international agreement could be achieved in the short term.

Asked how confident these global carbon market participants were of there being a new legally binding multilateral framework, similar to the current Kyoto protocol, with legally binding commitments to reduce emissions, close to 90 per cent of respondents were pessimistic or slightly pessimistic of any such framework being reached before 2015. More than 65 per cent
of global carbon market participants remained pessimistic about there being a legally binding replacement to Kyoto agreed before 2020.

The Copenhagen accord has seen a limited number of countries register a broad range of noncommittal targets and actions of varying forms, a veritable mixed bag of absolute reductions against business as usual trajectories versus changes to intensity limits, many with varying base years, some with quantified emissions reductions and others without. While there is little consistency and barely any comparability between the pledges made under the Copenhagen accord, the most important question should be: do they, or could they, achieve the aims of controlling or averting human induced climate change? The 2010 United Nations Environment Program's The emissions gap report estimates that developed and developing country pledges are 60 per cent of what is needed by 2020 to place the world onto a trajectory that will keep global temperature rises to less than two degrees Celsius in comparison to preindustrial levels.

The International Energy Agency concurs, stating that the two-degree goal will only be achievable with a dramatic scaling-up of effort from countries around the world in advance of their Copenhagen commitments. Even when the promises are voluntary, non-binding, non-measurable, non-reportable and non-verifiable, as is the case under the Copenhagen accord, the world is a long way off making commitments that justify the Gillard government's optimistic modelling of the impact of their carbon tax.

Despite the pessimism that surrounds the prospects for global agreement and unified global action, the coalition believes Australia should do its bit so as to maintain credibility for our bipartisan position in international negotiations to achieve an effective global agreement. That is why we remain committed to achieving the target of a five per cent reduction in emissions by 2020 against a 2000 baseline. However, there is no point applying policies that assume and pretend things are happening elsewhere when, quite frankly, it is the opposite. This carbon tax plan is based on a dream-world scenario, not a real-world scenario. In an ideal world, where the action among all major emitters is comparable, and the policies of those countries to restrain emissions enjoy a strong level of consistency and interoperability, there is a place for some type of carbon pricing.

Julia Gillard justifies her change of position on a change in circumstances. She is right to claim that leaders should change their position when circumstances change. However, it is equally right that a test be applied to ascertain whether the change in position is justified by and commensurate with the change in circumstances. In this position, it is most clearly not. Perhaps there would be a case if Julia Gillard had fronted the Australian public and said: 'Circumstances have changed. There have been dramatic positive developments from the major emitting countries.' Imagine if she had said that the United States had legislated a nationwide carbon pricing scheme or was even close to doing so, or that China had joined in and India had made firm commitments to reduce their carbon intensity over time. None of these things have happened. Instead, Julia Gillard's changed circumstances—

The DEPUTY PRESIDENT: Senator Birmingham, you need to refer to the Prime Minister by her correct title. I have allowed you not to use it on a couple of occasions but please refer to her as 'Prime Minister Gillard'.

CHAMBER
Senator BIRMINGHAM: Instead, the Prime Minister, Julia Gillard, and her changed circumstances have nothing to do with the policy merits of climate change action and everything to do with the balance of power in the House of Representatives. In the real world, where we in the Liberal and National parties live, we believe policies should be based on reality. We believe it is foolish to base your policy on purchasing international carbon credits when a credible market for such international carbon credits does not exist. We believe it is foolish to spend billions on dubious overseas action when you can take direct action here in Australia. That is what our policy seeks to achieve, in contrast to the policy of those opposite.

This carbon tax does not just fail its primary test of reducing emissions and creating, as Labor and the Greens like to claim, a 'clean energy future' for Australia; it also fails the tests of efficiency and fairness. From Labor's own modelling, their own optimistic estimates, we know that this policy leaves millions of Australian households worse off—at least three million and many millions more if the modelling is at all out in its estimates. We know that the number of households left worse off will increase over time as compensation erodes over time. From Labor's own modelling—again, their own optimistic assumptions—we know that all Australians face dramatic price rises from the middle of next year: 10 per cent extra for their electricity, nine per cent extra for their gas, ultimately more for fuel and ultimately more for everything that everybody uses.

These costs are not faced just by households; they are not faced just by families, pensioners, retirees or singles, by young or old, rich or poor. They are equally faced by state governments, local governments, charities, schools, hospitals—the list of people who face these economy-wide price rises is as big as your imagination. Then there are businesses. Most will pay, with little or no option available to offset those costs. Again, in the real world, we on this side recognise that electricity is already a huge input cost for many, many businesses. They already minimise use wherever possible. Under the carbon tax it will cost them more, but that does not mean they have greater opportunity to minimise their use of electricity; it just means they will have to pay more.

There is no compensation under this carbon tax package for Australia's biggest employer, the small-business sector. Small businesses, whatever their industry, whatever their service, whatever they provide, will again just have to pay. Yes, some businesses do receive some form of compensation, particularly those known as emissions-intensive trade-exposed industries, but they are not totally compensated, and the compensation they get erodes over time and is frequently limited to only certain parts of their business operations. So even those businesses that are identified as the businesses most vulnerable to this carbon tax regime face the real prospect of their work going offshore, their businesses going offshore and of course their carbon emissions going offshore.

This policy simply fails. It fails to reduce emissions in Australia, it fails to ensure global emissions are stabilised, let alone reduced, it fails to ensure Australian families are no worse off, it fails to protect Australian industry and jobs, it fails to ensure the budget does not plunge deeper into deficit—it fails on every test anyone can apply to it. What we will witness of course in the final days of this carbon tax debate are yet more acts of betrayal by the Labor Party, a party that is trying to implement a policy for political convenience not for policy good, a
policy based on a lie at the last election. A policy that is bad policy today will be bad policy tomorrow and, until we see any form of global agreement, bad policy for the indefinite future. That is why we on this side oppose it now and will continue to oppose it until we can get the right policy for Australia’s future.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (11:42): Like every other member of the Senate, I am not a climate scientist. There is not one of us who has spoken in this debate or is to speak in this debate with the professional expertise to assess the technical scientific debate—not one. But as legislators what we ought to be able to do is to make rational decisions about public policy.

I am prepared to accept that a clear majority of scientific opinion is of the view that anthropogenic global warming is a reality, and therefore I am also of the view that it is rational public policy to seek to address that problem. So the question becomes: does this bill address that problem? We know what the objective of the Clean Energy Bill 2011 is; we can see it from clause 3. The objective of the bill is:

(b) to support the development of an effective global response to climate change, consistent with Australia’s national interest …

The reason I cannot support this legislation is that there is no respect in which by passing these laws Australia will serve that objective. By how much will global temperatures fall, by how much will anthropogenic global warming be impacted, if the parliament, in defiance of an election commitment by the Prime Minister, passes this legislation? The answer is: not at all, not one iota.

I ask those who may be listening to this debate: if the objective that the legislation itself declares to be its purpose will not be served by it, why are we doing this? That, I think, is where the public find this debate perplexing, because nobody believes that the passage of this legislation will make one iota of difference to the earth’s climate. Even Professor Flannery, the government’s chosen advocate, has said that, if the parliament passes this legislation, it will have no measurable effect on the world’s climate for 500 or 1,000 years. So this much we know: the legislation is a gesture.

The advocates of the legislation are reduced to this proposition: ’All right,’ they say, ‘if Australia embraces this carbon tax, it won’t achieve the objective of reducing or affecting anthropogenic global warming, but Australia can at least set an example.’ As you know, Mr Deputy President, when we had the debate in the Senate in 2009 about the Carbon Pollution Reduction Scheme, in advance of the Copenhagen Climate Change Conference, I was one of those who could see the point of Australia participating in a coordinated global effort. But, since the Copenhagen Climate Change Conference collapsed, there is no prospect of a coordinated global effort, not from the United States, not from Canada—as their foreign minister told the CHOGM conference only last week—not from India, not from Russia and not from China, which was accused by the then Prime Minister, Mr Rudd, of actually sabotaging the Copenhagen Climate Change Conference.

So it becomes an argument from vanity. Australia, with an inconsequential population, is going to lead the world. Who do we think we are kidding? If the Australian parliament passes this legislation, it will have no impact on global opinion whatsoever. It will make a lot of well-meaning Australians feel good about themselves, but at what cost to the millions and millions of Australians whose standards of living will be materially affected? Last Monday, the United Nations tells us, the world’s population reached seven
billion. Australia's population is 22.7 million, 0.324 per cent of the global population. Who are we kidding if we think we, with less than one-third of a per cent of the people in the world, are going to change the globe's attitude to climate change?

Lastly, and in closing, I want to make some quick remarks about what I have found the most disturbing aspect of this debate, and that is the contempt for scientific method by the proponents of this legislation. How often have we seen Senator Penny Wong shrilly call out to us across the chamber, "The science is settled"? The science is never settled. I am a great fan of the late Sir Karl Popper, who in 1934 published one of the great classics of the 20th century, *The Logic of Scientific Discovery*, and of Thomas Kuhn, the American historian of ideas, who in 1964 published his classic, *The Structure of Scientific Revolutions*. What both Popper and Kuhn argued in those great classics of science was that the scientific method depends upon and operates by falsifiability—the falsification of existing propositions. Scepticism is the very spirit of science, because to question received hypotheses is the very mechanism by which the scientific method works. That is why every scientific advance has been described as a revolution. Galileo was a sceptic. Copernicus was a sceptic. Isaac Newton was a sceptic. Albert Einstein was a sceptic. Each of them challenged the scientific consensus of the time and, by propounding a better theory, advanced scientific knowledge and understanding.

There are few things that make my blood boil more than to hear the ignorance of those who say scepticism is anti-scientific. If you respect the scientific method, you would never settle for the proposition that there are no more questions to be asked, that the science is settled. But ignorance and zealotry and fear have characterised the conduct of this debate, in particular by Senator Penny Wong. I oppose these bills.

**The DEPUTY PRESIDENT:** Senator Brandis, just to clarify: you do have more time allocated after other intervening business.

**Senator BRANDIS:** I will yield to other colleagues.

**PETITIONS**

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

**Palliative Care**

Your petitioners ask/request that the Senate:

1. Calls upon the Government to acknowledge that well funded quality palliative care services would reduce calls to legalise assisted suicide;
2. Calls upon the Government to increase funding and, where necessary, introduce legislation that would:
   a. Confirm the right of all Australians to be able to access quality, modern palliative care when and as it's needed;
   b. Create the procedures, education and funding to make palliative care a fundamental part of our national Healthcare system and ensure the States, particularly Queensland, address the chronic under funding of palliative care services;
   c. Introduce as a matter of urgency end-of-life care as a basic competency for aged care workers (regardless of the setting in which they work) and include this competency in the core curricula of aged care worker education and ongoing training;
   d. Endorse the integration of the "National Palliative Care Standards" with the "Aged Care Accreditation Standards"; and
   e. Create and fund a campaign to educate the public about the role of palliative care in the healthcare system and its contribution to the quality of life and death.

by Senator Boyce (from 319 citizens).
Carbon Pricing

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

The petition of the undersigned shows:

• The proposed carbon tax and its impact on the cost of living.

Your petitioners ask that the Senate:

• Note with concern the refusal of Prime Minister Gillard to honour her 16 August 2010 promise that 'There will be no carbon tax under the government that I lead.'

• Reject any legislation introducing a carbon tax.

by Senator Nash (from 272 citizens).

Petitions received.

NOTICES

Presentation

Senator BACK: to move:

That the following matter be referred to the Education, Employment and Workplace Relations References Committee for inquiry and report by 30 June 2012:

The nexus between the demand for infrastructure delivery and the shortage of appropriate engineering and related employment skills in Australia, with particular reference to:

(a) the implications of the shortage for infrastructure delivery in terms of economic development, cost, efficiency, safety and disputation;

(b) the impact of the long-term outsourcing of engineering activities by government on skills development and retention in both the private and public sectors;

(c) options to address the skill shortage for engineers and related trades, and the effectiveness and efficiency of relevant policies, both past and present;

(d) options for infrastructure delivery using alternative procurement models which aim to foster collaboration and achieve effective community outcomes, including skills development and retention;

(e) effective strategies to develop and retain engineering talent in the private and public sectors through industry training and development, at enterprise, project and whole-of-sector levels;

(f) opportunities to provide incentives to the private sector through the procurement process to undertake skills development;

(g) consequences of skills shortage in the construction sector to the public sector's capacity to effectively procure and manage infrastructure projects;

(h) the impact of delayed and stalled infrastructure projects on economic development, workplace productivity and employment; and

(i) other related matters.

COMMITTEES

Selection of Bills Committee

Report


Ordered that the report be adopted.

Senator McEWEN: I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 15 OF 2011

(1) The committee met in private session on Wednesday, 2 November 2011 at 7.23pm.

(2) The committee resolved to recommend—

That—

(a) the provisions of the Classification (Publications, Films and Computer Games) Amendment (Online Games) Bill 2011 be referred immediately to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 14 March 2012 (see appendix 1 for a statement of reasons for referral);

(b) the provisions of the Corporations Amendment (Future of Financial Advice) Bill 2011 be referred immediately to the Economics Legislation Committee for inquiry and report by
The committee deferred consideration of the following bills to its next meeting:

- Broadcasting Services Amendment (Review of Future Uses of Broadcasting Services Bands Spectrum) Bill 2011
- Customs Amendment (Military End-Use) Bill 2011
- Defence Trade Controls Bill 2011
- Environment Protection and Biodiversity Conservation Amendment (Emergency Listings) Bill 2011
- Environment Protection and Biodiversity Conservation Amendment (Protecting Australia’s Water Resources) Bill 2011
- Minerals Resource Rent Tax Bill 2011 and ten related bills.
- Public Accounts and Audit Committee Amendment (Ombudsman) Bill 2011
- Telecommunications Amendment (Mobile Phone Towers) Bill 2011.

(Anne McEwen)

Chair
3 November 2011

BUSINESS

Rearrangement

Senator LUDWIG: I move:

That general business order of the day no. 68 (Quarantine Amendment (Disallowing Permits) Bill 2011) be considered on Thursday, 10 November 2011 under the temporary order relating to the consideration of private senators' bills.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

- General business notice of motion no. 438 standing in the name of Senator Siewert for today, relating to the North West Slope Trawl Fishery, postponed till 22 November 2011.
- General business notice of motion no. 442 standing in the name of Senator Siewert for today, proposing the introduction of the Fisheries Management Amendment (North West Slope Fishery Partial Closure) Bill 2011, postponed till 22 November 2011.
BILLs

Business Names Registration (Application of Consequential Amendments) Bill 2011

First Reading

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) (11:53): At the request of Senator Sherry, I move:

That the following bill be introduced:


Question agreed to.

Senator LUDWIG: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator 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) (11:54): I table the explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Business Names Registration Bill 2011;

The Business Names Registration (Transitional and Consequential Provisions) Bill 2011; and

The Business Names Registration (Fees) Bill 2011.

This package of legislation which was passed by the Parliament on 13 October 2011, along with subordinate legislation, will create a National Business Names Registration System.

The Business Names Registration (Application of Consequential Amendments) Bill 2011 will clarify the application of the consequential amendments to other Commonwealth Acts that were included in the Business Names Registration (Transitional and Consequential Provisions) Bill 2011.

The Business Names Registration (Transitional and Consequential Provisions) Bill 2011 has been drafted such that currently both the transitional and most of the consequential amendments commence on the same day, prior to the commencement of the National Business Names Registration System.

However, the policy intention is for most of the consequential amendments to commence on the day that the national system commences. This bill clarifies that consequential amendments to most other Commonwealth Acts will not apply until the National Business Names Registration System commences.

Currently businesses need to register their names in each state and territory in which they trade. The proposed national registration system, to be administered by the Australian Securities and Investment Commission (ASIC), will mean businesses pay one fee to register nationally, using an online application process. Any entity carrying on a business in Australia using a name other than its own will be required to register with ASIC. This will enable the identification of the entity behind a business name.

The Commonwealth has no power to regulate all business names registrations in Australia, therefore the establishment of a national business names registration system and the legislation which underpins it relies on a referral of
constitutional powers from the States to the Commonwealth.

The states therefore must enact referral legislation to give effect to the national registration system, and the Commonwealth legislation is drafted in such a way that the national system cannot commence if any State does not refer or adopt the legislation. Two states—Tasmania and New South Wales—have already enacted their referral legislation. Queensland has also passed its referral legislation.

The new national registration system will commence after all States refer business names powers to the Commonwealth, or adopt the Commonwealth legislation. It is envisaged that States will have completed this process by March 2012, and the national registration system will commence by the end of May 2012.

It is important that the Business Names Registration (Application of Consequential Amendments) Bill 2011 is enacted before the end of March 2012, to ensure a smooth transition to the new system can be achieved.

Full details are contained in the explanatory memorandum.

Debate adjourned.

BUSINESS

Consideration of Legislation

Senator LUDWIG: I move:

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

Coal Mining Industry (Long Service Leave) Legislation Amendment Bill 2011
Maritime Legislation Amendment Bill 2011
Tax Laws Amendment (2011 Measures No. 7) Bill 2011
Veterans’ Affairs Legislation Amendment (Participants in British Nuclear Tests) Bill 2011.

Question agreed to.

MOTIONS

Bonner, Former Senator Neville, AO

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:55): Before moving a motion relating to former senator Neville Bonner, I seek leave to add the names of Senator Abetz, Senator Scullion and Senator Macdonald to this motion.

Leave granted.

Senator SIEWERT: I, and also on behalf of Senator Abetz, Senator Macdonald, Senator Moore, Senator Rhiannon, Senator Scullion and Senator Waters, move:

That the Senate—

(a) notes that:

(i) 2011 is the 40th anniversary of the appointment of Australia's first Aboriginal senator, Mr Neville Bonner AO, who served as a senator for the state of Queensland from 1971 to 1983, and

(ii) it is also the 50th anniversary of the establishment of South Tweed Heads reserve, which is both the site of Senator Bonner's birth and a sacred site to the Minjungbal people; and

(b) acknowledges:

(i) the vital role of Senator Bonner, as the first Aboriginal member of Federal Parliament, in providing a voice to Aboriginal people and bridging the gap between Aboriginal and non-Aboriginal Australians, and

(ii) the important work of Ms Margaret Kay, who in 1961 led the efforts to preserve the historic site of South Tweed Heads at a time when the conservation of places of Aboriginal cultural heritage was rare.

Question agreed to.

Egypt: Coptic Christians

Senator FAWCETT: I, and also on behalf of Senator Sterle, move:

That the Senate—

(a) condemns the tragic violence towards Coptic Christians in Egypt;
(b) expresses grave concerns for the safety of Copts in Egypt;

(c) condemns the recent attacks on 9 October 2011 in Cairo, resulting in 27 fatalities and more than 300 injuries; and

(d) calls on the Government to make further representations to the Egyptian Government to strengthen its efforts to promote and practice tolerance towards all citizens.

Question agreed to.

Iran: Religious Freedom

Senator FAWCETT: I, and also on behalf of Senator Sterle, move:

That the Senate—

(a) condemns the death sentence given to Christian Pastor Youcef Nadarkhani in Iran on crimes of apostasy;

(b) notes that this charge is in direct conflict with the International Covenant on Civil and Political Rights, which allows freedom of religion and freedom to change one’s religion, of which Iran is a signatory;

(c) calls on the Government to make representations on the matter; and

(d) strongly urges the Iranian Government to uphold religious freedom for all citizens.

Question agreed to.

NOTICES

Withdrawal

Senator HANSON-YOUNG (South Australia) (11:57): I advise the Senate that I withdraw business of the Senate notice of motion No. 1 standing in my name.

COMMITTEES

Legal and Constitutional Affairs Legislation Committee Reporting Date

Senator McEWEN: At the request of Senator Crossin, I move:

That the time for the presentation of the report of the Legal and Constitutional Affairs Legislation Committee on the Native Title Amendment (Reform) Bill 2011 be extended to 9 November 2011.

Question agreed to.

Community Affairs References Committee Reporting Date

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:58): I seek leave to make a statement before moving general business notice of motion No. 530 which relates to an extension of time for the committee to report.

Leave granted.

Senator SIEWERT: I sought leave so that I could explain why the Community Affairs Committee is seeking to extend the time for the committee to report. I know there is a great deal of interest in this inquiry, which is about the practices and policies of the Commonwealth in relation to forced adoption in this country. We have had an overwhelming number of submissions. We have already held inquiries around most capital cities in this country and we were expecting to report on 21 November.

Due to the extraordinary number of submissions and the interest in this committee, we have not been able to complete our inquiry to our satisfaction and we would not be able to deliver a satisfactory report on 21 November. We are therefore seeking an extension of this inquiry to 29 February. We plan to hold two more public hearings, one in Sydney and one in Hobart. We need to drill down further into some of the evidence we have received. That is why we are seeking this extension. I have as a matter of courtesy contacted some of the major interest groups and other people who are interested in this to let them know. They understand why we are seeking this extension. I acknowledge that there are a number of people who desperately wanted us
to report on 21 November. But to keep faith with the evidence that we have received and in order to do our job thoroughly we are seeking this extension. I move:

That the time for the presentation of the report of the Community Affairs References Committee on the Commonwealth contribution to former forced adoption policies be extended to 29 February 2012.

Question agreed to.

**DOCUMENTS**

**Live Animal Exports**

**Order for the Production of Documents**

Senator COLBECK: I move:

That there be laid on the table by 5 pm on Thursday, 10 November 2011 by the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig), all documents, including electronic communications, held by the Department of Agriculture, Fisheries and Forestry, relating to the imposition, and subsequent extension, of the ban on the export of live cattle to Indonesia.

Question agreed to.

Senator COLBECK: I move:

That there be laid on the table by 5 pm on Thursday, 10 November 2011 by the Minister representing the Attorney-General (Senator Ludwig), all documents, including electronic communications, held by the Australian Government Solicitor, relating to the imposition, and subsequent extension, of the ban on the export of live cattle to Indonesia.

Question agreed to.

Senator COLBECK: I move:

That there be laid on the table by 5 pm on Thursday, 10 November 2011 by the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig), all documents, including electronic communications, held by the Independent expert schedulers regarding the harvesting requirements within the 430 000 hectare area nominated for conservation under the Tasmanian Forests Intergovernmental Agreement, including the initial advice presented to government and signatories on 13 October 2011 and further information requested by the signatories in relation to the initial report.

Question agreed to.

Senator COLBECK: I move:

That there be laid on the table by 5 pm on Thursday, 10 November 2011 by the Minister representing the Ministers for Foreign Affairs and Trade (Senator Conroy), all documents, including electronic communications, held by the Department of Foreign Affairs and Trade, relating to the imposition, and subsequent extension, of the ban on the export of live cattle to Indonesia.

Question agreed to.

**MOTIONS**

**Qantas**

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (12:02): At the request of Senator Williams, I move:

That the Senate—

(a) notes that 28 of the 31 Australian Labor Party senators in the Australian Senate are former union officials; and

(b) resolves that any senator who genuinely views Qantas' recent actions as 'extreme' should give up their membership of Qantas' Chairman's Lounge.

Question negatived.

**Cape York**

Senator WATERS (Queensland) (12:03): I move:

That the Senate—

(a) notes that:

(i) there are significant gaps in independent scientific research on the ecology and biodiversity of Cape York, particularly in the remote western parts of the Cape,

(ii) two new species, a crab and a shrimp, have recently been discovered on western Cape York in the course of the Environment Impact Assessment for Rio Tinto Alcan's proposed South of Embley bauxite mine,

(iii) these new species are believed to only exist in this area and may well meet the criteria
for listing as federally threatened under our national environmental laws, but this lengthy listing process has not commenced,

(iv) the enormous footprint of the proposed mine almost certainly presents a significant threat to these species,

(v) the Minister for Sustainability, Environment, Water, Population and Communities (Mr Burke) is precluded from considering the impacts of the proposed mine on these new species in his current assessment of the project under the Environment Protection and Biodiversity Conservation Act 1999 (the Act), as they are not yet listed,

(vi) the Act lacks provisions for 'emergency listings' of newly discovered species, but the Government has committed to introduce such provisions as part of its environment protection and biodiversity conservation reform package due in 2012 – too late to save these creatures, and

(vii) Senator Waters' currently has a bill before the Senate to fast-track this government commitment to add emergency listing provisions for species and ecological communities, the Environment Protection and Biodiversity Conservation Amendment (Emergency Listings) Bill 2011; and

(b) calls on the Government to:

(i) act swiftly to ensure these newly discovered species get the federal protection they urgently need to avoid the possibility of them being sent to extinction before they have even been named, and

(ii) urgently commission its own studies to ensure independent and full information about the biodiversity on the South of Embley site underpins the Minister's decision regarding this mine.

Question negatived.

COMMITTEES
Publications Committee

Report

Senator McEWEN (South Australia—Government Whip in the Senate) (12:03): On behalf of Senator Carol Brown, I present the 11th report of the Senate Standing Committee on Publications.

Ordered that the report be adopted.

Economics References Committee

Report

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (12:04): On behalf of Senator Bushby, I present the final report of the Economics References Committee on the impacts of supermarket price decisions on the dairy industry, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator KROGER: I move:

That the Senate take note of the report.

Senator MARK BISHOP (Western Australia) (12:05): I rise to make a few remarks on the impacts of supermarket price decisions on the dairy industry. I joined the Economics References Committee in the final stages of this inquiry. There were, however, government senators involved in committee hearings and deliberations earlier in the year and I had been closely observing its progress. Government senators on the committee agree with a number of findings and recommendations in the report, and this is outlined in our additional comments. However, we disagree with two other recommendations.

I want to make one or two observations about the nature of this inquiry. As the report notes, some elements of the inquiry appear unusual in many respects. It is obvious that consumers who purchase milk will be better off because of the price discounts. Government senators concur that the benefits gained by the silent majority of consumers due to the lower price of a staple good have not received enough attention in this debate.

In recent years, discussions about the grocery
sector have focused on grocery prices being far too high. There have also been questions about the competitiveness of the sector. It seems unusual that a company cutting the price of a staple good with the purpose of challenging its major competitor in a way that benefits consumers should lead to calls for Australia's competition laws to be amended. The ACCC investigated Coles's pricing decisions and concluded that it was unlikely to breach the Competition and Consumer Act. This inquiry has provided a forum for some vested interests to run predictable arguments about the need to change competition law. Competition policy is not designed to protect particular players, companies or institutions; it is principally concerned with protecting the competitive process. If attempts to move away from this approach are successful, there is of course a predictable outcome: consumers will be forced to pay more. Accordingly, government senators do not support the recommendation that an independent review of the Competition and Consumer Act be initiated.

A number of key amendments were made in 2007-08 to section 46 of that act. This is the section that deals with the misuse of market power. These amendments are yet to be considered by the courts. As the amendments are relatively recent, it is possible it may be some time before a court comes to make a judgment upon them. Investigations under these sections are time consuming and the cases are hard fought, as the penalties are substantial. However, these amended provisions do need to be tested. At this time it is difficult to see how a meaningful review of the Competition and Consumer Act could be undertaken without this having occurred.

There appears to be merit in the recommendation that the ACCC be more up-front about some of its enforcement activities. It could also better communicate them, where it is appropriate to do so. The ACCC is an independent statutory authority, and I will leave it to them to determine how they respond to this aspect of the report.

Ongoing scrutiny of the major supermarkets is also needed to ensure they do not engage in predatory or other anticompetitive behaviour. Movements in farm-gate prices and the outcomes of negotiations between processors and farmers also need close attention so that we have a clear picture of what is going on in this industry. However, government senators do not believe that price cuts warrant wide-ranging government action and intervention in the marketplace. A lot of the concern with the price cuts came from some milk processors. Other stakeholders were also quick to put forward processors' arguments. These concerns were centred on the effects price cuts of the home-brand product would have on the profitability and value of the processors' brands. Evidence to the inquiry made it clear there is no substantive difference in the products themselves—in either quality or other specifications of home-brand regular milk and their private-label equivalents. Changes to the sales patterns of these brands should not be a matter for governments. The purchasing decisions of consumers will indicate whether or not they still value the brands, and the market will adjust accordingly.

As the ACCC found in its 2008 grocery inquiry, it is the processors who have become worse off from the increasing market share of private-label milk. This growth has not resulted in a reduced farm-gate price. I can understand the sentiments behind the arguments from individual farmers and I am sympathetic to their concerns; it is a tough and demanding industry. There are a number of recommendations in this report that are very
worthy of consideration; however, certain proposals are of much greater benefit to other vocal interests and are unlikely to help those farmers. Others go far beyond the dairy industry itself. The case has not been made for those recommendations to be pursued.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (12:11): I rise today to make comment on the economics committee report on to milk pricing. I want to note that the Australian Greens have signed on to the additional comments that Senator Nick Xenophon put a great deal of work into preparing and have followed the inquiry very closely.

I am one of those senators who is very concerned about the impact of the milk price war on dairy farmers over the longer term. We have had several inquiries in this Senate into what is going on in the dairy industry. There is no doubt whatsoever in my mind that the duopoly of Coles and Woolworths and their behaviour towards producers in Australia is bad for the Australian economy in the longer term. It will make sure that the margin—the farm-gate return—for producers of all kinds will be such that eventually people will not be able to stay in the market. So we will see here what has happened in other parts of the world, where farmers are eventually driven off the land. Yes, we have just heard from Senator Bishop that you can still access milk if you like—long-life milk, or whatever else. You can import it; you can do any number of things. But I think most people want to see fresh milk in Australia produced on Australian farms, with Australian farmers getting a decent farm-gate price.

As to the behaviour of Coles and this argument it is being looked into—that it is a good thing for consumers that they are getting cheaper milk—that has been the conclusion that has been drawn previously. The fact of the matter is, as Woolworths said in its submission to the inquiry, these prices set a new benchmark and can be expected to flow back to processors and farmers as new supply and pricing agreements are negotiated over the coming months and years. And that is the point: they will recoup this money by taking it from the processors and then of course the primary producers. We know that Coles has already gone back to producers of all kinds of primary products in their supermarkets and told them they have come up with a new efficiency dividend that they have worked out and that they are now compulsorily applying it to all primary producers. What that means is that Coles is going and recouping the so-called losses that it has made as a result of its price war and taken it out of the pockets of every other primary producer. I find it interesting that Senator Bishop made his remarks this morning, given that Senator Carr, as the minister, was standing up here yesterday saying that the government was going to refer this matter of Coles and Woolworths to the ACCC to have a decent look at, because of their now-announced decision for a massive expansion in home-brand product. It was one of the first times I felt quite enthusiastic good about a response that Senator Carr has given. The idea is to get rid of branded products off the shelf, whether it is milk as a branded product or anything else as a branded product, and it will mean that they can import cheap food from overseas, repackage it in Australia and put it out to consumers and the Australian consumer is not going to know where that has come from. It is one of the reasons why the Australian Greens want to see a very close scrutiny of what is going on with the Trans-Pacific Partnership Agreement, particularly as it pertains to primary products.
In July 2011, in his response to the milk price war, the then Chairman of the ACCC, Mr Graeme Samuel, said:

It is important to note that anti-competitive purpose is the key factor here. Price cutting, or underselling competitors, does not necessarily constitute predatory pricing. Businesses often legitimately reduce their prices, and this is good for consumers and for competition in markets

Frankly, that is an incredibly naïve statement about what is going on in Australia in this absolute battle between the primary producers, the processors and the supermarkets. What we have not been able to get for milk in particular is a whole look at the supply chain—what the farmer gets at the farm gate, what the processor gets, what the cost of transport is and what is the mark-up by the supermarkets. Let us have a good look here so the consumer can see when they purchase a litre of milk what percentage goes to the farmer at the farm gate. It is absolutely warranted that we get to the point in Australia where we have a really good look at this. Associate Professor Frank Zumbo from the School of Business Law and Taxation at the University of New South Wales said that Australia is out of step with international practice when it comes to competition legislation. He said:

There are two areas that need to be remedied in our competition laws. The first is we need an effective prohibition against anti-competitive price discrimination. Australia is out of line, out of step, with international practice in this area. Other jurisdictions have express prohibitions against anti-competitive price discrimination. We do not. Any hope that section 46 would deal with that issue, I have to say, with all due respect, is somewhat misplaced if not delusional. We therefore do need an express prohibition against anti-competitive price discrimination.

I could not agree more. It is one of the recommendations of these additional comments. I note that I moved for this in the Senate and it was voted down by both the coalition and Labor. But that does not mean that it is not the right way to go. It absolutely is the right way to go. I agree with this recommendation—and I am pleased that Senator Heffernan of the Liberal Party has agreed to sign on to this:

Amend section 46 of the Competition and Consumer Act to effectively prohibit anti-competitive price discrimination. Consideration should be given to relevant legislation in place in the United States and United Kingdom, and the reintroduction of an 'effects test' as per section 49 of the Trade Practices Act 1974.

I totally support that recommendation. It is what I tried to do and will continue to try to do.

The second recommendation is:

Amend the Competition and Consumer Act 2010 to provide for a general divestiture power whereby the ACCC could, in appropriate cases, apply to the Courts for the breakup of monopolies or dominant companies that engage in conduct that undermines competition.

We need that in our suite of laws so that there is an opportunity to take this on. We have got to a situation now where primary producers and processors in Australia are afraid to speak out because of the absolute market power that is now being brought to bear on those primary producers by this supermarket duopoly. I absolutely think it is time we did that.

If anyone is in any doubt as to the kind of power they exert, why is it that we have not read on the front pages of the paper the decision of Coles to go out with this so-called efficiency dividend and tell people that they are going to get less for their primary product imported to Coles supermarkets? It is because they are afraid. They are afraid that if they come out and expose what Coles is doing they will be cut off the list and they will lose their ability to sell into those supermarkets. What a tragedy that we have got in this country companies
such as the Coles and Woolworths chains
having that sort of power over primary
producers in this country.

The other recommendation that is
incredibly important is:
That the ACCC undertake a full inve
stigation into
whether Coles has engaged in misleading or
deceptive conduct as a result of an advertising
campaign that may have created the impression
that prices are coming down across the
supermarket when only a percentage of products
have in fact been reduced.

As to this issue that Senator Bishop raised
that consumers are getting cheaper milk, they
do not know what else in the supermarket
they are paying more for so the overall cost
is evened out as far as the supermarket is
concerned. They are now using the opportu
sity to come back to primary producers to
take more. What is more, there is the long-
term issue that when contracts have to be
renegotiated between processors and dairy
producers we are going to see downward
pressure on market prices.

These additional comments strengthened
the report. I commend Senator Xenophon for
the work he has done in putting this together
and the other senators who have signed on to
the additional comments. I look forward to
continuing to work for that anti-price
discrimination provision being restored.

Senator BUSHBY (Tasmania—Deputy
Opposition Whip in the Senate) (12:20): The
Senate Economic References Committee
inquiry into the impacts of supermarket price
decisions on the dairy industry was initiated
as a result of serious concern in the dairy
industry about the potential impacts on the
industry of the decision of Coles decision on
Australia Day this year to reduce the price of
its home brand milk to $1 a litre. Parts of the
dairy industry were already under stress at
the time following significant challenges
such as the Queensland floods and the price
cuts were seen by many as an additional and
unsustainable burden.

After a nine-month inquiry, the committee
has produced a report which represents a
considered and constructive approach to
issues facing the drinking milk industry. I
take this opportunity to thank the current and
former members of this committee who
participated in this inquiry, particularly
Senator Eggleston who chaired the inquiry
during the first hearings and for the interim
reports. I also take this opportunity to thank
the secretariat, particularly Richard Grant
and Colby Hannan, for their hard work. I
also thank Morana Kavgic for her assistance.
Since deregulation, the dairy industry has
become increasingly efficient and competi
tive. However, a reality that producers in the
sector have to deal with on a day-to-day basis is that some large companies dominate
the processing and retail aspects of the
supply chain. This report particularly focuses
on the impacts the price discounts were
likely to have on the two smaller players
affected by this structure, namely, consumers
and dairy farmers.

It is important to keep in mind that the
price cuts are good news for many
consumers who are facing ever-growing
cost-of-living pressures. In most cases, price
discounting will be pro-competitive and of
benefit to consumers. Provided it does not
constitute predatory pricing, a retail price cut
should not be discouraged. The committee
was concerned, however, about the possible
impact the price cuts would have on dairy
farmers. Farmers in most states will be
insulated from retail price cuts because their
milk goes into manufacturing and export,
and international prices play a key role.
However, farmers in Queensland, New South
Wales and Western Australia largely produce
drinking milk for consumption within their
states and are much more exposed to retail
prices. The fact that changes to retail prices
will affect some dairy farmers but are likely to leave the majority largely unaffected makes the search for appropriate solutions challenging.

There are also complex issues at play in the industry. The report observes that one of the key issues for the industry is the imbalances of bargaining power in the supply chain. Dairy farmers have to deal with very large processors. Companies which are involved in drinking-milk processing in turn have to deal with the two major supermarkets. While collective bargaining arrangements have been used by dairy farmers, evidence taken by the committee from government officials and the ACCC suggested that they could be used more effectively. The report calls for the government to facilitate a review of the effectiveness of the current laws and the use of collective bargaining by agricultural industries. The review should aim to increase farmers' awareness of these provisions and ensure that the current laws strike the appropriate balance.

The committee was also concerned about certain contract arrangements. There is a group of farmers in Queensland whose monthly incomes under their contracts fluctuate depending on whether a consumer chooses to buy a bottle of processor-brand milk or the supermarket's brand. Dairy farmers deal with processors and do not have a direct contractual relationship with the major supermarkets. The committee believes that these retail outcomes at the end of the supply chain should not impact farmers so directly. The management of the processors' brands should be a matter for them. The committee has accordingly called for changes to be made to these contract arrangements.

The committee also heard calls for various voluntary and mandatory codes of conduct and other suggestions for ways to facilitate engagements between farmers and those up the supply chain. The current dispute resolution arrangements in the grocery sector do not appear to be often used, and questions were raised about their effectiveness and relevance for some industries. The committee was acutely aware that it was tasked with examining developments in one part of the broader grocery sector. The issues that matter to dairy farmers may not apply to other supply chains. The report calls for the current voluntary dispute mechanism arrangements in the grocery industry to be reviewed. Such a review will allow all suppliers to be engaged and for other approaches that are being pursued overseas, such as in the United Kingdom, to be thoroughly examined.

The inquiry also heard calls from a number of stakeholders for amendments to Australia's competition laws. The ACCC undertook an investigation and found that Coles's conduct did not constitute anticompetitive behaviour under the current law. It did not appear that Coles' conduct was fundamentally anticompetitive, although some smaller competitors will find matching these prices on an ongoing basis challenging. The report does not call for specific amendments to be made to the Competition and Consumer Act as a result of the price discounts. The act applies to the entire economy. Changes to this law need to be carefully scrutinised, with the impact on all sectors assessed. However, the economics committee has heard over a number of years concerns from many stakeholders about Australia's competition laws. It has been some time since the last independent review of the competition provisions of the Competition and Consumer Act, and the report calls for the government to institute just such a review. This will allow a much needed assessment of the current law to be
undertaken, with views from throughout the economy gauged and considered.

I again thank the senators who have participated in this inquiry. We hope that this report brings light to some of the challenges being faced by dairy farmers and suppliers in the grocery sector and, more generally, informs future debates and the development of policy in this area.

Senator COLBECK (Tasmania) (12:26): This inquiry of the Senate Standing Committee on Economics has been a significant inquiry over a long period of time. As Senator Milne said, it comes on the back of another inquiry that was conducted by this committee into relationships in the dairy industry, particularly between the processors and the dairy farmers. It has been quite instructive to work our way through this particular inquiry to get a understanding of how the particular relationships work and also get a sense of what the impacts might be. The reason the report has been delayed is that the committee wanted to give the market a period of time to go through a cycle for contracts to be renewed with dairy farmers so we could generally assess whether or not the actions of Coles in discounting their own brand milk were going to have an impact on dairy farmers. Although it is not directly having an impact on dairy farmers through Coles and their supply chains, there is absolutely no question at all that the concept of generic milk is having an impact on the price that is paid to dairy farmers. That particularly comes through the relationship that Senator Bushby talked about in contracts that Parmalat has with its dairy farmers in Queensland and northern New South Wales. They pay a cheaper price for milk that goes into a generic product than for milk that is supplied into one of Parmalat's branded products. So there is a direct link between the pricing of a generic product in the supermarket and the price that is paid to dairy farmers.

At the outset of this process we expressed concern that the places where these impacts were going to be felt were in Queensland, New South Wales and Western Australia—and that is effectively where the impact has been felt. In the more efficient states, in Victoria and Tasmania, there is capacity to supply milk into the market at a cheap price, and it is more sustainable. But it is not sustainable in the states where the cost of producing milk is higher, particularly Queensland and northern New South Wales. One of the real concerns that we had through this process was whether the supply of milk through the supply chain was going to be sustainable. We did hear a lot of evidence. We heard from pretty much everybody in the supply chain. I do acknowledge the fact that the supermarkets were prepared to give us some information in confidence around the supply of the product and the prices that they were paying, which did assist the inquiry.

I am really quite bemused by the comments of the government senators on this committee, particularly given the statements made by Minister Carr yesterday. Again it demonstrates the mixed messages that this government sends to the community and its suppliers. Minister Carr, in addressing the Food and Grocery Council yesterday, was quite bullish about his concern around generic products generally. We have government senators here today saying that this is all good, that it is not something to be concerned about and that the majority committee report went too far in its recommendations, much more so than the recommendations in the additional comments made by other senators.

I am not sure that industry can actually understand where the government is coming from. Did Minister Carr make the comments
he made yesterday just because he was in front of the Food and Grocery Council and had to have something to say or is he genuine in what he was wanting to talk about? As Senator Milne said, there was an inquiry into the supermarket industry by the ACCC in 2008. I think government senators have made mention of that as well. So there has been a process. The ACCC did have a very good, close look at Coles and their operations as a result of the work of this committee. I think it is quite fair to say that, as a result of evidence we received, the ACCC did go back and have another look at what was happening in this process and then came out with a report a little while ago, saying that it was not in breach of the Competition and Consumer Act.

That brings me to some recent comments by the new Chairman of the Australian Competition and Consumer Commission, Mr Sims. I, along with other members of the committee, am encouraged by the new attitude that he has brought to the role since being appointed, in looking at issues around the way collective bargaining for dairy farmers works, issues in the supply chain and concerns about the relationships between supermarkets and the use of their power. I think it is good that that attitude change has come with the new chair. I look forward to engaging into the future with Mr Sims and testing those relationships. I do make comment, as Senator Milne did, about the market prediction service that Coles are providing to all of their suppliers, not just their primary producers, but then saying that those suppliers have to pay for that new system. I have some problems with that.

One of the other difficulties that I had with that whole process was the denial by Coles that this was a marketing campaign. There is absolutely no question that this is effectively just a marketing campaign to get people into their supermarkets—and I have not found anybody except Coles that believes this. There is nothing wrong with that, but I had great difficulty with their denial of that. The other thing I had, and have, difficulty with is the advertising that they instituted as a part of this campaign.

I have with me a copy of a full-page advertisement in the Advocate on 26 January, so this campaign started on Australia Day. The advertisement talks of full cream milk going from $2.47 down to $2 a litre and Coles lite milk going from $2.49 down to $2 a litre. During the hearings, the CEO of Coles, Mr Ian McLeod, told us that the majority of milk supplied into the market was in fact coming from another product, which was priced at about $2.09. So most of the milk that they were discounting was being sold at $2, coming down from $2.09. The impression that the advertisement gave was that there was a significant discount being given across the board for the milk that Coles was selling into the market. There is absolutely no mention in this advertisement of the product that was priced at about $2.09 being reduced to $2 and that that was the majority of the product being sold into the market. In my mind this is deceptive advertising and it is one of the elements of the Coles campaign that I really do have some concern about. I would like the ACCC to investigate it, because I believe it is deceptive advertising. I do not have a problem with Coles telling the market what is going on, but if the majority of product being supplied into the market was actually being sold at a cheaper price in the first place, they are giving the impression to consumers that they are getting a much, much bigger discount than they generally are. I think the ACCC should look very closely at that.

I look forward to continuing to work with the ACCC, certainly the dairy farmers and the processors. I think it is a bit churlish for
government members to suggest that vested interests came out in this. Part of our job is to actually look through the process, and certainly perspectives came across. We need to look very closely at the process. I do look forward to the continuing activity of the ACCC in this space and, if there is opportunity for us to improve the law, to making sure that there is a fair balance of market power down the supply chain. I think that is a very important goal for us all to strive for, whichever political persuasion we come from. I remember writing that in my diary very early in my discussions with dairy farmers: how, in a market economy—and we must remember that is what we are operating in—we ensure a fair distribution of power through the supply chain so that farmers across the board, particularly dairy farmers, get a fair price for their product without undue use of market power.

Senator IAN MACDONALD (Queensland) (12:37): The report of the Senate Economics References Committee is a very significant report and I want to congratulate those, principally led by Senator Colbeck, who were part of it. Clearly, as this whole issue shows, there are some real difficulties with competition policy within Australia. As this report clearly indicates, something needs to be looked at very carefully. I hear the words of Senator Colbeck, and I agree with them: we really do need to look more broadly at issues of competition policy rather than look at a particular industry.

Notwithstanding that, I am very concerned at the future of the dairying industry. On the Atherton Tableland in North Queensland there was once a very thriving and very intense dairying industry. I remember, growing up in the north, that we were often very proud to know that milk from the Malanda dairy factory on the Atherton Tableland was transported by road some of the longest distances in the world, as the advertising in those days used to indicate. Milk from the Atherton Tableland would come from Malanda through the Malanda dairy factory and down the range to the coastal road, the Bruce Highway, to Townsville and then go on the 9,000-kilometre journey from Townsville out to Mount Isa. It was a very significant industry in those days. What happened with the dairying industry a decade or so ago effectively shut down the dairying industry in Queensland, and there were many reasons for that. Some dairying still continues on the Atherton Tableland and there are other pockets of dairying activity throughout Queensland, but it is nowhere near the very significant industry it was in the old days.

The actions of certain of the major supermarket chains in using milk for price competition with their competitors was unfortunate for the industry, and my colleagues have mentioned that. It was certainly very much to the forefront in the evidence given to the committee and I know that this issue exercised the minds of the members of the committee and those issuing the report, particularly those signing on to the report, whom Senator Colbeck was the leader of. We all like lower prices; there is no doubt about that. But when lower prices come at the cost of real competition and when those lower prices can well result in a real problem for the industry involved, then clearly something needs to be done. That is why I am very interested in the recommendation that there be a further look into the laws relating to competition in Australia.

It distresses me to see the way the dairy industry has moved on over many years. As I have said, it was only a decade or so ago that the Atherton Tableland was very significantly based on the dairying industry. A lot of people were employed in dairying.
A lot of people were involved in the transport of milk and cream from the farms to the factory, in the factory and then in the transport of milk elsewhere. A lot of subsidiary support and maintenance industries grew up around the dairying industry, and the winding down of many parts of the dairy industry in Australia has really had an impact on those support industries and on the jobs that were associated with it.

I am pleased to say that there is still some dairying in the Atherton Tableland area. Also, it is a very great tourist destination. Mungalli Falls is an enterprise that tourists go to, and there they can get the best scones and cream that you will get anywhere in the world. Of course the cream comes from the very contented cows of the Atherton Tableland area. Madam Acting Deputy President, if I can digress just a little: what a fabulous tourist enterprise this is. It gives some history, by way of photos and explanations, of the dairying industry in that part of the world. It is also a major destination for those interested in tropical rain forest river activities. It is a fabulous area, and I would urge senators who happen to be in that area to go and have a look at this institution and partake of some of the magnificent scones and Atherton Tableland cream that is available there. Coming back to this report before the chamber: it is a very significant report. This inquiry really demonstrates the worth of the committee system in the Senate and indicates the worth of the work that this Senate does.

I was rather distressed this morning to see that the work this Senate was going to do in very closely examining all of the detail of the carbon tax legislation has been curtailed so that the Senate will not be able to look into that legislation in the way that it normally would. The Senate has been prevented from establishing a committee, as is the normal case—a committee that would usually go into every aspect of the carbon tax legislation in some detail. We have been prevented from seeing that. The fact that there was no Senate committee allowed to look into it means that we are going to, in many instances, be flying blind. When we look at all the particular parts of the carbon tax legislation, we see that there will be many unintended consequences from that legislation, consequences unintended even by the government. It is no secret that we oppose it, but even consequences unintended by the government could be highlighted. I only mention that to say that the worth of committees and committees such as this one—

The ACTING DEPUTY PRESIDENT (Senator Crossin): Senator Macdonald, your time has expired.

Senator IAN MACDONALD: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

BILLS

Classification (Publications, Films and Computer Games) Amendment (Online Games) Bill 2011

Corporations (Fees) Amendment Bill 2011

Personal Property Securities Amendment (Registration Commencement) Bill 2011

First Reading

Bills received from the House of Representatives.

Senator FEENEY: I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:
That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:48): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) AMENDMENT (ONLINE GAMES) BILL 2011

The National Classification Scheme (NCS) is a cooperative scheme between the Commonwealth and the States and Territories for the classification of publications, films and computer games. Procedures for the classification of publications, films, and computer games are set out in the Classification (Publications, Films and Computer Games) Act 1995 (Classification Act) and provisions regulating the sale, demonstration, and advertising of this material are in State and Territory laws.

The NCS has not had any significant changes made to it since it was created in 1996. When the NCS began, classifiable content and the way it was delivered to consumers was relatively static. There was no on-line gaming. Phones were still only phones. Mobile devices as we now understand them were not on the horizon.

Consumers now have ready access to an increasing number and range of computer games on a variety of platforms including on mobile devices and other network services. The business model for computer game design and delivery is increasingly moving to mobile and online markets.

Although the NCS was not established to cater for the classification of these types of computer games the definition of computer games under the Classification Act includes games played on mobile devices and online.

The numbers of mobile device and online games that are currently being introduced into the Australian market presents many practical challenges for regulators.

At present the significant majority of mobile device and online computer games are not classified prior to being made available to consumers. This is in breach of a range of relevant state and territory laws concerning the sale, demonstration, and advertising of computer games.

If the present legal requirements were enforced, the Classification Board in its present form would be unable to sustain the administrative burden that would be imposed. It would also result in significant compliance costs for industry, and may threaten the existence of smaller operators.

This presents a significant compliance issue for the NCS. Industry has expressed concern over this regulatory uncertainty and expressed the need for Government to clarify the present legal requirements for the classification of mobile device and online games.

The Government is committed to ensuring that our classification system maintains community confidence. That is why the Australian Law Reform Commission has been asked to conduct a review of classification in Australia in light of changes in technology, media convergence and the global availability of media content. As part of this review the Commission is considering the best way to classify computer games, however, any solution arising out of the Commission process is still some time away.

This Bill is intended to provide an interim solution to address concerns that have been raised by industry and the Director of the Classification Board about the legal requirements and obligations for the classification of computer games that are playable online and on mobile devices.

This Bill will result in mobile device and online games being treated in a similar way to other online content. It is designed to provide assurance to industry in the short term that it is
complying with classification requirements for computer games and that it is not in breach of state and territory laws.

This Bill will introduce a new category of exempt online games into the Classification Act for a period of two years. Games that meet the definition of an ‘exempt online game’ will not need to be classified. This exemption will not be available for those online games that are likely to be refused classification. This includes games that would offend against the standards of decency, morality and propriety generally accepted by reasonable adults. Current safeguards relating to computer games that would be refused classification will be preserved, including offences in state and territory legislation against the sale, advertising, and demonstration of these games, as well as offences in some jurisdictions against the online transmission of material likely to be refused classification.

The term ‘exempt online game’ will be defined to include two different categories of computer game. The first type covers computer games that are only available by means of a content service and can only be played on a mobile device onto which they have been installed. This is intended to cover computer games that are downloaded via the internet and installed onto a mobile device. The term ‘mobile device’ is defined as ‘a device that is designed to run a mobile operating system’. Examples of mobile operating systems include, but are not limited to Apple iOS, Google Android, Microsoft Windows Phone 7, Nokia Symbian, Research In Motion BlackBerry OS, and embedded Linux distributions such as Maemo. However, the term ‘mobile device’ excludes personal computers. This category of online game is intended to cover games played on smart phones, personal digital assistants, and tablet computers running these types of mobile operating systems. This definition captures the Apple iPad and iPod Touch, Samsung’s Galaxy Tab models, the Motorola Xoom, the Blackberry Playbook, and the Asus Eee Pad Transformer.

The second type of ‘exempt online game’ covers computer games that are only available by means of a content service and can only be played on the internet. This is intended to cover those online games that are only available to play online and cannot be downloaded and played offline. It is useful to cover these computer games although they are often hosted offshore and are therefore not currently submitted for classification in Australia.

Consumers, the general community, the computer game industry, and Government will be able to rely on a number of existing protections to exercise suitable controls over ‘exempt online games’.

Under the Classification Act, any person may submit a computer game to the Classification Board for classification upon payment of a prescribed fee. This option will continue to apply to exempt games.

Under the Broadcasting Services Act 1992 anyone may lodge a complaint with the Australian Communications and Media Authority (ACMA) about any ‘exempt online game’ that is reasonably suspected of containing material likely to cause the computer game to be classified MA 15+ or above that is not behind a restricted access system. ACMA will investigate complaints and may refer material to the Classification Board for classification.

In addition, the Director of the Classification Board will retain the power to call-in a computer game for classification if it is reasonably suspected to contain material likely to be classified M or above, or if the Director suspects that the computer game may not be an ‘exempt online game’.

Law enforcement agencies will also continue to be able to apply for the classification of an ‘exempt online game’.

People, particularly parents, need a system of classification in Australia that allows them to make informed choices about what they wish to read, see and hear. These amendments are an interim step on the way to ensuring our classification system continues to be effective in the 21st century.

CORPORATIONS (FEES) AMENDMENT BILL 2011

Today I introduce a bill to amend the Corporations (Fees) Act 2001.
The bill amends the entities which may be charged fees for the performance by the Australian Securities and Investments Commission (ASIC) of its financial market supervision functions under the Corporations Act 2001.

The Fees Act currently only allows market operators (such as licensed entities in the ASX group, and operators of a number of smaller financial markets) to be charged. This amendment would allow fees to be levied on market participants (such as stockbrokers and derivatives traders).

By way of brief background, on 31 March 2010, the Government announced its support for competition among markets for trading in listed shares in Australia. At the same time, it also announced in-principle approval of an application for an Australian market licence by Chi-X Australia Pty Ltd (Chi-X). Chi-X is expected to commence trading in competition with the ASX equity market in November 2011 or soon after, subject to satisfying a number of regulatory conditions.

The decision of the Government to support competition is a vital step in the development of Australia as a financial services centre – and a key recommendation of the Johnson report, which encouraged competitive, efficient and innovative equity markets.

**What does 'financial market competition' mean?**

The ASX is by far the largest market for companies seeking to raise capital by issuing shares to investors and listing on an exchange. It is also the principal market for trading shares. While other licensed financial markets operate in Australia, these markets do not currently trade ASX-listed shares. This means that shares listed on the ASX can only be traded on the ASX. With the coming of competition, ASX-listed shares can be traded on alternative markets, depending on which market has the best price.

Competition between financial markets for trade execution services in listed equities is well-established in the US, Canada and Europe, but has not been a feature of the Australian financial landscape. International experience shows that competition is expected to deliver lower transaction charges, more innovation, and maintain or improve market quality – all to the benefit of retail and wholesale investors, as well as to corporates seeking to raise capital.

As a key step towards competition, on 1 August 2010 ASIC took over market supervision from market operators. The Government's decision to implement market supervision reform provides for a single entity – ASIC – to undertake whole-of-market supervision. This is important to safeguard market integrity, as ASIC will be able to better monitor potential misconduct or manipulative activity across multiple competing markets.

To support these reforms, additional Government expenditure has been invested to support ASIC's new role and bolster its capability to undertake this role. It was intended that Government funding would be budget neutral, and would be recovered from the financial sector via fees.

As stated, a fee is currently levied on licensed market operators only. To some extent, market operators can be expected to pass on fees to participants. However a fee arrangement based on charging both market participants and market operators is in line with the Government's cost recovery guidelines and would allow a more efficient and equitable allocation of ASIC's market supervision cost burden – especially given that a significant portion of ASIC's costs in providing market supervision functions are attributable to interactions with market participants.

The bill does not set out details of the proposed changes to the current cost recovery arrangements; these details will be prescribed in the Corporations (Fees) Regulations 2001 (the Fees Regulations). This bill simply provides the legislative basis to enable new cost recovery arrangements, which will apply to both market operators and market participants, to be made through the Fees Regulations.

In the coming months, the Government will consult closely with industry on the details of the proposed cost recovery fee model and arrangements before implementing regulations to finalise the cost recovery model. The details will
be set out in a Consultation Paper: Proposed financial market supervision cost recovery model, to be released shortly.

The draft Fees Regulations will also be exposed for industry comment in the coming months. It is intended that the proposed market supervision fee model, applicable to both market operators and market participants, will apply from 1 January 2012.

In accordance with the Corporations Agreement 2002, the Legislative and Governance Forum for Corporations (meeting as the Ministerial Council for Corporations) has been consulted in relation to the bill, and will be further consulted regarding the proposed cost recovery fee model and arrangements.

**Summing Up**

The ability to impose fees in relation to ASIC's market supervision activities on both market operators and participants is central to the design and implementation of a fair, transparent and efficient market supervision and cost recovery framework.

Such a framework is vital to our efforts to support efficient and innovative equity markets in Australia and will ensure that Australia has the right financial market infrastructure capabilities to respond effectively to the challenges of a dynamic market place.

The Australian government has a long-standing commitment to competition in financial services. Competition in Australian equity markets can deliver benefits through innovation, efficiency and reduced costs. This bill is the next milestone along the path to competition.

**PERSONAL PROPERTY SECURITIES AMENDMENT (REGISTRATION COMMENCEMENT) BILL 2011**

The Personal Property Securities Amendment (Registration Commencement) Bill 2011 amends the Personal Property Securities Act (PPS Act) to ensure that the PPS Act does not commence operating before the PPS Register can be made available for public use.

The PPS Register will be the single national online register of personal property securities which underpins this significant law reform.

The PPS Act, which was passed by the Parliament in 2009, created one national law with one set of rules governing interests in property other than land that secure debts or other obligations.

The effect of the PPS Act is to simplify over 70 Commonwealth, State and Territory laws, common law and the rules of equity, which govern security interests in personal property. It will also replace the many registers of personal property security interests that complement these State and Territory Acts, with the PPS Register.

PPS reform is a significant part of COAG’s deregulation agenda. The reform will deliver major benefits for business and consumers by reducing transaction costs, making lenders more willing to accept different kinds of personal property as security for loans and facilitating the extension of credit to borrowers.

The purpose of this Bill is to amend the definitions of the migration time and registration commencement time so that the Attorney-General can determine a time other than the default times in the PPS Act.

If the Attorney-General does not determine an earlier time, the migration time will be 1 January 2012 and the registration commencement time will be 1 February 2012.

This amendment will enable the Attorney-General to determine another time for both the migration time and registration commencement time which could be earlier or later than the default times in the PPS Act.

The ability to determine the commencement of the PPS register will assist Government to ensure that stakeholders have confidence that the online PPS register will operate effectively.

**CONCLUSION**

A comprehensive and consistent national PPS system will benefit many sectors in the Australian economy. These reforms will streamline the way in which lenders conduct their businesses, facilitate the extension of credit to borrowers and reduce borrowing costs. I am pleased that the Government is very close to this reform becoming a reality.
Ordered that further consideration of the second reading of these bills be adjourned to the first sitting day of the next period of sittings, in accordance with standing order 111.

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

**Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011**

**Education Services for Overseas Students (Registration Charges) Amendment (Tuition Protection Service) Bill 2011**

**Education Services for Overseas Students (TPS Levies) Bill 2011**

**First Reading**

Bills received from the House of Representatives.

**Senator FEENEY:** I move:

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

Question agreed to.

Bills read a first time.

**Second Reading**

**Senator FEENEY** (Victoria—Parliamentary Secretary for Defence) (12:50): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

**EDUCATION SERVICES FOR OVERSEAS STUDENTS LEGISLATION AMENDMENT (TUITION PROTECTION SERVICE AND OTHER MEASURES) BILL 2011**

In 2009, the Prime Minister, in her then role as Minister for Education, asked the Hon Bruce Baird AM to conduct a review of the Education Services for Overseas Students Act 2000 and its associated legislation.

At the same time, a number of amendments to the ESOS Act were introduced to strengthen registration requirements and enable the re-registration of all providers delivering to overseas students in 2010.

When the Baird Report was released the Government committed to a staged response to the Review. I am pleased to say we have delivered on that commitment with the Government’s first round response to the Baird review enacted in April this year, and subsequent legislation introduced in June to adjust the Annual Registration Charge for cost recovery.

The Bill that I am introducing today forms the Government’s second response to the review and the fourth piece of legislation to strengthen the regulation of international education in two years.

This is in addition to broader reforms to the student visa program and the establishment of national regulators for the vocational education and training and higher education sectors.

The Education Services for Overseas Students Act 2000, or ESOS, protects Australia’s reputation for delivering quality education services. It does this by establishing a regulatory regime for the provision of international education and training services and through this protects the interests of overseas students by establishing minimum standards and providing tuition and financial assurance.

ESOS also complements Australia’s migration laws by ensuring providers collect and report information relevant to the administration of the law relating to student visas.

Education is one of Australia’s largest export industries, generating in the order of $18 billion annually and supporting around 125,000 jobs across Australia.

The background to the current problems facing international education is by now well known. In 1990, Australia welcomed 47,000 international students to our shores. By 2000 this number had grown to 153,000 and in 2010 there were 619,000 international students studying in Australia. This jump in the student population has led to
significant growth in the number of education providers offering services to international students, particularly in the private vocational education and training space.

There are now over 1,200 providers ranging from large universities and TAFEs, public and private schools, to small private colleges and English language providers. Together this has resulted in pressures on the underpinning regulatory frameworks, exacerbated by external factors such as global economies.

To keep pace with this growth and change in the sector, since first written in 2000, the ESOS Act has been amended several times and is widely recognised as one of the best legislative frameworks for international education in the world.

The Baird Review report, Stronger, simpler, smarter ESOS: supporting international students, was released on 9 March 2010 and made 19 recommendations generally focusing on strengthening the registration process, more effective monitoring and enforcement, empowering students with information and improved complaints handling, ethical recruitment and a simpler, more robust consumer protection regime.

The Government’s first round response to the Baird Review enacted earlier this year had a dual focus on better managing risk upfront and throughout a provider’s registration, and more effective enforcement. It also introduced changes to the Ombudsman Act 1976 to ensure students of private registered providers have access to a robust complaints handling process.

The Bill I am introducing today is the second phase of the Government’s response to the Baird Review and addresses many of the remaining recommendations made by Mr Baird in his final report. A number of other recommendations will be progressed in subordinate legislation, such as the National Code and the ESOS Regulations.

The centrepiece of this response is reforms to strengthen tuition protection to ensure that students are looked after in a timely and effective way should problems arise or their provider closes. This was a key recommendation of the Review following a spate of closures that highlighted weaknesses with the current arrangements, originally designed around a much smaller sector.

From a student’s perspective, the biggest concerns have been delays in getting a placement offer or refund, and a lack of choice when that placement offer finally comes through.

On top of the reputational damage associated with provider closures that has affected all providers in the international education sector, currently non-exempt providers have to belong to a Tuition Assurance Scheme and also have to pay into the ESOS Assurance Fund. This involves separate application processes and fees as a condition of CRICOS registration and the benefits or burden of placing affected students are not always evenly distributed.

The proposed new Tuition Protection Service, or TPS, is for a single point of placement, or refund as a last resort, which involves all possible placement options, placement incentives for providers and greater student choice in the process.

A single TPS will provide a more seamless and flexible service, one contact point for students, one set of fees for providers, and greater accountability to Government. The TPS will incorporate a TPS Director, TPS Advisory Board, Overseas Students Tuition Fund and an online information and access service for overseas students.

The TPS is a universal scheme and to recognise the reputational benefits to the sector of a robust and sustainable tuition protection arrangement, a new annual risk-based TPS levy will be applied to ALL registered international education providers.

This means that the new TPS will be backed by all international education providers, it will increase the pool of placements available, turn the placement and refund process into one that is streamlined, responsive and efficient, and stop the multiple charges that providers are currently paying.

When considered in conjunction with the rebasing of the Annual Registration Charge, legislation for which was passed through Parliament last week, the financial impact on the vast majority of providers is expected to reduce
from its current level, giving these providers considerable relief.

Providers who place students will now also receive the equivalent of the students’ unexpended pre-paid fees as a financial incentive to take these students. There will be no compulsory placements and providers will not be obligated to take on students that do not meet their entry requirements or who are unable to pay any difference in fees.

To support the TPS, the Bill will introduce a suite of complementary initiatives. Student refunds will change to include only the unspent portion of the up-front fees paid. In the past, if a provider closed in the last weeks of a student’s study, the student would receive a full refund, even though they could usually obtain credit for completed units of study. Significantly, only 11 of the 54 providers that closed between 2008 and the end of March 2011 having met or partially met their refund obligations to students.

Providers will also be limited in the amount of pre-paid fees they can collect at any one time. All but the lowest risk providers will also have to keep initial pre-paid fees in a designated account until the student commences their first study period. This will stop providers from using pre-paid fees for operating expenses before the student commences, and will encourage more sustainable business models. Together with limiting refunds, this will mean that providers are better able to meet their student refund obligations in a timely way and there is less recourse to the TPS.

Satisfactory placement of students affected by a closure will be supported by requiring providers to strengthen their record keeping processes related to students’ contact details and academic progress. This will ensure timely contact and placement of students and the calculation of a more accurate refund entitlement in the event of a provider closure.

It will also help address concerns raised during debate of the 2010 ESOS Re-registration Bill about students’ access to their records and credit transfer. Strengthened record keeping will also assist in keeping students informed of their course progress, and early intervention if the student is not maintaining good progress.

The other main reform being introduced by this Bill is national registration for providers operating in more than one state or territory, or across a number of locations within one state. This will reduce duplication of effort as well as support risk management and simplify processes for providers.

One of the issues highlighted through the recent provider closures was the ability to gain a national picture of a provider to determine how many students were going to be affected. The ESOS Act currently requires providers to be registered to provide a specific course for a state. For providers that operate in a number of locations in one state, or across a number of jurisdictions, this has lead to them acquiring a large number of registration numbers.

Current figures indicate that approximately 230 providers operate across sectors and across jurisdictions, contributing to a disjointed system for these providers in that they experience different processes and charges in each jurisdiction and different Initial and Annual Registration Charges at the Commonwealth level. There may also be duplication in terms of registration assessments which are more global to the organisation rather than local to the courses being delivered at a particular campus.

National registration has been recommended to better position ESOS regulation for the anticipated transfer of ESOS functions next year to the national regulators currently being established for the VET and higher education sectors.

It will also enable monitoring a provider’s activities nationally as well as in each jurisdiction, support comprehensive risk assessment and management and provide greater transparency in the event of the closure of a provider that operates in a number of sectors or jurisdictions.

A key theme of the Baird Review was making ESOS Stronger, Simpler, and Smarter. With this in mind, a number of amendments are being made to clarify and simplify the Act as well as introduce stronger penalties for non-compliance around reporting and the misuse of pre-paid fees.
Timely passage of this Bill will ensure these measures can commence quickly. This is particularly crucial for the establishment and transition to a new TPS.

This Bill completes the Government’s response to the Baird Review recommendations to strengthen regulation and quality in the international education sector.

EDUCATION SERVICES FOR OVERSEAS STUDENTS (REGISTRATION CHARGES) AMENDMENT (TUITION PROTECTION SERVICE) BILL 2011

The Education Services for Overseas Students (Registration Charges) Amendment (Tuition Protection Service) Bill 2011 will make necessary consequential amendment to the Education Services for Overseas Students (Registration Charges) Act 1997 to give effect to the Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill.

The amendments contained within this Bill will take effect on the commencement of the Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill.

EDUCATION SERVICES FOR OVERSEAS STUDENTS (TPS LEVIES) BILL 2011

The Education Services for Overseas Students (TPS Levies) Bill 2011 contains necessary provisions to implement the new annual TPS Levies framework which will underpin the new ESOS tuition protection architecture.

The TPS Levies arrangements contained in this Bill will take effect from the commencement of the Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill. This will mean that the first annual TPS Levy will be applied in 2013.

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

ADDRESS BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

The ACTING DEPUTY PRESIDENT (Senator Crossin): A message has been received from the House of Representatives inviting senators to attend a meeting of the House for an address by the Hon. Barack Obama, President of the United States of America. Copies of the message have been circulated in the chamber.

COMMITTEES

Rural Affairs and Transport Legislation Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Crossin): Order! The President has received letters from party leaders requesting changes in the membership of a committee.

Senator FEENEY: by leave—I move:

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

Appointed—
Substitute members:
Senator Cameron to replace Senator Urquhart on 4 November 2011
Senator Ludlam to replace Senator Siewert for the committee’s inquiry into the Qantas Sale Amendment (Still Call Australia Home) Bill 2011
Participating members: Senators Siewert and Urquhart.

Question agreed to.

BILLS

Clean Energy Bill 2011
Clean Energy (Charges—Customs) Bill 2011
Clean Energy (Charges—Excise) Bill 2011
Clean Energy (Consequential Amendments) Bill 2011
Clean Energy (Customs Tariff Amendment) Bill 2011
Clean Energy (Excise Tariff Legislation Amendment) Bill 2011
Clean Energy (Fuel Tax Legislation Amendment) Bill 2011
Clean Energy (Household Assistance Amendments) Bill 2011
Clean Energy (Income Tax Rates Amendments) Bill 2011
Clean Energy (International Unit Surrender Charge) Bill 2011
Clean Energy (Tax Laws Amendments) Bill 2011
Clean Energy (Unit Issue Charge—Auctions) Bill 2011
Clean Energy (Unit Issue Charge—Fixed Charge) Bill 2011
Clean Energy (Unit Shortfall Charge—General) Bill 2011
Clean Energy Regulator Bill 2011
Climate Change Authority Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment Bill 2011

Second Reading
Debate resumed on the motion:
That these bills be now read a second time.

Senator McKENZIE (Victoria) (12:52): I stand here today as a National representing regional Australia, accepting the science and accepting the process of scientific research and argument which has led to the competitive debate being seen right throughout our community over this issue. What I do not accept is this government's ineffective response to the issue of climate change. I do not accept that regional Australia has to bear the brunt of the impacts of this folly of a policy. I do not accept that this policy will see the temperature drop or climate change halt. I do not accept that this response will result in the behavioural change required to make a significant impact on the human production of carbon and I do not accept that unilateral action by a nation state the size of Australia is going to address the issue in any meaningful way.

While I do not agree with the government on many things, I do agree with this statement from their website on climate change action, 'Climate change is a global problem that requires a global solution.' The Prime Minister knew this when, as Deputy Prime Minister, she convinced the then Prime Minister, Mr Rudd, to drop the ETS. She knew this when she went to the election and told the Australian people there would be no carbon tax under any government that she led. But to hold her job as Prime Minister she needs the vote of the sole Greens member in the House of Representatives and the legislation before us is the price the ALP has had to pay to maintain the facade of power over this minority government. That is the only reason we are debating the Clean Energy Bill 2011 and related bills this week.

I believe that we should always be good stewards of our environment. As somebody who has studied science, I believe science should keep poking and prodding at the climate change question because the science is never settled. Those who say it is do not understand the nature of scientific investigation and the real Luddites in this debate are those who try to close down competing views and the opinions of others,
including those who will suffer most under this new tax. They are the modern version of the flat earth society.

They are trying to brainwash us into the belief that the world is rushing to impose a Gillard type carbon tax on their national economies. Such people obviously do not follow world events very closely. The major economies, including the United States, are walking away from the Kyoto protocol and since the CHOGM conference we know that the government of Canada will not even contemplate imposing a carbon tax on its citizens. This is particularly interesting because Canada is our closest cousin in the Commonwealth in its history, cultural practices, major industries, economic growth and population. But the similarities stop on the question of dealing with climate change. At least Canadians got to have a vote on a carbon tax. That is the vote that was denied to the Australian people. There was only one successful candidate for the lower house at the last federal election that campaigned on a policy of introducing a carbon tax— that is, the Greens member for Melbourne, Adam Bandt. Only one member of Canada's lower house went to their election advocating a policy of carbon taxes and an emissions trading scheme. She is also a Green. Unlike in this aberration of a parliament, one Canadian Green does not get to impose their will on an entire nation.

As we look around at China and India, in fact the entire globe, Ms Gillard and the Greens have brought us to a very lonely place in the international response to climate change. As usual the devil is in the detail. The lack of consultation, the lack of detail given prior to the moving of the bills through the lower house, the secretive list of 500 top polluters and the failure to release the modelling with the appropriate assumptions outlined shows that the 17 bills rushed before us have been drafted in haste. The Joint Select Committee on Australia's Clean Energy Future, where the bills were referred to for scrutiny, was similarly rushed. As a result, I must confess that, while I am doing my best as a new senator to read the legislation before the Senate today—as you can see there are about two feet of it here on my desk along with associated explanatory material—I confess I have not been able to get through it all. I will do my best in the time allotted by the government for the scrutiny of this legislation. An indication of the haste with which this has been brought in is that we are shutting down appropriate scrutiny as of this morning. That is an indication of the contempt in which this government and, to be more correct, their coalition partners the Greens hold the Australian public and indeed this parliament in their rush to implement an economy-wide carbon tax for no effective reduction of emissions.

Whilst accepting that climate change and the impact of human carbon production has a role to play in the equation, I look forward to a positive and sustainable future where our environment flourishes alongside our economy and communities, something this badly designed tax will not achieve. Earlier this year, Chief Commissioner of the Climate Commission, Tim Flannery, said:

If the world as a whole cut all emissions tomorrow, the average temperature of the planet's not going to drop for several hundred years, perhaps over 1,000 years.

That is with the whole world cutting all emissions today, not a small nation state cutting five per cent of their emissions as of 2000 over six years. This would suggest that there will be a period of time in our future as a globe when we will have to manage the outcomes of climate change and adapt our behaviour accordingly, but I really want to focus on the length of time Mr Flannery suggested. Let us pause for a moment and
consider the technological advances that human beings have made over the past thousand years. In 1011 we did not have cars. In 1011 we did not have the electricity that we are so keen to tax today. In 1011 we could not split the atom; in fact, we did not even know there was such a thing as an atom. In 1011 the earth was not only thought to be flat but we did not realise that we could sail a ship further from shore than the eye can see, let alone build a rocket, travel to the stars and walk on another planet. Imagine what will be possible in a thousand year's time in 3011. I have great confidence in our intelligence as a species despite this badly designed legislation before us today.

There are several reasons why I believe this response by the government is a negative response to address environmental concerns. These reasons range from its ineffectiveness in addressing the issue itself to the discriminatory manner of its application. As Senator Fifield said last night, my home state of Victoria will be heavily hit. Our major export off the port each day in Melbourne is dairy produce, which goes right around the world, and our state is powered by the 500 years of brown coal deposits in the Latrobe Valley, a region in Gippsland 45 kilometres down the road from where I live. Both industries are significant employers in our state's economy and both, whether intended or not, are targeted in this legislation. Government claims of support given to the agricultural industry under these bills, as the carbon tax will not apply to agriculture, give a false impression of the government having an understanding of regional Australia and its needs. The reality is that the insidious nature of this tax means that electricity, on-farm and transport costs will all rise, affecting productivity and job security and increasing cost-of-living pressures, particularly for those living and working in rural Victoria. I will mention a few of those today. The Goulburn Valley in central Victoria is home to significant horticultural production, and we had debate on the importation of New Zealand apples and the impact that would have on the Goulburn Valley only a couple of months ago. Along with horticultural production, the Goulburn Valley is home to the highly intensive food-processing industry, which uses a lot of electricity. Specifically, apple producers need to have regular baseload power to ensure all the apples and pears are cool-stored before transport and delivery to consumers.

The dairy industry in Australia is also electricity intensive and trade exposed. The imposition of this tax on that industry, which employs over 40,000 Australians and is the largest exporter off our docks in Melbourne every day, is significant. In Victoria, the dairy industry estimates that the average dairy farming family will be hit by an additional $5,000 to $7,000 per annum on their electricity costs. The imposition of this carbon tax will cripple the dairy industry through the whole production chain, from the cow on the farm through to the bottle of milk in the fridge. Consider the impact on dairy of China's announcement of its goal of increasing the level of protein consumption for each child from 56 grams per child per day to over 500 grams per child per day. This represents a ninefold increase in protein consumption for a very large number of children. There are only two ways to increase protein consumption: through red meat or dairy products. The Australian dairy industry is uniquely placed to capitalise on this growth of protein consumption in the Chinese economy, but the imposition of this carbon tax will place the industry at a severe competitive disadvantage.

The addition of a tax on transport in 2014 is, I believe, just a tax on our everyday way of life in regional Australia. It is how we get
our produce out to the docks and into the markets. It is how we socialise and travel to our sporting events. It is nothing for families of young children to have to drive upwards of 100 clicks one way just to get to their under-13 football and netball matches. That is going to be taxed—so it is not just about our economy. The Australian Trucking Association says the sector and its customers are predominantly regional Australians, and it will take a hit of $510 million in the 2014-15 financial year alone. Regional Victorians and Australians spend more on energy and transport than those who live in capital cities, and while agriculture is out for now and transport, so vital to our way of life and crucial to the viability of our local industries, has a temporary reprieve, the increased on-costs are definitely an issue for those of us who live outside capital cities.

For regional Victoria specifically, the impact on jobs will likely be felt far and wide. In Shepparton, in the north-east of Victoria, the modelling suggests that there will be 320 fewer jobs in an area where food processors are already under pressure from international factors. In Mildura there will be 220 fewer jobs by 2020. If these tax bills pass this chamber, at least 24,000 fewer jobs will be created across Victoria than if the economy were not so constrained. Victoria’s total output will be cut by $2.8 billion in 2015 alone, according to a report by Deloitte. On a microeconomic scale, this translates to 600 fewer jobs being created in regional communities like the Latrobe Valley—about which we have heard a lot over the last couple of days, thanks to Senator Madigan—and $70 million in output stripped from the local economy in 2015.

I make particular reference to an issue facing the power generators in the Latrobe Valley, and that is the lack of deferred settlement arrangements for permit purchases contained in the legislation here beside me. This is yet another reason that this is simply a badly designed tax, as it will have a wide-ranging impact on individual generators and the power sector as a whole. The Latrobe Valley is a regional community which already underwent restructuring during the 1990s, and 20 per cent of the community is directly employed by the power generation business. Victoria does not have electricity generation sources to match the baseload supply that we get out of the Latrobe Valley, and it uses carbon intensive brown coal. The annual emissions of Loy Yang Power, just one of the generators in the valley, are approximately 19.5 million tonnes. Based on the $23 a tonne starting price, this will result in an additional $450 million in costs in the first year of the scheme. Under the previous CPRS, devised by the then Prime Minister, Kevin Rudd, generating companies had the sensible option of a deferred settlement facility which was available when permits were auctioned. Under the current regime, no such deferral option is available, and I encourage the government to consider it at the amendment stage. As such, it is effectively a matter of paying the money in advance for the power generators. We will eventually get the money back, but the working capital requirements power generators will have to cope with are significant.

In fact, the competitive advantage of the Latrobe Valley is in brown coal. Any rational government would invest heavily in research and development to find new, cleaner ways to use this coal, which will be key in assuring this region a positive future. This government had the chance to contribute to the development and diversification of the valley’s economy through the Regional Development Australia Fund, but even though we knew this was all coming not one grant was forthcoming for the
projects put forward to diversify the local economy in the Latrobe Valley.

Given the $100 million available for the forestry restructure, significant questions remain around the sufficiency of the $200 million available in regional structural adjustment assistance for those regions severely affected by the carbon tax. That $200 million is—wait for it—available for all regions across the nation over a seven-year period. I argue that the government has once again severely underestimated the economic and social impact of this legislation on regions like the Latrobe Valley, the Hunter, the Goulburn Valley, the dairy regions and so on. The $200 million in that package will be simply a tokenistic effort to stimulate local growth and diversify those economies. This government's lack of understanding of the impact of this tax on regional Australia is very much on display in how it has treated the Latrobe Valley.

Finally, this is a poor policy solution because it is not part of a global response. Australia has a proud history of going it alone and making it count—for instance, the unintended consequence of going it alone in 1902 on the suffrage of women was not the disruption of our economy, the disadvantaging of our trade or discrimination against the regions—yet in this vacuous response to dealing with climate change we will be hanging out on a limb, adding costs to the production of every good and service in Australia. And we will be alone. We will be on that path alone.

This will not change the climate. Our action here will not decrease the temperature if Canada, the US, Europe, India and China do not get on board in the same way, and given the current global economic outlook it is unlikely they will. One of the many fabrications peddled by Labor spokesmen and spokeswomen during the course of this debate is that many nations are moving to tax carbon and we are being responsible in keeping up with the worldwide trend. We have already heard what Canada thinks of carbon taxes, and I am sure that during the US presidential visit the media will ask President Obama what the United States is going to do about an effective response to climate change. I would put all the money in my back pocket on a bet that he will not be adopting legislation like this and restraining his economy, particularly at this time.

The Labor member for Bendigo, Mr Steve Gibbons, claimed in the local newspaper on 13 October, the day after the carbon tax package squeaked through the lower house, that Australia had become the 33rd country to put a price on carbon. Really! I look forward to the member for Bendigo, in his next missive to the Bendigo Advertiser, naming these 33 countries that have taxed carbon in the same way that the Gillard government wants to tax Australians—and I think some really great points were made this morning on the setting up of the market arrangements and our participation with these other '33 countries'. It will be fascinating to watch!

Yes, various countries have played around the edges, and others have made pledges, usually with an eye to a generous international aid package, but it is unlikely that they are going to sign up to a Labor-like carbon tax. Despite producing one-tenth of the EU's emissions, Australia faces a tax take 14 times larger than that of the EU. Australia's scheme will raise more tax in its first seven months than the EU emissions trading scheme generated in its first 6½ years.

But most telling is the fact that this legislation neglects to provide support for small business in transition arrangements. This is a significant oversight but certainly
not surprising for this government. Everyone else gets a slice of the action. Householders are treated to a generous assistance package to mitigate the increased electricity costs brought on by the tax. One wonders what incentive there will be for householders to change their behaviour and reduce their reliance on dirty electricity if they are getting so much financial assistance. I am not confident that there will actually be a change in lifestyle.

Regional industry such as agriculture has been omitted, transport industry has three years grace and there are compensation packages for power generators, yet small business, the powerhouse of our economy, a significant source of employment within our regional areas, has no support and is once again bearing the increased costs of compliance. How typical that whilst Minister Sherry is announcing tax relief for small business with one hand, Combet is taxing them with the other.

The Australian Bureau of Statistics defines a small business as one that employs fewer than 20 people. Around 30 per cent of Australia's economic activity is generated by small businesses. In my home state, over 1.2 million people are employed in small business. This is an economy-wide tax, so unless you live in a teepee in Nimbin you will be subjected to it. There is no incentive, as I said earlier, for us to change our behaviour. In fact, as stated earlier, the modelling shows we will actually increase our emissions rather than reduce them.

For no environmental gain, because we are going it alone at a time when the countries of the world are focused on keeping their economies strong rather than slowing productivity—

**The ACTING DEPUTY PRESIDENT (Senator Crossin):** Senator McKenzie, your time has expired. I did not mean to cut you off mid-sentence, so my apologies.

**Senator FAWCETT (South Australia) (13:12):** I rise to address the Clean Energy Bill 2011 and related bills as a Liberal senator for South Australia, but also as somebody qualified in science from the University of New South Wales and someone who has spent the majority of his career working in a systems engineering environment evaluating risk and assessing complex systems. To do that work you need to understand the integrity of the processes and the data you are working with, and that is the approach I intend to take in looking at these bills and the carbon tax in particular.

There are two issues at stake with the bills before us: firstly, the carbon tax itself and whether the benefits it will bring to the environment outweigh the costs associated with it. To resolve that question, the second issue comes into play: how certain are we that the information we have been told thus far about the threat to the environment is true and accurate? How can we be certain that the threat will eventuate and, if it does, what are the consequences of the threat eventuating? Will this new tax provide an effective means to avoid or manage the threat or at least mitigate the consequences if it occurs? In the world of business and finance, questions like this are resolved in part by the process of due diligence, which is a form of constructive scepticism, not denial. It is a process to verify that all of the information you have been told thus far is true and accurate before you commit to a business transaction.

So how should we as legislators do due diligence on a change of this magnitude on our economy and our society? In a business transaction, teams dealing with marketing, forensic accounting and legal issues all have different roles to play. They communicate information relating to the same subject to
different audiences, for different purposes and at different levels of detail. During due diligence, however, you would find very few successful venture capitalists who committed funds on the strength of an assessment of the facts by the vendor's marketing team alone. They would place far greater weight on their own forensic accountants and legal team. In the case of climate change, the truth-seeking role of forensic accountants is conducted by our scientists and we should give detailed consideration to what they are actually saying rather than just to the marketing team's executive summary. This is not to disrespect the marketing team. I recognise the genuine concern and passion of those on all sides of this debate who care about our nation and our world and who passionately advocate, people such as the Australian Youth Climate Coalition, who made time to meet with me in Adelaide. I am heartened when I see young people in particular prepared to look beyond themselves and to invest their time in causes for the common good.

But passion alone is not enough. As an experimental test pilot, I was not afraid to question a proposal no matter how passionately it was presented—in fact, generally I found the more passion, the more scrutiny was actually required. You have to critically ask: does the evidence or do the facts actually support what is put forward in the glossy brochure? Interestingly, most of the advocates that I have spoken to on this issue of climate change and the carbon tax have never actually read one of the IPCC reports—not even the synthesis report, let alone one of the underlying reports such as Physical Science Basis produced by Working Group 1. To come back to the business analogy, they have not done their own due diligence—they have not even read the business proposal, let alone the audited accounts—but appear to have made a decision based solely on the glossy marketing brochure. So can we trust that brochure? There has to be integrity in the process that has led to it. Certainly as a test pilot, before I would commit to flying a sortie, I would want to be assured of the integrity of design, of the disclosure information, of the data that actually determined the performance of the system under test or of the models that were used to predict that performance.

I have learned to place a great deal of trust in the engineers who support the design and the preparation for any test work and to work with them to understand the facts and uncertainties to evaluate the risk inherent in any activity. In the same vein, I applaud the dedication and integrity of the work of the vast majority of scientists in Australia and around the world who are contributing to the research and understanding of our world, our oceans, our land and our climate. They are not afraid to admit that they do not know everything and that we are always learning new and surprising things about our world and the way it adapts. Just last month Science Daily reported a new insight into global photosynthesis, the chemical process governing how ocean and land plants absorb and release carbon dioxide. What they have found is that the way that ocean and land plants absorb it actually occurs 25 per cent faster than previously thought. That fundamentally changes the assumptions that go into modelling about how our planetary systems respond to increased carbon dioxide. Do existing models take this into account? Obviously not, because this was only published last month.

People working at the coalface recognise that current models are far from perfect. In fact, even the co-chairs of IPCC working groups 1 and 2 last year proposed an expert meeting to develop better ways to refine and
use the output from models. Drawing from their proposal, they state:

… not all of the new models will include interactive representations of biogeochemical cycles, chemistry, ice sheets, land use or interactive vegetation. This makes a simple model average increasingly difficult to defend and to interpret …

They go on to say that the new model should provide 'more robust and reliable projections of future climate, along with improved estimates of uncertainty'. What do they mean by uncertainty? A good example of an admission of the wide range of uncertainty that actually undermines the global climate models appears in Dr Tim Woollings' 2010 paper published by the Royal Society. He said

The spread between the projections of different models is particularly large over Europe, leading to a low signal-to-noise ratio. This is the first of two general reasons why European climate change must be considered especially uncertain. The other is the long list of physical processes which are very important for defining European climate in particular, but which are represented poorly in most, if not all, current climate models.

For those who like the thought of peer reviewed publications, remember that the Royal Society is a fellowship of the world's most eminent scientists and is the oldest scientific academy in continuous existence. It was established back in 1640. So how much uncertainty are we talking about? In 2009 Haerter published, in the journal of the American Geophysical Union, a paper dealing with aerosols, which are just one of these many inputs to global climate models. He said:

Due to these large parametric uncertainties, we apparently do not know the mean sulfate aerosol forcing component of Earth's top-of-the-atmosphere radiative budget to within anything better than ± 50%.

He went on to say:

In reality, therefore, we probably do not know the current atmosphere's aerosol radiative forcing to anything better than ± 100%, which does not engender confidence in our ability to simulate Earth's climate very far into the future with state-of-the-art climate models.

If I were to encounter error budgets of this magnitude in simulations for a prototype aircraft, I certainly would not be rushing to take it flying.

Models are not the only area of uncertainty. What should we do as legislators when the scientists do not agree? One good local example is the Great Barrier Reef. One school of thought has led to the common perception that emissions cause global warming, so raising temperature, which leads to coral bleaching and the reef dies. But experts in the field do not have a consensus on this. Professor Peter Ridd from James Cook University has recently highlighted, again, that as the sea warms coral in fact grows more vigorously. He is not alone in this. Back in 2004 the CSIRO detailed a report showing exactly the same thing, that rising sea temperatures in fact boost coral growth.

So if numbers of our eminent scientists are in fact willing to work with integrity and disclose the facts, the uncertainties and the gaps in our knowledge, why are we being presented with the story that the science is settled and the unscientific attitude of anyone who questions it makes them a 'denier'? Is it possibly because the heads of the marketing department know that if anyone felt compelled to do some due diligence they might expose flaws in the business case which would stop us buying into a costly venture such as this new tax and its associated impost on the Australian people and our economy? Surely not. According to the IPCC website, it is a scientific body and it 'embodies a unique opportunity to provide rigorous and balanced scientific information
to decision makers'. They are sound ideals, but are they actually implemented and rigorously audited to check for a conflict of interest when appointments are made of people like editors and leaders who oversee the review process and the aggregation of data for consumption by the public and the policymakers? Would any scientist have such a conflict of interest? Recent media reports say that some do. One of the authors of the Berkeley Earth Surface Temperature—or BEST—study, which is billed as the 'end of scepticism' about climate change, actually threatened to quit after she said the project leader underplayed the fact there has been no global warming for the last 13 years. Professor Judith Curry was one of 10 experts attempting to compile definitive temperature data going back over 200 years. She claimed it had been tarnished by the project's director, who was overselling the results in favour of global warming. This director was Professor Richard Muller, who in a 2008 interview with Holly Richmond, who was with the green news organisation GRIST, was quite open about the fact that he did not mind people exaggerating if it furthered the cause. He said in respect of Al Gore:

If he reaches more people and convinces the world that global warming is real, even if he does it through exaggeration and distortion—which he does, but he's very effective at it—then let him fly any plane he wants.

Are there others like Professor Muller? Sadly, the answer is yes. They hold key positions in the IPCC. A recent publication on the IPCC written by a Canadian investigative journalist highlights the disturbing lack of governance within the organisation. This lack of integrity in the processing of that scientific information, some of which supports the case and some which does not, means we cannot trust the rolled-up summaries that we get. That expose goes on to look at a number of appointments of people who have been long-term activists in movements—some of them scientists, some of them not. One of the people recently appointed has been a long-term activist and director of the climate program for the World Resources Institute and the WWF's chief spokesperson on climate change, and has worked in the Climate Action Network but is not even a scientist. I am sure she has a very genuine interest, but her background is as a professional activist and her academic qualifications are a Bachelor of Arts from Indiana University in political science and Germanic studies—hardly one of the world's greatest scientific minds, yet the IPCC states that science is the basis of the information they have given to us as legislators.

Even a small amount of effort on due diligence shows that the process that leads to the glossy brochure, the rolled-up summaries that many people are making their decisions on, is not sound. Certainly recent events are showing that uncertainties exist. The climate change minister in 2009, Penny Wong, stated:

... this severe, extended drought is clearly linked with global warming.

Not only have we seen the floods, which history tells us are not uncommon for Australia, but the Climate Commission's report tells us:

... it is difficult from observations alone to unequivocally identify anything that is distinctly unusual about the post-1950 pattern.

If the integrity of this process is suspect, what else lacks integrity? Certainly the politics—the reason for selling this product—lack integrity. Days prior to the last election, the Prime Minister announced to the Australian people that 'there will be no carbon tax under a government I lead'. For reasons of political expediency, she has been happy to allow that promise to become a lie.
in order to form a coalition with the Greens for the sole purpose of retaining power. The people of Australia should not forget that every member of the ALP who is now speaking in favour of this new tax also owns this lie.

There is also no integrity in the spin around the facts of global action—it is pure political sophistry. We are told that we will be left behind because China is taking action to close coal fired power stations. But there is no mention in these summaries, in this spin, of the new 500-megawatt plants coming online at a rate of at least one per week, according to a study conducted by the Massachusetts Institute of Technology. Even Australia's Ross Garnaut, in his third update paper, says that between 2005 and 2020 Chinese emissions will increase from approximately five billion tonnes of CO₂ per annum to over 12 billion tonnes per annum. This growth of over seven billion tonnes a year compares with Australia's decline of approximately 70 million tonnes on 2005 levels by 2020. In short, our decrease in emissions is likely to be eclipsed by growth in one country alone that is 100 times or more greater than our cuts.

On balance, how do we evaluate the risk to our environment against the risk to our economy? Due diligence has shown us that neither the probability nor the consequence of the climate risk is certain. The scientists say so themselves. But what about the risk to our economy? Will the benefits eventuate? Much has been made of green jobs and the new economy, but despite Europe's extensive green jobs policies a surprising low number of jobs have been created—two-thirds came in the construction, fabrication and installation phase, one-quarter have been in administrative positions, marketing and project engineering, and just one out of 10 jobs has been created at the more permanent level of actual operation and maintenance of renewable sources of electricity. The study, done by the King Juan Carlos University in Spain, calculates that the programs creating those jobs also resulted in the destruction of nearly 110,500 jobs elsewhere in the economy—or 2.2 jobs destroyed for every one job created in the green economy.

What about business costs? In the real world, people doing due diligence on investments are now talking about sovereign risk in Australia. In the past Australia has been considered one of the safest places to invest. Nystar in Port Pirie has to make a decision in the next few years about a $400 million upgrade to their smelter—which provides employment for around 670 people—but they are now questioning whether they will go ahead with that upgrade. It is estimated this carbon tax will cost the company $10.2 million in the first year alone, and we are now seeing broad public discussion about whether this investment will go ahead and those jobs will continue into the future.

The defence industry in South Australia is part of our national defence capability. It is worth some $2 billion to the South Australian economy and generates many skills and jobs. Much has been made by this government of the need for the defence industry to be competitive in the global market if it is to remain sustainable. This carbon tax will reduce the competitiveness of our industry, which threatens its future viability and hence the employment of South Australians and, equally as importantly, elements of our national defence capability.

Will this tax be effective? At $23 per tonne, it falls well below Treasury forecasts of the level of value of carbon emissions that is going to drive behaviour towards renewables. Particularly when we go to an ETS, if it is then aligned with Europe, which has gone well below $23, it will be a lose-
lose for the Australian people. The lower that value is, the less able the budget is to provide the supplements and support that have been so much vaunted by this government. If the ETS goes above the $23, people will lose out because those supports will not be there.

The Business Council of Australia says that, far from creating certainty, the tax is both ineffective and deeply uncertain. They agree with the scientists. The carbon tax is ineffective because it raises $105 billion of costs on Australian industry while simply sending investment, and therefore emissions, overseas. Even the Southern Cross Climate Coalition, a strong supporter of the carbon tax, has said that the carbon tax on its own will not be enough to cut emissions. So why impose the pain if even the most ardent supporters recognise that it will not achieve the desired outcome? This coalition also highlights that cost-of-living impacts for very low-income households will probably be higher than those modelled. In conclusion, the deliverables promised by the glossy brochure did not stack up so well in the business plan. In some cases they are not supported by the underlying facts, which shows that there is a flawed process and a lack of integrity. Having done my due diligence, I find that the scientists, as our forensic accountants, have done their job well. Some of the underlying data supports the business case, some does not, but in the summation and rolling up the executive summary through the IPCC, the process is compromised by the unchallenged appointment of long-term activists to key positions and the suppression of genuine debate. There is significant uncertainty surrounding the models used to forecast the level of threat and, indeed, the underlying assumptions are being challenged in current scientific research. The promised benefits and identified costs are not supported by more detailed analysis of the facts.

Why should we move jobs offshore to countries that will replace our manufacturing—and will do so with higher emissions—in response to a threat that still has significant uncertainty about both exposure and consequence? Why should we trust a government to fundamentally change our economy when they have lied just to retain power, have proven themselves unable to effectively implement even a simple policy such as home insulation without causing harm, and have allowed billions in waste in building school halls? South Australians—who are now seeing their jobs at risk because companies are hesitating to invest in Australia due to the sovereign risk represented by this government—should hold the Labor members for Adelaide, Hindmarsh, Kingston, Wakefield and Port Adelaide and every ALP senator to account at the next election for their part in the lie that there would be no carbon tax under a this government. As a legislator, I will not be committing our nation, our economy and our future to a flawed plan to address an uncertain threat.

Senator FIERRAVANTI-WELLS (New South Wales) (13:31): Can I follow Senator McKenzie's lead by bringing into the chamber copies of the bills and say at the outset that today we have insult on top of insult. This government has gagged the gag on these 18 bills and that is an absolute shame, on top of the other shame that they have lied to the Australian public. The purpose of these so-called 'clean energy bills'—or should I say 'carbon dioxide tax bills'—is to impose a new tax. This is to raise revenue. It is as simple as that. If anyone thinks that this is going to affect the climate in any way, they are absolutely delusional. For the Prime Minister, these bills serve as yet another way of highlighting her incompetence not just as a leader but also the hopeless state of her government in its Green
alliance. This is a government which could not deliver ceiling insulation without burning down homes. It is a government which could not deliver an education revolution without billions of dollars of waste. It is a government which has lost the confidence of the voting public. Now this government wants to impose a tax on every Australian to change their behaviour by punishing them for using power, for doing their jobs and for earning export dollars.

The science is not settled. The planet's climate has been changing since day one. Shame on those opposite, shame on the Greens and shame on the Australian Labor Party for having vilified ordinary Australians who dare to voice their views and, yes, their scepticism. Shame on the Prime Minister for the way she has described these ordinary Australians who just want to express their point of view.

I associate my comments with many of those made by my colleagues. Today I would like to use the opportunity to talk about the Illawarra. Whoever thought of imposing a tax on every Australian should visit the Illawarra. Ms Gillard has been visiting the Illawarra quite regularly, most recently on 18 October, her second visit in less than six weeks. Only days after celebrations in the other place, Ms Gillard came to the Illawarra, a productive region which houses industry and manufacturing, family businesses both large and small and centres of excellence in education. Already the Illawarra is straining under economic conditions and is now reeling from prospective job losses at BlueScope Steel. Ms Gillard thinks that rolling out the NBN in the Illawarra and the Illawarra Region Innovation and Investment Fund will make up for the pain of the carbon tax. She is fooling herself if she believes this. The biggest insult in all this is to the workers and the families of the Illawarra.

What is the feeling in the Illawarra about the carbon tax? If you look at the survey of local businesses you see that the Australian Labor Party received a thumping. In the state election in March the result was a resounding defeat of Labor and its carbon tax. Labour suffered swings of about 18 per cent across the Illawarra in the state election. If those opposite think that the carbon tax had nothing to do with this, they are absolutely totally delusional. The bad news for the Australian Labor Party continued in the local government elections at booth after booth, which I visited on the polling day. From down south at Shellharbour up to the northern suburbs of Wollongong the message was loud and clear: no carbon tax.

When Senator Joyce and I spoke in the mall in Wollongong, the message was loud and clear. There we had the usual union heavies dressed up as workers doing their best to heckle us and to be their usual abusive, thuggish selves but they did not take into account what the local research, through the economic reports of respected organisations like IRIS, was showing. The message that this research is showing loud and clear is: no carbon tax. Let us look at the research that was done on 300 local businesses in the Illawarra and their feelings about the carbon tax. The result was overwhelming: 68.9 per cent of businesses surveyed were against the carbon tax. That is, almost seven out of 10 businesses in the Illawarra do not support a carbon tax. Three months earlier, in June, 21 per cent of Illawarra businesses had supported the carbon tax, and that has now gone down to only 15.

When the Prime Minister visited the Illawarra on 18 October she said she was there for one reason: 'to keep faith with this region and its people'. She said:

As you undergo this process of change and transformation, you will not walk that road alone.
What a load of humbug. What a load of absolute and utter drivel from this woman. Ms Gillard, you lost faith with the people of the Illawarra, and indeed the people of Australia, the day that you lied to them and said that there would be no carbon tax under the government you would lead. So do not come to the Illawarra mealy-mouthed and tell the workers and families of the Illawarra just how sorry you feel. You have lost their faith. You lost it a long time ago. You lost it when you lied to them, so do not come along to the Illawarra and play this game: 'Yes, but now you'll have NBN jobs.' What a load of absolute codswallop. The Illawarra is absolutely buckling under—

The Acting Deputy President (Senator Back): Order! Senator Fierravanti-Wells, direct your comments to the chair rather than to an absent Prime Minister.

Senator FIERRAVANTI-WELLS: I apologise. The Illawarra is buckling under the redundancies at BlueScope Steel and the loss of work for contractors. But the Prime Minister believes that she can buy votes with a few announcements, the same way that she bought off Mr Paul Howes and the AWU with the Steel Transformation Plan. Remember that Mr Howes did not support the carbon tax until he received his $300 million. He then turned around and said, 'Yes, we will support the carbon tax.' He went down to the workers in the Illawarra and told them, 'You have to cop this.' But after the bollocking he got from the workers at the meetings it was very clear he had to change his tune. He ran off to the Prime Minister and told her, 'I have a problem,' and so all of a sudden $300 million arrived out of the woodwork—a very expensive path for Mr Howes, ultimately leading to parliament. Mr Howes is looking to his future parliamentary job, and this toxic tax is the price of minority government, the price for Labor to stay in power with their alliance partner, the social engineers—the Greens.

With its dependence on steelmaking and coalmining, the Illawarra will bear the brunt of the carbon tax like no other area in Australia. There are almost 40,000 mining and manufacturing jobs in the Illawarra and the south-eastern region of New South Wales, and 26,000 of those mining and manufacturing jobs are in Illawarra and Wollongong. It will be the people of the Illawarra and their children in the future who will lose out on jobs, because jobs will contract. There will be flow-on effects, but do you think that the member for Cunningham, Sharon Bird, or the member for Throsby, Mr Stephen Jones, are listening? Of course they are not listening. Mr Jones seems to run around the countryside and say, 'We've got a problem.' Well, we had a problem. We have had a problem for a long time, but did he and Ms Bird try to convince the Prime Minister not to pass this tax? No. They just sat there and copped it.

We are probably talking about 31,000 job losses across New South Wales, according to Frontier Economics, and 18,000 of those will be in the Hunter Valley. They estimate that there will be about 7,000 job losses in the Illawarra. The Australian coal industry is predicting job losses of almost 5,000, including 3,000 in New South Wales alone.

There were 226 parliamentarians elected at the 2010 election. Just 10 of those 226 parliamentarians were elected on a promise of a carbon tax, and that is a mere four per cent of parliamentarians. This Prime Minister was elected on a lie. Do we honestly believe that she would be in the Lodge today had she told the Australian public that she was going to introduce a carbon tax? The answer is no. But she knew that if she did not tell a lie she could not win
the election, and that is precisely what she did. She promised no carbon tax.

I am patron senator for 10 seats in New South Wales and all of these members of the Gillard Labor-Greens alliance were elected on a lie. Robert McClelland in Barton was elected on a lie. Daryl Melham in Banks was elected on a lie. Greg Combet, the Minister for Climate Change and Energy Efficiency and member for Charlton, was elected on a lie. I have already mentioned Sharon Bird, the member for Cunningham, elected on a lie. Craig Thomson, the member for Dobell, was elected on a lie—amongst other things, but I will not go into that today. John Murphy, the member for Reid, was elected on a lie. Deb O’Neill, the member for Robertson, was elected on a lie. Stephen Jones I have mentioned. The member for Throsby was elected on a lie. Laurie Ferguson, member for Werriwa, was elected on a lie. All of them were elected on a lie perpetrated by their leader. They are part of an illegitimate government. To win power and to cling to power they will say anything. It is the old Australian Labor Party trick—say anything. As Richo writes in his book, Whatever it Takes, the Australian Labor Party will lie. It will do whatever it takes not only to get into power but to stay in power.

Then there was Mr Swan in September last year dismissing the scare campaigns against the carbon tax. This was at the same time that research by the Australian Trade and Industry Alliance showed that almost a million Australian jobs will be under pressure as employers struggle with increased power costs and higher costs for raw materials and manufacturing components. This is because they will be competing against international suppliers who will not be paying a carbon tax. There was Mr Swan criticising scare campaigns. He only criticises them when it is not his own people doing them.

Let us look at Tanya Plibersek, the master of the no-carbon-tax scare campaign. The Central Coast Express Advocate published an article on 15 July quoting Ms Plibersek talking to seniors at the Peninsula Community Centre. She said:

We know the science tells us we need to act …

The science shows us that the Central Coast faces the highest risk of inundation from sea level rise in NSW.

The federal government is taking action to tackle this …

And she went on with the usual drivel that the government comes out with. She was out there scaring older Australians at an older persons' facility. She was scaring them.

Then there was Peter Garrett claiming on Lateline that sea levels would rise by six metres. Talk about a clumsy way of trying to scare people into thinking that a melting ice shelf in Antarctica would send us waves high over low-lying houses on the Australian coast. When he was confronted by this, Mr Garrett did nothing to refute it. If these are not scare campaigns, I am not sure what are.

For the people of the Central Coast, many of whom commute daily to Sydney, what a low act this was from Minister Plibersek when she turned up trying to scare our senior Australians and other people. They have been deceived by their local member, the member for Dobell, as I said, who has busily been doing all sorts of other things—disgraceful behaviour—and now is being investigated by the New South Wales and Victorian police. I have traversed some of his 'activities' in this chamber. The Royal Australian College of Physicians, who are hardly a radical protest group, recommended caution with a carbon tax because it could exacerbate health inequalities. Talk about scare campaigns!
But one of the peculiarities of all of this is that the tax will do absolutely nothing to reduce domestic emissions. It will be others who will reduce emissions. In 2020 $22.8 billion will be sent overseas to purchase carbon credits. In 2050 almost $57 billion will be sent overseas to buy credits. Australian emissions will increase from 578 million tonnes today to 621 million tonnes in 2020. They may be called 'carbon credits' but instances of major fraud have emerged in relation to them. We saw that in China, and it is also occurring in India. Scams are occurring. These scams are occurring under the auspices of the UN program, the Clean Development Mechanism, established under the Kyoto protocol. It was the investigations of various environmental groups and not of the program's carbon cops which brought this to light. One of those environmental groups has said that this abuse of international carbon credits is the biggest environmental scandal in history and makes an absolute mockery of international efforts to combat climate change.

What is going to happen in the end if coal from mines in the Illawarra or the Hunter is burned in Australia for energy is that it will attract $23 a tonne in tax. But if the same coal is used to produce energy overseas then it will potentially attract clean energy investment. What a perverse policy this is. It is little wonder that the Australian Crime Commission has described the carbon credit market as a honeypot for criminals, including the Italian mafia, a very active organisation. One case in Europe involves the alleged fraud of $5 billion.

What is this sense of urgency now about the carbon dioxide tax? It is of course so that Senator Brown and other people can go off to Durban and tell everybody what wonderful things they have achieved here in Australia. Just remember the last person who thought he could influence the world's stand on climate change is now no longer the Prime Minister of Australia. But there are those opposite who are obviously keen to ensure he comes back as our Prime Minister. Copenhagen in 2009 was full of false hopes and ended up in tears.

We know the effect that this tax will have on Australian households. The coalition will repeal this tax because if you do not have a tax you do not need compensation. I am proud to stand here today on behalf of those millions of Australians who do not want this toxic tax, who have been lied to by this government and who want us to vote against these bills. That is precisely what I will be doing.

Senator PARRY (Tasmania—Deputy President of the Senate and Chairman of Committees) (13:52): I too rise to speak on the clean energy bills. I will start by indicating to the chamber that the name Clean Energy Bill is a false name. Why could the government not be honest and call it the carbon tax bill? The names of the bills in this package are a disguise that do not really indicate what the bills are. That follows on from the other false premises that belie the bills, their passage and the speeches that we have heard.

I am very disappointed about the passage of these bills. Senator Fifield articulated his feelings very clearly this morning. First of all, the government would not concede that more debating time was needed for this suite of bills, the largest and most significant pieces of legislation to have come before this chamber in many years if not in the history of the Commonwealth. It beggars belief that more debating time was needed for this suite of bills, the largest and most significant pieces of legislation to have come before this chamber in many years if not in the history of the Commonwealth. It beggars belief that more debating time has not been allocated to such a suite of bills. Then we lost the motion to allow sufficient time to debate the bills and to have Senate committees investigate different aspects of the bills, because we did not have the numbers. To add insult to
injury, the government finally agreed with its masters, the Greens, and organised a two-week debate. This was the week for the second reading debate, which we are engaged in, and next week was for the entire committee stage. We were not comfortable with that, but we thought that at least we had two weeks. We knew that was engineered to facilitate others going to the world stage and alluding that Australia is now leading the world. So the two weeks were there, allocated for us to debate these bills. Then, this morning, without notice to us, apart from late notice yesterday, the time allowed for the debates was altered. It appears that it was adjusted to suit others who want to grandstand next week at a certain time to fit in with a demonstration, parade or celebration outside of Parliament House. To engineer the passage of legislation to suit external celebrations—one wonders what some of them will be celebrating—is a very poor way to treat this house and this chamber. It was not sufficient that senators, no doubt including Senator Bob Brown, could go to Durban and indicate that Australia had passed the legislation—the numbers are there so the bills will pass—it now has to have a domestic demonstration as well. As a result, the entire period for proper scrutiny and debate has been truncated to suit a demonstration in Canberra next week. This is an appalling set of circumstances. If the government can prove that there is another reason for that, let them come and prove it. I do not think they can. They are beholden to their Greens master. I know for a fact that, as they wander into the chamber, Labor senators will probably hang their heads in shame, because they know as well as I do that they do not want this carbon tax. They are getting pressure from home. They are getting the indications from their constituents, who are saying: 'Why on earth are you supporting these bills? Why are you subservient,'—and subservient is the correct term—to the Green party?"

The Australian Greens are the masters of the Labor Party's destiny. The Labor Party brand has been very severely diminished through its acquiescence to the Greens. That is a sad state of affairs in itself, but to truncate this debate to suit an external demonstration outside Parliament House, a celebration of what I consider to be nothing to celebrate, is a real travesty of the proper processes of this place. I hope Labor reflect long and hard on this. Senator Ludwig moved the motion this morning, acting on the instructions of new masters. My dealings with Senator Ludwig, when I was Manager of Opposition Business in the Senate, were always ones of honourable consideration. If Senator Ludwig gave you his word that we would have two weeks for debate, we would have two weeks for debate. So, knowing that it was not a motion of his doing, it must have been very difficult for someone like Senator Ludwig to stand up here this morning and move that motion. I sincerely hope that it was not a motion of the Labor Party's doing either. They are clutching at the reins of government by being subservient to their masters. I know they know that. I know from conversations in this place that the Labor Party are not happy with the direction they have been taken on these bills and on other matters because of their new masters. I hope they think long and hard, and I hope the public of Australia reflect their view about this at the next election. Hopefully, the next ballot will come sooner rather than later for the sake of this great country.

It was bad enough to say that we would not have a carbon tax, as the Prime Minister announced before the election. The party was campaigning strongly—there was no equivocation; it was a very strong, firm commitment that there would be no carbon tax. Think about what that does. I know
people whose vote and preferences were
decided upon that commitment, as do my
colleagues. Promising one thing and doing
completely the opposite is a very fraudulent
way to obtain government. That marries in
completely with the attitude of the Labor
Party today in truncating debate for the sole
purpose of allowing grandstanding in a way
we have probably never seen before. That
process does not augur well for the Labor
Party, which, while it
might have
philosophical differences to this side from
time to time, has never stooped so low as to
be beholden to another party, particularly
one that wants to run the entire Labor agenda
and move it away from its commitments to
its grassroots constituents. This will come
back and bite the Labor Party at some stage.
Again, I hope that stage happens sooner
rather than later. Prior to the last election and
this morning, we have seen a change in the
values of what was once a party respected
for its beliefs, commitment and honesty.
Many decisions over that period have shown
the new, true colours of the Australian Labor
Party.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

European Union: Economy

Senator CORMANN (Western Australia)
(14:00): My question is to the Minister
representing the Prime Minister, Senator
Evans. Does the Australian government
intend to commit taxpayer funds to the IMF
or other parties in order to help bail out
Greece from its financial difficulties? At a
time when the Labor government is still
borrowing more than $100 million every day
to pay for its own wasteful spending, how
much taxpayer money is the Labor
government prepared to commit to the Greek
bailout?

Senator CHRIS EVANS (Western
Australia—Minister for Tertiary Education,
Skills, Jobs and Workplace Relations and
Leader of the Government in the Senate)
(14:00): I understand the Prime Minister
made some comments on her arrival at the
G20 meeting. I just caught those on
television earlier this morning.

Senator Wong interjecting—

Senator Cormann interjecting—

The PRESIDENT: It will make it easier
for all of us if people remain silent. When
there is silence, we will proceed.

Senator CHRIS EVANS: The Prime
Minister, I think, made it clear that she was
prepared to continue to support the IMF, as
Australia has always done. A bipartisan
approach to support the work of the IMF has
been important for the global economy. The
Prime Minister indicated that she would
continue to be open to supporting the IMF
but had not agreed to any specific amount of
extra funding and that would be a question
that would be considered at the G20. This is
not money to support the European bailout,
but we do make it very clear that we understand—despite the strength of the
Australian economy, despite the record
mining investment, despite the fact that we
have among the lowest unemployment rates
in the industrialised world—that we are part
of a global community, that the events
occurring overseas do impact on us, that the
instability in the European economies is an
issue for Australia. We made it very clear,
though, that Europe have got to get their
house in order. They have got to clean up
their problems, and we have encouraged
them strongly to take action. I think we have
been very strong in our statements and our
representations to make sure they do that.
We are not putting money into the European
rescue fund, but we are supporting the IMF.
We are supporting the important role that
they play, and I would hope the opposition
continue to have a commitment to the IMF,
as they used to when they were economically responsible. *(Time expired)*

**Senator CORMANN** (Western Australia) (14:03): Mr President, I ask a supplementary question. Will the Australian contribution to the Greek bailout be by way of a loan or a grant? If by way of a loan, what arrangements are being put in place to ensure it is repaid?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:03): I gather this is another cheap trick by Senator Cormann to try and confuse our contribution to support the IMF and some European bid to bail out Greece. This is the sort of low-rent politics that Senator Cormann has become famous for. He is prepared—

*Opposition senators interjecting—*

**Senator CHRIS EVANS:** He is very famous in the WA Liberal Party for that—the new Noel Crichton-Browne. But this is an important issue. Is the opposition, the alternative government in this country, now seeking to trash the IMF and trash Australia's contribution to the IMF? This absolutely represents the end of any claims to economic responsibility—that the shadow Assistant Treasurer would come in this place and seek to undermine the work of the IMF and seek to undermine Australia's contribution to it. I am astounded. I did not know you could get that low and that you could so much abandon your economic credentials. I am shocked. *(Time expired)*

**Senator CORMANN** (Western Australia) (14:04): Mr President, I ask a further supplementary question. What conditions, if any, will the Australian government place—

*Honourable senators interjecting—*

**The PRESIDENT:** When there is silence on both sides, we will proceed. I need to hear the question.

**Senator CORMANN:** Thank you, Mr President. It would be helpful if the minister could actually answer a question, rather than just go for the political abuse.

**The PRESIDENT:** Senator Cormann, to the question.

**Senator CORMANN:** What conditions, if any, will the Australian government place on the contribution by Australian taxpayers to the Greek bailout?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:05): Senator Cormann does not care, because he will put out the same press release whatever I tell him. The press release will be 'Labor bankrolling Greek bailout' or something of that nature. It will be some xenophobic response that seeks to say that a commitment to global economic certainty is the wrong thing to do. The opposition ought to join the serious economic debate, rather than try this sort of stunt.

**Senator Cormann:** Mr President, I rise on a point of order related to the requirement for the minister to be directly relevant. I have asked some very specific questions, asking the government to be accountable about some decisions that they are clearly about to make. Other than political abuse and rhetoric, we have not had anything from the minister that comes anywhere near what conditions, if any, the Australian government will place on the contribution by Australian taxpayers to this Greek bailout. There is a very specific set of answers that can be provided to this. All we have had from the minister is political abuse.
The PRESIDENT: There is no point of order. The minister has 30 seconds remaining.

Senator CHRIS EVANS: Those who are interested will learn, when the government makes an announcement about any increased contribution to the IMF, what the details of that contribution and the conditions attached to it are. But I know one thing: Senator Cormann and the Liberal Party will not be interested. They will not be interested in those issues. They will only be interested in the sort of cheap politics that Senator Cormann is heading down the road of again. The global economy is important to Australia. (Time expired)

Workplace Relations

Senator MARSHALL (Victoria) (14:07): My question is to the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Evans. Can the minister advise the Senate on how the Fair Work Act is delivering for Australian workers?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:07): I thank Senator Marshall for his ongoing interest in workplace relations issues. When Labor introduced the Fair Work Act we delivered on our commitment to replace the extreme Work Choices laws with a system that ensures that the dignity and rewards of work are protected.

Work Choices allowed workers to be stripped of basic entitlements and to be fired for any reason or for no reason at all. It encouraged a model of economic growth based on a race to the bottom, where the only way to compete was to undermine the employment safety nets. The Fair Work Act ensures that growth and prosperity in Australia are built on the back of fair and productive work practices.

The Fair Work Act replaced the set of only five minimum conditions provided under Work Choices with a safety net consisting of 10 national employment standards and a system of modern industry awards. Unlike Work Choices the safety net under the Fair Work Act is a real safety net that guarantees protection for basic employment rights. By abolishing the take-it-or-leave-it AWAs, or individual contracts, and requiring that all new agreements be subject to a 'better off overall' test, we have ensured that the safety net cannot be stripped away.

The Fair Work Act is supporting fair industrial relations in this country. We have seen real wages increase over the life of the Fair Work Act as people are treated appropriately, without seeing their conditions stripped away, and have the dignity of proper, fair and balanced industrial relations. The confidence they can have in their employment and their treatment is good for the whole economy, because it allows them to approach life knowing that they will be treated fairly and can make decisions based on expectations of being treated appropriately.

Senator MARSHALL (Victoria) (14:09): Mr President, I thank the minister for his answer and I ask a supplementary question. Can the minister advise how job security is an essential part of working conditions and how the Fair Work Act is securing job security?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:09): In the last few days we have seen a proposition advanced that, somehow, workers should not be interested in issues of job security. Without job security people cannot plan for their future, whether it is
about getting married, buying a house or deciding to start a family. Job security determines whether people can make these sorts of big life decisions. Taking away job security causes people to worry and think twice about these things. They also worry about investing.

The Fair Work Act allows people to address issues of job security with their employer. It has restored unfair dismissal protections and given workers the freedom and flexibility to bargain about issues that are important to them. They get to discuss whether or not their hours of work are maintained and they get to discuss the sort of things that are important to them and their families. Labor is unapologetic about saying that these things ought to be open to workers and their unions— *(Time expired)*

**Senator MARSHALL** (Victoria) *(14:11)*: Mr President, I again thank the minister for his answer and I ask a further supplementary question. Is the minister aware of any risks to the job security that Australians currently enjoy?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) *(14:11)*: As we know, the Liberal opposition are committed to a return to Work Choices style legislation. That sort of extremist and ideological legislation saw one in five Australians exposed to being sacked unfairly, without any recourse to fair arbitration. We saw thousands and thousands of workers forced against their will to sign individual contracts. We know the impact of those contracts: 64 per cent of AWAs cut annual leave loading, 63 per cent cut penalty rates, 40 per cent cut rest breaks and 36 per cent cut declared public holidays. That is the sort of approach that the Liberal opposition want to return to. The Labor government is absolutely committed to maintaining the Fair Work Act, maintaining fairness for Australian workers and ensuring that they can enjoy job security and plan for their futures. *(Time expired)*

**Media**

**Senator IAN MACDONALD** (Queensland) *(14:12)*: My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. I ask the minister if he believes that the government should be assisting multimillionaires who donate to the Greens political party to the extent of hundreds of millions of dollars by granting them tax deductibility status for bankrolling their pet left-wing, not-for-profit journalism enterprises.

**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) *(14:12)*: This is a follow-up question to the conspiracy theory that the good Senator 'Maca' was purporting to—

**The PRESIDENT**: Senator Conroy.

**Senator CONROY**: Sorry—Senator Macdonald. I am sure he does not mind the affectionate term. The possible proposal that may come forward and may be part of an inquiry that may be supported by the people conducting the inquiry that one day may be considered by the government is something that probably would fall into the hypothetical category on most days. But I am happy to say what I have said all along on a whole range of these issues. We put forward broad terms of reference and will look at a range of issues. We welcome the inquiry and we welcome the input from Senator Macdonald, Senator Brown and anybody else who wants to put in a submission. We will see what the inquiry puts forward. But the government
reserves its right to consider that amongst all the other evidence and considerations at the time.

We are not prejudging any of these issues. We note the point that Senator Macdonald makes. But we will see what the inquiry brings forward and then we will give it due consideration at the time. That is not ruling anything in or anything out of the hypotheticals that you are asking me to rule in and out.

Senator IAN MACDONALD (Queensland) (14:14): Mr President, I ask a supplementary question. Is it a fact—and I am sure that the minister would know—that Senator Bob Brown states in his submission to the independent media inquiry that "The Australian Greens support the proposal for tax deductible status for not-for-profit journalism enterprises"? Will the minister give an assurance and a commitment that the government will reject any such recommendation from the independent media inquiry?

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) (14:15): I will do my best with this question. Again, the senator is asking me to rule out a hypothetical that may or may not happen. As I said, we are waiting to see the report of the inquiry completed, we are waiting to see the report of the inquiry and we are waiting to consider the report of the inquiry. This is something that has been discussed in the sector for some considerable time. It might be new to Senator Macdonald and exciting for him to suddenly discover that some academics support it and that Senator Brown and the Greens support it. Surely even Senator Bernardi may benefit from this particular tax deduction, with all of his web sites that we learnt about recently. So perhaps even Senator Bernardi may want to put in a submission supporting this particular proposal. He has a myriad of web sites. He can hardly keep track. How many is it, Senator Bernardi? I lost count. (Time expired)

Senator IAN MACDONALD (Queensland) (14:16): Mr President, I ask a further supplementary question. The minister deliberately misinterpreted the point, so I will ask him this directly: is it appropriate for the Greens political party to advocate a measure to the independent media inquiry that would provide multimillion-dollar tax breaks for a $1.6 million donor to their party? Did Senator Brown disclose this massive conflict of interest in his submission? Will the minister give a commitment that the government will reject any such recommendation?

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) (14:16): We have Clive Palmer out there opposing the mineral resource tax and donating massively to those opposite—he flies Senator Brandis around in his plane; he flies Senator Joyce around in his plane. You thought I had forgotten you, Senator Joyce.

Senator Brandis interjecting—

Senator CONROY: I may have been unfair to Senator Brandis, but Senator Joyce certainly knows what the inside of Mr Palmer's plane looks like.

Senator Ian Macdonald: Mr President, I rise on a point of order on relevance. I did not ask the minister to give an account of Mr Palmer's travel arrangements. I asked him whether he thought it was appropriate for a leader of a political party in this chamber to
be advocating preferential treatment for a significant donor to his party. That is what I asked the minister; I asked the minister whether that was appropriate.

The PRESIDENT: There is no point of order.

Senator CONROY: That is a shocking reflection on Senator Joyce, a shocking reflection. Senator Joyce should feel free to lobby on behalf of Clive Palmer's mining interests and oppose the mining tax as often as he wants. Senator Macdonald should not take shots at him like that. I know that up there the Queensland Nationals and the Liberals—

Senator Ian Macdonald: Mr President, I rise on a point of order on relevance. You cannot allow the minister to continue to disregard standing orders to have a rant of his own. I particularly asked for his view on the conflict of interest of Senator Brown and the Greens and I require his answer.

The PRESIDENT: There is no point of order.

Senator CONROY: The only further thing that I will add is that Senator Macdonald is once again asking the government to predetermine the outcome of an inquiry that is underway. As I have said, it is an independent inquiry. It has independent terms of reference. It is working through its processes. We look forward to receiving that report and to the debate that will ensue. (Time expired)

Indigenous Affairs

Senator WRIGHT (South Australia) (14:19): My question is to the Minister representing the Attorney-General, Senator Ludwig. A number of recent reports have revealed that Indigenous adults in Australia are 14 times more likely to be imprisoned than non-Indigenous adults. For juveniles, the detention rate is 397 per 100,000, which is 28 times higher than the rate for non-Indigenous juveniles. Between 2000 and 2009 the imprisonment rate of Indigenous Australians increased by 66 per cent, while the rate for non-Indigenous Australians remained steady. Can the Attorney-General please explain why, if the Commonwealth government is serious about closing the gap, the allocation of grants for the 2011-12 financial year saw a significant number of organisations that are dedicated to helping Aboriginal prisoners make meaningful change in their lives have their funding totally or partially cut compared with the 2010-11 financial year?

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) (14:20): I thank Senator Wright for her question. At the outset, there are a couple of issues to do with this question that I want to make plain. One is that the rates at which people are put in prison is a state and territory matter in the first instance. The Commonwealth has a very low rate of imprisonment. Anyone imprisoned for a federal offence is usually imprisoned by the states and territories.

I will seek further information from the Attorney-General about the particular grants that the Attorney-General's portfolio provides. But as a general rule—and if I am wrong about this I will have it corrected—there would be open and competitive tenders for grants. If there were not, they would be by application and assessed on their merits. I have no doubt that the way the system would work in the Attorney-General's portfolio would be similar to many systems across government. I want to challenge the underlying assumption that was included in the question, that somehow the Attorney-General would be in a position to determine
the outcome of particular granting systems within his portfolio or that it would not be through a merit based open selection process or a system that would ensure a competitive tender. If the Senator was suggesting that the Attorney-General is picking favourites, I reject that inference. I have no doubt the Attorney-General would be able to support that view. But I will seek additional information—(Time expired)

Senator WRIGHT (South Australia) (14:22): Mr President, I thank the minister for his answer and ask a supplementary question. Is it the case that a strict case management approach has been proscribed for the provision of prisoner through-care services in the 2011-12 financial year? If so, why? And does this exclude the provision of complementary services such as financial counselling and holistic community support programs?

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) (14:23): Again, I think it is best, given that I do not have anything specific in relation to this matter, that I seek additional information from the Attorney-General.

I would add, however, on the issue that was raised in the first question as well, that some of these matters relate to Closing the Gap, towards which the Commonwealth remains committed and is very serious about providing its energy and support. That is of course a matter that falls within Minister Macklin's portfolio. As Senator Wright has asked me the question as the Minister representing the Attorney-General, and it does not relate to my representational capacity, I chose not to answer that specific part of the question. I also did want to check whether or not the follow-up supplementary question also covers areas which are not within my direct responsibility as representing the Attorney-General's portfolio. Nonetheless, I will seek additional information from the Attorney-General. (Time expired)

Senator WRIGHT (South Australia) (14:24): Mr President, I ask a further supplementary question. This may again be within Minister's Macklin's portfolio. Given that the June 2011 report of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, Doing Time—Time for Doing, recommended that the Commonwealth government endorse justice targets for inclusion in COAG's Closing the Gap strategy, can the minister please advise whether this recommendation has been implemented, or will be implemented, and whether this issue will be included on the agenda for the next COAG meeting?

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): It does seem quite clear now that, notwithstanding the Attorney-General's significant interest in these issues, that these issues do tend to fall within the COAG process through Minister Macklin's representations as the minister responsible for Closing the Gap. What I will do, though, is ask the Attorney-General whether there is any additional information he might wish to supply in relation to Senator Wright's question. However, it does seem that it does quite rightly fall within Minister Macklin's portfolio.

Automotive Industry

Senator FAWCETT (South Australia) (14:25): My question is to the Minister for Innovation, Industry, Science and Research,
Senator Carr, following reports today about the production of the Holden Commodore possibly ending in Australia. Why did the government demand in 2008 that Holden open its books and sign a letter of commitment about its Australian investment plans for the next decade when it broke $1.8 billion worth of promises to the car industry less than three years later, in an act that Ian Jones of the AMWU described as 'abject betrayal'? Why are the commitments this government makes to the car industry never kept?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:26): I thank the senator for the question. I do enjoy the Liberal Party asking me questions about the automotive industry, given that in the debate for the establishment of the ATS they actually said it was a waste of money. And they have a current policy position to take a further $500 million out of the ATS. This is a party that has campaigned against the automotive industry for many years. This is a party that masquerades around as having great sympathy for manufacturing workers.

We all know in politics that sincerity is a key commodity. As Oscar Wilde said, 'Once you can fake that you've got it made.' And that is exactly what you are about. You are about faking your sincerity and your commitment to the automotive industry. You have absolutely no leg to stand on in this regard.

Senator Fawcett: Mr President, I rise on a point of order on relevance.

Government senators interjecting—

The PRESIDENT: Order! Senator Fawcett is entitled to be heard.

Senator Cameron: You know what that shows: that you're not relevant!

The PRESIDENT: Order! Senator Cameron! Senator Fawcett.

Senator Fawcett: Mr President, the point of order is very simple and straightforward: it is relevance.

The PRESIDENT: The minister has 52 seconds remaining. I draw the minister's attention to the question.

Senator CARR: The senator who asked me this question is relatively new. If he had a bit more experience he would have sent this question back, because this is the hospital pass that you would expect to give to a new senator. The Liberal Party had a policy at the last election—

Senator Johnston: Mr President, I rise on a point of order. You have drawn this senator's attention to the question. He continues to defy you. Will you bring him to order?

The PRESIDENT: Senator Carr, you have 42 seconds remaining to address the question. I draw you attention to the question.

Senator CARR: The Green Car Innovation Fund was a tremendous success: $500 million or thereabouts was committed, and it attracted some $2 billion in co-investment. We were obliged to take action as a result of the floods in Queensland. Not in any respect, in any way, have we removed our commitment to the automotive industry—unlike the policy of those opposite, which is to destroy the automotive industry. They have a policy right now to remove $500 million of support from the Automotive Transformation Scheme. This is an opposition that has absolutely no sympathy for Australian manufacturing—

(Time expired)

Senator FAWCETT (South Australia) (14:29): Mr President, I ask a supplementary question. Isn't uncertainty about the car
industry's future the inevitable result of what Holden CEO Mike Devereux described in June as this government's 'political flip-flopping'? What is the minister's response to Mr Devereux's claim this morning that there has been an unnecessary escalation of sovereign risk for this industry?

Government senators interjecting—

The PRESIDENT: Order! When there is silence we will continue.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:29): What Mr Devereux has indicated to me and has said publicly is that he welcomes the partnership that has been developed between the Australian government and General Motors Holden which, through the deployment of our new car plan, is the saviour of the company. The results of the new car plan have been to secure the future of automotive manufacturing in this country. We have gone through the worst economic crisis that this industry has seen since the Great Depression. Mr Devereux has made it very, very clear that the support the Australian government has provided in terms of its co-investment policies has secured the future of the company in this country. This is in very, very sharp contrast with the policy of the Liberal Party which is to take $500 million out of the ATS. An opposition that went to the last election with a policy in—

(Time expired)

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence we will continue.

Opposition senators interjecting—

The PRESIDENT: I just point out to those on my left that it is Senator Fawcett who is on his feet waiting to ask the question.

Senator FAWCETT (South Australia) (14:31): Mr President, I ask a further supplementary question. Following the recent industrial action at Toyota and given Mr Devereux's comments today about the role of APESMA in making this news public, what actions has the minister taken and what assurances has he personally sought to ensure that trade unions do not intend to pursue damaging industrial action and unnecessarily endanger the car industry's future in Australia?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:32): We have a series of enterprise negotiations currently underway in the auto industry in Australia. You will from time to time get comments being made. I am not going to comment on the argy-bargy that goes on in terms of that position. What I can say is that the government works very closely with this industry to secure its future. What workers can be absolutely certain of and have absolute confidence in is the commitment of this government to the future of their jobs and to the future of this industry. Unlike those opposite, we actually stand ready to defend this industry and to ensure the prosperity of manufacturing in this country. You have a policy of ending waste in the automotive industry. That was a policy you took to the last election. You have now got a position of withdrawing further support to the automotive industry. So if ever we had a case of crocodile tears we have it here today. Senator Fawcett, it would be a really good idea if you sent back this sort of rubbish to the tactics committee. (Time expired)

Families

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (14:33): Mr President, my question is to the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, Senator Arbib. Can the...
minister please update the Senate on how the Gillard Labor government is supporting Australian families, and can he advise the Senate on the progress of the Gillard government's historic Paid Parental Leave scheme.

Senator ARBIB (New South Wales—Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness) (14:33): I thank Senator Polley for that very important question. The Gillard government is supporting families. We are standing by families every day in their everyday lives. Australian families want to give their children the best start in life, and that is exactly what the government is doing. Australia's first national Paid Parental Leave scheme provides eligible working parents with parental leave pay of up to 18 weeks at the national minimum wage of around $590 a week before tax. I can report to the Senate today that, at the start of October, 100,000 Australian families had claimed paid parental leave since it started at the beginning of the year. That is 100,000 families. Approximately half the mothers who have so far received the paid parental leave earned less than $42,000 in the year before the baby was born or adopted.

This scheme is helping families in need. This scheme is helping families who need support, which is exactly what was intended by the Gillard government. It is a scheme that we are extremely proud of. In what is good news, new dads and partners who share the care of new babies will be able to access dad's pay from 1 January 2013. That is more good news for Australian families. Compare this with the parental scheme policy that those Liberal senators and National Party senators have on the other side of the chamber, which will put an increased burden on business and small business, flowing down onto families and increasing costs at the cashier and at the checkout. That is the policy of the Liberal Party. Labor has delivered the Paid Parental Leave scheme and parents are benefiting.

That is not all, though, that the Gillard government is doing. Just yesterday, the Assistant Treasurer, Minister Shorten, introduced legislation into the chamber that will increase superannuation for workers from nine per cent to 12 per cent. Who is this going to benefit? It will benefit families—families will be the winners. (Time expired)

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (14:36): Mr President, I ask a supplementary question. Can the minister advise the Senate of what other measures the Gillard Labor government is undertaking to help Australian families make ends meet?

Senator ARBIB (New South Wales—Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness) (14:36): We are increasing superannuation for workers from nine per cent to 12 per cent. We have increased the childcare tax rebate from 30 per cent to 50 per cent. We have expanded the education tax rebate to help parents with those expenses of kids going back to school. But, most importantly, we are keeping Australians in work. There have been 750,000 jobs created since we were first elected and there are 120,000 more Australians employed than there were 12 months ago. And not just that—the Liberal senators on the other side of the chamber will hate hearing this on interest rates—but, because of the government's fiscal strategy and because we acted when we had to during the global financial crisis, through the stimulus we have provided space and we have seen now an interest rate cut. The
recent cut means that a family with a $300,000 mortgage will now pay $50 less a month in interest repayments. That is a saving of $590 a year. Interest rates are 2.25 per cent less under Labor than when the Liberals were in government. *(Time expired)*

**Senator POLLEY** (Tasmania—Deputy Government Whip in the Senate) (14:37): Mr President, I ask a further supplementary question. Given that affordable housing is a critical component to a family making ends meet, can the minister outline the Gillard government's investment in affordable housing to help Australian families?

**Senator ARBIB** (New South Wales—Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness) (14:37): Liberal senators would hate hearing that interest rates are 2.25 per cent less under Labor than when the Liberals were last in—2.25 per cent less. Working families are the winners out of that. In terms of housing, that is not all we are doing. I have talked about the almost $20 billion that is being invested in housing in this country—social housing, affordable housing—which means that almost 80,000 dwellings will be under construction. These are dwellings that disadvantaged Australians, working Australians, Australians who are doing it tough, will benefit from. This is what the Gillard government is doing. We are putting support on the table for families—for workers—and that is something we intend to keep doing.

On the other side, what do we have? Those opposite have a $70 billion black hole which will lead to cuts in services, cuts in housing and cuts in health, just like the last time Mr Abbott was health minister, as well as cuts in education. *(Time expired)*

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**Carbon Pricing**

**Senator BIRMINGHAM** (South Australia) (14:38): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to statements made by the secretary of the Department of Climate Change and Energy Efficiency that purchases of international permits by domestically liable parties do not go in to the budget in any way because they are not through government but that companies will nonetheless pass on the costs associated with purchasing such permits. With modelling showing that permits to the value, in 2010 dollars, of $2.7 billion in 2020 and $57 billion in 2050 will be purchased by Australian companies, does the minister agree with Mr Comley that the cost of these billions in international permits will be passed on to all Australians?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:39): I have to say that when it comes to trade and international permits what we see from the Liberal Party on this issue is the same as we saw from the Liberal Party in relation to the IMF: a new protectionist and xenophobic Liberal Party, ladies and gentlemen. Here they are, the party that used to be the party of free trade, the party that used to believe in lowest economic cost, the party that used to believe in institutions like the International Monetary Fund and the World Bank. What are they like now? Perhaps the National Party. The Liberals have actually morphed into the National Party when it comes to national economic policy. Senator Birmingham comes in here and tries to ask a question based around budget impact, but really what he is saying is: 'We don't like international trading. We are going to have our leader go out and talk about shonks in Nigeria and drum up the xenophobia.' Speaking of which—
Senator Ian Macdonald: Mr President, I raise a point of order on relevance. This incompetent minister has yet again followed her usual practice of spending more than half of her allotted answering time in attacking the questioner and attacking the Liberal Party. Can you bring her to order and ask her to answer the question—

The PRESIDENT: There is no point of order. The minister has 53 seconds remaining.

Senator WONG: The reason we want international trading is that we believe that Australian companies should be able to reduce emissions at lowest cost. Isn't that a radical proposition? We actually want to ensure that business can reduce emissions at the lowest cost—something that the Liberal Party now opposes. What the Liberal Party wants is higher costs for the economy, higher costs for Australian business and, incidentally, higher costs for Australian workers.

As part of the question I was also asked about compensation. As the senator would know, we have already outlined a very substantial tax reform package as part of the clean energy package: a tripling of that tax-free threshold, increases in pensions and increases in the disability support pension—all of which would be ripped away by those opposite.

Senator BIRMINGHAM (South Australia) (14:42): Mr President, I ask a supplementary question. I again ask the minister if she agrees with Mr Comley that business will pass on the costs of these international permits. I also refer the minister to statements by the Prime Minister that compensation will keep up with the rising cost of the carbon tax. How will the government fund this increased compensation to cover the billions spent by Australian companies on international permits when, as Mr Comley says, the revenue from these permits does not go into the budget in any way?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:43): First, in relation to the adequacy of the compensation, the Prime Minister has made clear that the compensation will be permanent and that we will continue to review it as outlined in the clean energy package in order to ensure that it is permanent and adequate. I also remind the senator that we have laid out the budget impact of the clean energy package in the figures presented to the parliament, which are part of the legislative package that he was debating this morning. The government has made clear its approach in relation to the budget impact and in relation to the assistance package to taxpayers.

Senator Brandis: I hope you become the campaign manager, Penny. I just love that tone of voice.

Senator WONG: People love your talking so much, George. You bray in this chamber and they all laugh at you.

Senator BIRMINGHAM (South Australia) (14:44): Mr President, I ask a further supplementary question. I refer the minister to those fiscal tables published by the government that she just mentioned, which indicate that, even in the period when no international permits are being purchased, the carbon tax package runs at a multibillion dollar deficit. Will the minister tell the Senate which Australians will miss out on compensation to deal with the ever-increasing costs passed through with the carbon tax, or will a much bigger deficit be incurred beyond the forward estimates? Which is it: compensation that does not keep up or a bigger deficit, Minister?

Senator WONG (South Australia—Minister for Finance and Deregulation)
Australians would miss out on assistance in relation to climate change if the coalition were to be elected. What they would miss out on is tax cuts, what they would miss out on are increases to pensions and other allowances—these are all the things that those opposite oppose. They will have to go to the next election telling Australian pensioners that they will get less. They will have to go to the next election saying to Australians that everyone earning under $80,000 a year will pay more under an Abbott government. That is the coalition’s policy. That is before they rip away health services like Mr Abbott did when he was the minister for health, ripping a billion dollars out of public hospitals—

Senator Birmingham: Mr President, on a point of order, the minister has had 48 seconds to respond to this supplementary, which asked the government very directly about their policy. She has spent all 48 seconds talking about the coalition's policies. I would invite you to direct the minister to actually refer to the government's policies and the question she was asked about the impact on the budget deficit, and the Prime Minister's promise for ongoing increases in compensation in the remaining 12 seconds that she has.

The PRESIDENT: There is no point of order. The minister.

Senator Wong: The fiscal tables associated with the package show the impact on the budget. We obviously always update the budget figures in the usual way, but those opposite have no credibility on this. (Time expired)

Food and Grocery Industry

Senator Xenophon (South Australia) (14:46): My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. I note Senator Carr's unambiguous statements to the Australian Food and Grocery Council yesterday relating to complaints brought to him over the conduct of Coles and Woolworths by many local firms. To quote Senator Carr, 'On the basis of the claims put to me, there is a case to be concerned about an abuse of market power.' However, the new Chairman of the ACCC, Rod Sims, is today reported as indicating that the ACCC may not have the powers to deal with the matters raised by Senator Carr, saying that, in relation to the provision on the misuse of market power, 'It is probably the hardest part of our act to enforce.' Does the minister consider the ACCC has sufficient powers to adequately deal with the abuses of market power brought to his attention?

Senator Carr (Victoria—Minister for Innovation, Industry, Science and Research) (14:47): I thank Senator Xenophon for his question. It is true that I have made statements in regard to the support for Australian grocery manufacturers. I have, in the time that I have had responsibility for food manufacturing, been in receipt of a steady stream of complaints and allegations of misuse of market power and unconscionable behaviour by our major supermarket chains. As a consequence of that, I have taken these complaints—given that they are from reputable firms, reputable organisations—up with the ACCC. I take particular comfort from the fact that the ACCC has indicated that they want to have a good look at these matters.

I am not judge and jury in these cases, Senator Xenophon, but I have said that we will be defending the interests of grocery manufacturers and the interests of manufacturing workers. These are clearly very significant questions. In regard to the position of Coles, I recall that in Senate estimates in October, ACCC Chief Executive, Brian Cassidy, said that supermarkets have been told to keep records
of all products involved in the 'price down' campaigns that are currently being undertaken. The ACCC Chairman, Mr Sims, has indicated that he takes the view that the law has evolved in recent years in providing the ACCC with a clearer view of what is intended by section 46 and the misuse of market power to gain advantage. He has indicated that he takes the view that this is a matter that does need to be looked at to the full extent, using the full powers available to the ACCC. I am not going to prejudge what he— (Time expired)

Senator XENOPHON (South Australia) (14:49): Mr President, I ask a supplementary question. Does the minister agree with competition law experts, such as Associate Professor Frank Zumbo of the University of New South Wales, that the power of the ACCC to deal with such abuses of market power is severely constrained in the absence of a general divestiture power in the Competition and Consumer Act?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:50): I have noted the remarks of the ACCC chairman in regard to these issues and he has publicly stated that is he is aware of the allegations that are being made about the abuses of market power and unconscionable conduct. He said that he would look into these matters very carefully. He has also indicated that he wants to encourage businesses who believe they have been victims of a breach of the Competition and Consumer Act to contact the commission directly and that there are extensive powers available to the commission to undertake its investigation, including its own information-gathering powers. We will wait and see what the ACCC say about the nature of its powers. We look forward to their report back on these issues. They have indicated in the past more than a willingness—in fact, in a statement made on ABC radio on 20 October, the ACCC chairman said that he was of the view that 'if we needed more power, we would be politely saying so'.

Senator XENOPHON (South Australia) (14:51): Mr President, I ask a further supplementary question. If I could assist the minister, this morning on Fran Kelly's program on Radio National, Mr Sims said: 'To prove misuse of market power we have to prove the supermarket has done this with the purpose, not just the effect, of damaging competition,' which the ACCC says is the hardest part of their job. Given the reality of the cases of abuse of market power brought to the minister's attention, does the minister agree that there ought to be a review of the Competition and Consumer Act to look at these issues?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:51): The ACCC is the appropriate body to look at these questions. The allegations go to the issues of the auctioning-off of shelf space with regard to excluding competitors, the arbitrary rescinding of contracts with suppliers mid term and a series of other matters which, if true, I would have thought are unconscionable conduct. The question remains as to whether or not the ACCC is of that view, and we will look forward to their advice after they have had a look at it. But the key issue here is to encourage manufacturers to come forward with these issues and to rely upon the confidentiality of the ACCC to investigate this matter, and we will provide all possible assistance for that to occur.

Carbon Pricing

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (14:52): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Does the government believe that its carbon tax will
have a negative impact on any decisions made by multinational companies to invest in Australia rather than in other countries? Will the minister confirm whether there will be any negative impact at all on decisions by companies to invest in Australia?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:53): Senator, through you—

Opposition senators interjecting—

The PRESIDENT: Senator Wong, continue your answer.

Senator WONG: I am very pleased they are so interested in what I have to say, Mr President. I certainly look forward in the in committee debate of the bill to answering—

Senator Abetz: That you have truncated by days.

Senator WONG: I will take that interjection from Senator Abetz—

The PRESIDENT: Ignore the interjection, Senator Wong.

Senator WONG: because I can recall him gagging and guillotining many times.

The PRESIDENT: Senator Wong, just return to the question. Ignore the interjections. They are disorderly.

Senator WONG: I believe that the question is essentially a more articulate exposition of Mr Abbott's sovereign risk argument. We are intent on providing a competitive environment for business investment in Australia, which is one of the reasons we want to pass the mining tax—to reduce company tax rates. We have also seen, contrary to quite a bit of scare campaign rhetoric from Mr Abbott, investment continuing in the mining sector, in the resources sector and also in the coal industry, notwithstanding the fear campaign that the opposition has been engaged in.

As the world moves to increasingly paying a premium for low-carbon goods and services, we do have an economic interest in ensuring that there is more investment channelled to the clean energy jobs of the future and to the clean energy technologies of the future, and that is the important role played by a carbon price.

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (14:55): Mr President, I ask a supplementary question. I refer the minister to statements by the chief executive of Anglo American, the world's fourth largest miner, that they do not think the carbon tax is the right approach at all and that it will have an impact on investment decisions. Does the government accept Ms Carroll was telling the truth when she said that withholding investment was 'something we are going to have to consider'?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:56): What I would invite Senator Bushby to do, because I know he has an interest in numbers, is look at the numbers. For example, the Deloitte Access Economics Investment Monitor report showed that $487 billion in large investment projects was in the pipeline, almost all of which will occur in the mining sector. It is hard to see, therefore, how the proposition that the carbon price will deter such investment stacks up. The numbers simply do not demonstrate that.

I would also make the point, because I think the article to which the senator was referring also spoke about Macarthur Coal, that Macarthur Coal, as he would know, was the subject of a nearly $5 billion offer by Peabody Energy. In fact I think that was the same day as Tony Abbott said that the carbon tax will—

Opposition senators interjecting—

The PRESIDENT: Senator Wong, you need to address—
Senator WONG: Mr Abbott. It is extraordinary that the opposition is so prepared to call other people names. They are very sensitive. (Time expired)

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (14:57): Mr President, I ask a further supplementary question. With more than $15 billion in investment decisions at risk from Anglo American alone, why will the government not acknowledge that this carbon tax poses a massive risk to investment in Australia? Why should Australians believe the assurances of a government who promised no carbon tax, rather than the concerns of those who make investment decisions that impact on the jobs of thousands of Australians?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:57): Mining investment has gone from $35 billion in 2009-10 to $51 billion in 2010-11 and will go to an expected $83 billion in 2011-12. According to ABARES, the resource investment pipeline is $430 billion—and the Deloitte numbers are even higher—and mining employment has grown by nearly 20 per cent. What I would say to Australians is: look at the facts; do not look at the shameless self-interested scare campaign from a man who is only interested in his political benefits, only interested in his own political wellbeing, not interested in the wellbeing of the nation and certainly not interested in the wellbeing of Australian workers and Australian families. Everyone knows Mr Abbott is only interested in one job, and that is the job of Prime Minister Gillard's. He is not interested in the jobs of working people. (Time expired)

DISTINGUISHED VISITORS

The PRESIDENT: Order! I draw the attention of honourable senators to the presence in the gallery of former Senator Grant Chapman. I welcome him back.

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE
Mining

Senator PRATT (Western Australia) (14:59): My question is to the Minister representing the Assistant Treasurer and Minister for Financial Services and Superannuation, Senator Sherry. Can the minister please outline to the Senate this afternoon how Australians receive better retirement incomes through the government’s tax reforms funded by the minerals resource rent tax? How will the government use the proceeds of the minerals resource rent tax to deliver the benefits of the mining boom to all Australians?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:59): Thank you, Senator Pratt. I touched yesterday on some of the tax cuts and the benefits that will flow from the $11 billion mining tax that was tabled in the House of Representatives yesterday. Of course, we know it is a mining tax that the mining companies want to pay and that those opposite, the Liberal and National parties, want to give back to the mining sector.

Let me outline in greater detail the benefits that flow from the mining tax in respect of superannuation. There are quite a number of benefits. Firstly, we propose to increase the superannuation guarantee from nine to 12 per cent. Secondly, we intend to cut the contributions tax paid by over 3½ million low-income-earning Australians. Currently, many low- and middle-income Australians pay a 15 per cent contributions—

Opposition senators interjecting—
The PRESIDENT: Senator Sherry, just resume your seat for a moment. It might be easier. The time to debate this is after question time, which is not too far off. I can give you that advice. Senator Sherry, continue.

Senator SHERRY: Thank you—and we look forward to that debate. Currently, 3½ million Australians pay a contributions tax of 15 per cent on their superannuation, which is either equal to or higher than their marginal income tax. Interestingly, of the 3½ million Australians who pay this contributions tax, just over two million are women. It is highly regressive for over two million low-income women to be paying the 15 per cent contributions tax. We propose to effectively scrap that tax.

We intend to implement further reforms. We intend to allow those Australians who make a decision over the age of 70 to remain in the workforce to continue receiving their superannuation guarantee. That is another important reform. Our reforms in total will deliver some $830 million in additional benefits to Australia's workers' superannuation. To give a specific example— (Time expired)

Senator PRATT (Western Australia) (15:02): Mr President, I am pleased to ask a supplementary question. Can the minister please outline to the Senate the industry reaction to the government's plans to boost Australians' retirement incomes and ensure a better deal for Australia's superannuation fund members?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (15:02): I was about to say that a 30-year-old Australian on average earnings will retire on nearly $108,000 more in superannuation savings as a result of the tax cuts to superannuation that flow from the mining tax, which we know the Liberal and National parties do not support. When and if they ever get into government and they repeal the mining tax, they are going to have to increase taxes on workers' superannuation to pay for it. They stand for increased taxes on superannuation.

But there is one smart Liberal.

Government senators: No!

Senator SHERRY: There is! There is one smart Liberal: Mr John Brogden, the Chief Executive Officer of the Financial Services Council. He is one smart Liberal because yesterday he came out and urged the Liberal opposition to support the superannuation— (Time expired)

Senator PRATT (Western Australia) (15:03): Mr President, I ask a further supplementary question. I would like to know if the minister is aware of any alternative policies to the Gillard government's historic tax and superannuation reforms.

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (15:03): We know that 20 years ago—20 long years ago—the Liberal and National parties opposed compulsory superannuation. They said no. You would think, after 20 years, they would have learnt something, but what is their approach—Senator Cormann has outlined it—to increasing superannuation from nine to 12 per cent? No. Yet again, it is no. What is their approach to cutting taxes on over 3½ million Australians' superannuation? No, yet again. What is their approach to an extra $108,000 for a worker aged 30 on average earnings? No. They do not want to have another $108,000 going to the superannuation savings of Australians. And
what is their approach to the $11 billion mining tax that the mining industry wants to pay? No. That is all they stand for: no, no, no, go away; come back— (Time expired)

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Qantas

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (15:05): Mr Deputy President, I seek leave to incorporate a response to a question taken on notice on Monday, 31 October from Senator Brown to the Minister for Infrastructure and Transport.

Leave granted.

The answer read as follows—

Response to Question taken on notice — Senate Question Time, Monday 31 October

Senator Brown asked the Minister representing the Minister for Infrastructure and Transport, upon notice, on 31 October 2011:

Can the Minister explain how that prohibition on Qantas conducting scheduled international air transport services under a registered name that does not include the expression 'Qantas' meets with Qantas's announcement of Jetstar Japan, to begin by the end of 2012, with international services starting within a year.

Senator Evans — The Minister for Infrastructure and Transport has provided the following answer to the Honourable Senator's question:

The Qantas Sale Act 1992 requires that:

- The name of 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.

The Government will continue to monitor the actions of Qantas to ensure it complies with the provisions of the Act.

ANSWERS TO QUESTIONS ON NOTICE

Question Nos 543, 549, 553, 554, 557 and 927 to 949

Senator JOHNSTON (Western Australia) (15:05): Pursuant to standing order 74(5) I ask the Minister representing the Minister for Foreign Affairs, Senator Conroy, for an explanation as to why answers have not been provided to questions on notice Nos 543, 549, 553, 554 and 557, asked on 25 March this year, and questions Nos 927 to 949, asked on 17 August this year.

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) (15:05): I thank the senator for his question. I am aware that the senator wrote to the Minister for Foreign Affairs on 22 September in relation to 33 questions he was seeking an answer to. I can advise the senator that, of those 33 questions he wrote to the minister about, five have been tabled and 28 remain under consideration. The questions asked by the senator require complex consultation with many overseas posts as well as time-consuming data collation. Accordingly, a number of these questions have required significant effort to
address. It is important to ensure that answers to these complex and technical questions are correct. I appreciate the senator's concern. The minister has indicated to me that he expects outstanding Foreign Affairs Senate questions on notice to be tabled shortly.

Senator JOHNSTON (Western Australia) (15:06): I move:
That the Senate take note of the explanation.
This is an entirely unsatisfactory situation. The foreign minister has had eight months to answer these questions, no matter how complex. Indeed, I have given this minister, in the Senate, almost a further month of grace because his good officers came to me and said, 'Look, we'd like some more time.' And we did give them some more time. This is typical of this foreign minister, who swans around over at CHOGM performing like a rock star but all the while treats this parliament with contempt. There are very many important questions that have not been answered because this government do not want to disclose the answers. They do not want any scrutiny and transparency is their enemy. I urge the minister to provide answers to those questions in a timely manner. Eight months is a disgrace.

Question agreed to.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Media

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (15:08): I move:
That the Senate take note of the answer given by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to a question without notice asked by Senator Macdonald today relating to not-for-profit journalism enterprises and an independent media inquiry.

I have always wondered why Senator Bob Brown was named Senator Brown. I wonder if it has anything whatsoever to do with the proverbial brown paper bag because Senator Brown and financial contributions have had a very bad history. Who can forget the claim he made that we would go bankrupt and be expelled from the Senate because an order for costs for the sum of $200,000 was made against him after a failed court case. He made a public plea and still collected moneys well after the amount required had been collected. He fraudulently raised moneys well beyond those he needed. He then used the surplus as a personal slush fund to hand out largess. He did not declare the moneys on time or in a proper manner to the Registrar of Senators' Interests.

Not deterred by that little escapade, he then went on to personally negotiate a $1.6 million donation to the Australian Greens. He personally negotiated it. Can you imagine the horror of the media in this country if either Ms Gillard or Mr Abbott were to have done the same? The media would be baying for blood, as they rightly should, saying that they had contaminated themselves. For some reason when Senator Bob Brown does it there is virtually no comment from the media, which he somehow describes as the hate media. He would have to be the most protected species in this country when it comes to this sort of disclosure, checking up and investigation. He brazenly sought a donation of $1.6 million, bragged about the fact that he had done so and then, having achieved it, said he would be 'forever grateful'. The person who gave him the donation said it was 'probably a good return on investment.'

This donor has embarked on a venture to purchase real estate for $6 million below the market value. Senator Brown has injected himself into those negotiations against the competitor to his donor. That is on the
record. He has asked questions about it in the Senate. He has spoken about it publicly. He in fact has asked for government support for the company that was willing to sell this real estate below market price to the donor of $1.6 million. This very same donor has now embarked on a venture in the media which is not tax deductible. It is going to cost his multimillionaire friend millions of dollars to embark on this venture. So what does Senator Brown suggest all of a sudden? That this venture should become tax deductible. Surprise, Surprise! His donor would get as a minimum, one assumes, a handy $1 million tax deduction from this so-called investment—talk about a good return on investment, to quote the donor. You get real estate for $6 million less than the market value and you might get a $1 million tax refund. That is a $7 million return on an investment of $1.6 million. This is taking bob-a-job too far. This is in fact two jobs for $1.6 million.

It is passing strange, with this tawdry history of the Leader of the Australian Greens, that one of the things that the Australian Greens have campaigned on for a very long time is an integrity commissioner for the federal parliament. I wonder where that proposal has gone. It seems to have died a death. Senator Brown and the Greens are no longer talking about an integrity commissioner. I know what would happen if we already had one. The very first item of business would be for the integrity commissioner to investigate Senator Brown’s involvement in the business affairs and former business affairs of this donor.

Senator STEPHENS (New South Wales) (15:13): Mr Deputy President, I appreciate that you have drawn our colleague's attention to that standing order. I do think that, if we were ever to have an integrity commissioner in this place, the previous speaker's comments would be exactly the kind of thing that would be referred in the first instance. I too would like to take note of the answers to questions posed to Senator Conroy this afternoon. In doing so, I go to the issue of the extent to which a question like that, which was posed in such a way as to provide an opportunity for Senator Abetz to come into this place and make such a personal attack on a colleague, belies the extent to which we try to have some integrity in the way we operate in question time. To use question time as an opportunity to frame a personal attack on someone in this way is pretty low. But are we supposed to be surprised when we hear of this today? The questions in question time today were all over the place. The challenge we have as a government is to see a coherent message around economic policy, integrity and opportunities. We had a spate of questions today that did not seem to make any sense at all. They seemed to be relying on the latest stories in the press—

Senator Abetz: You're struggling, Ursula.

Senator STEPHENS: Senator Abetz says I am struggling—I am actually struggling to see what the point was of question time today. We had lacklustre and inaccurate questioning and reflections upon people which had no sense of logic at all. In fact, it demonstrated a lack of coherence and strategy, a sense of disunity that we all know exists in the opposition and a lack of commitment to the whole issue of the clean energy bills. The opposition is trying as hard as it can to say that it will repeal the clean
energy bills but it has no chance to do so because of what that repealing will mean.

We heard a question today that went to our international reputation with the IMF. The first question from shadow spokesperson Senator Cormann about what the bailout of the International Monetary Fund would be was such a naive and pathetic question. It went to the issue of—

Senator Brandis: Mr Deputy President, I rise on a point of order on relevance. The motion before the chair is that the Senate take note of the answer by Senator Conroy to the question asked of him by Senator Macdonald. I am sorry, but I am struggling to see how anything that Senator Stephens has been saying for the last little while now bears any relevance to Senator Conroy's answer to Senator Macdonald's question.

The DEPUTY PRESIDENT: Thank you, Senator Brandis. Senator Stephens, the motion was quite specific and I draw you back to the motion that was moved by Senator Abetz.

Senator STEPHENS: Thank you, Mr Deputy President. I am sorry, I was just reflecting on the chaos and the lack of coherence that was question time today.

Senator Macdonald is here and I am sure we are going to hear from him this afternoon. A question was asked about this issue of a donation to the Greens' campaign and the proposal by Senator Brown on the issue of not-for-profit journalism being able to receive tax deductibility. On that issue, and the challenge for not-for-profit organisations and the definition of 'not for profit', we come to a debate that the opposition has again not been prepared to tackle. For a decade the challenge for not-for-profit organisations in Australia has been the plethora of amendments to the tax law and to definitions that nobody really understands. Senator Macdonald's question was a deliberately provocative question to the minister, and as such—

Senator Ian Macdonald: Was it? Oh, good. Thank you.

Senator STEPHENS: We know it was a deliberately positioned question to the minister to enable Senator Abetz to make his statement after question time. We understand that.

However, the kinds of enterprises that deserve to be considered in much broader—

(Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (15:19): Who in this chamber speaks most loudly about the role of the Senate and the importance of parliamentary scrutiny of legislation? I suspect it is Senator Bob Brown. I suspect nobody makes as many sententious speeches as Senator Bob Brown about the role of the Senate as the check and balance and as a house of review, the importance of whose role is never to be underestimated. Yet who this morning, in the most disgraceful act I have seen in the 11½ years I have been in this place, gleefully went along with a Labor Party procedural motion to effectively eliminate a committee stage from the consideration of the most complex package of legislation the Senate has considered in a decade. Mr Deputy President, guess who it was? It was Senator Bob Brown.

Who speaks more loudly about integrity than anybody in the Senate? Once again, it is Senator Bob Brown. Yet as Senator Macdonald's question today—and indeed yesterday—to Senator Conroy demonstrated, it is Senator Brown who has an issue. Senator Macdonald's question has revealed that the man to whom the Greens political party is in debt for a $1.6 million donation—personally negotiated by Senator Bob Brown and the largest negotiation in Australian
political history—is the same man, Mr Graeme Wood, an entrepreneur from Tasmania, who is now proposing to set up a new media venture: a so-called not-for-profit journalism enterprise to be called the Global Mail which will be initiated in February next year.

It has been estimated by a commentator who published on the Crikey website that the start-up cost of Mr Graeme Wood's enterprise is likely to be between $2 million and $3 million. Let those who listen to this broadcast join the dots for themselves. The man to whom Senator Brown's political party is in debt for a donation of $1.6 million, personally negotiated by Senator Bob Brown, is the entrepreneur of this enterprise for which Senator Brown now seeks tax deductible status in a submission to the media inquiry. That is what was disclosed by Senator Ian Macdonald's questions to Senator Conroy today and yesterday.

Remarkably, it is not even a policy of the Greens political party that tax deductible status for not-for-profit journalism enterprises ought to be afforded.

Senator Ian Macdonald: That's interesting.

Senator BRANDIS: No, it is not a policy, Senator Macdonald. It is interesting. So, notwithstanding that it is not even the policy of Senator Brown's party that there should be tax deductible status, he seeks through a submission he has lodged with the media inquiry to secure tax deductible status of which the principal beneficiary, indeed the only known beneficiary, will be his own benefactor. If the start-up cost is $2 million to $3 million for this enterprise then the value of the tax deduction will be approximately one-third of that; in other words, up to $1 million.

As I said before, let those who hear this debate or read the Hansard draw the dots for themselves. Senator Brown secures the biggest political donation in Australian history from Mr Graeme Wood and now he seeks to favour Mr Graeme Wood by making a submission to the media inquiry which, were it to be approved, were it to be adopted by the government, would be worth up to a million dollars to his own benefactor.

I think next time we hear from Senator Brown about integrity we will listen with an even more cynical ear, just as when we hear from Senator Brown about parliamentary standards and the role of the Senate, after the disgrace of his performance this morning, we will be even more cynical—if it were possible to be more cynical. The one person who cannot speak about integrity is Senator Bob Brown. (Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (15:24): I need to rise to give an analysis of what the nasty invective coming from the opposition is about. It is about the pompous and arrogant view of being born to rule which resides on the opposition benches.

Senator Brandis: Go away, Bob. There's not one person in this chamber who respects you.

The DEPUTY PRESIDENT: Order on my left!

Senator BOB BROWN: You see, Deputy President, that immediately we get shouted down. We listened to the members of the opposition quietly, in accordance with standing orders, but immediately I get up to put a point of view contrary to theirs they try to shout it down, because they are bullies, because they are undisciplined, because they breach and flout the rules repeatedly and because, being conservatives—

Senator Brandis: You're the one who closed down the debate on the carbon tax.
The DEPUTY PRESIDENT: Order, Senator Brandis!

Senator BOB BROWN: they think they have a right to do that. But they do not. One of the things that is very hard for them to stomach is the fact that this is a democracy and that every senator elected to this place is elected on an equal basis. That includes of course the Greens, whom a member of their side yesterday said should be precluded from being in the Senate. You can see where the extension of that thinking would be if we did not have the protection of the Constitution, which Australians have shown over the last century they are very committed to because it does stop the overboil of the sort of mentality we are seeing on the other side.

Senator Brandis interjecting—

Senator BOB BROWN: Not being able to express their will to get rid of the Greens, who now are supported by a 1.7 million voter base in this country, the personal diatribe—

Senator Brandis: Tell us about the $1 million donation.

Senator BOB BROWN: which we are hearing at the moment through these interjections is to say that the Greens ought not have the generosity and support base of people who believe in what we are doing and who think we are the best of the political thinkers in this country, and that the donation system which has served the Liberals so well over the last century ought to be denied to the Australian Greens. When a generous donor, who likes what the Greens are doing, gives a donation to the Greens which exceeds the donations of people like the coal barons, the mining barons and the corporate bigwigs from the big end of town, who have traditionally supported the Liberals, they cannot stand it. Well, they had better get used to it, because this is the direction of politics in an age—

Senator Fifield: What? Massive donations to the Australian Greens?

Senator BOB BROWN: where greed is out of control and where green is the alternative.

Senator Sherry: A point of order, Deputy President: interjections are disorderly, opposition speakers were heard in silence—there were no interjections, I would point out to you—and I think you should draw to the attention of the opposition that these continual interjections are disorderly.

The DEPUTY PRESIDENT: Thank you, Senator Sherry. I have been drawing that to the opposition's attention. Before Senator Brown resumes, I will remind senators, in particular on my left, not to interject. Senator Brown, you have the call.

Senator BOB BROWN: Thank you, Deputy President, a good ruling. What are we to make of this very below the belt performance which has been going on for months now? It comes out of Senator Abetz's office. It is one of the reasons that politics is in disrepair, as far as conservative politics is concerned, in this country—that is, it concentrates on the individual rather than the issue.

I ask: what about Mr Wood's highly celebrated donation of $2 million to the Menzies centre in the last couple of weeks? Why haven't we heard a diatribe about that? I ask: is the opposition wanting to close down on new media? I read in the paper, the same as they do, that apparently Mr Graeme Wood wants to establish an alternative media operation and they are already gunning for it. Is this because they do not believe in diversity or freedom of expression in a country where information is the currency of democracy?

They have been on a good thing for a long time, but it is breaking down around them. We are seeing a change in this country, and
it is a change for the better. They had better get used to it. They had better get back to a more decent way of operating and take the issues on for what they are, not try to have this sort of nastiness against individuals who are doing this country a good turn.

Senator IAN MACDONALD (Queensland) (15:30): Isn't that interesting? Senator Bob Brown had five minutes to defend himself against the allegations that have been made, and not once did he go anywhere near it, which suggests to me that the allegations that have been made are absolutely true and Senator Brown is not able to defend himself from them and none of his colleagues are able to defend him from them.

I will go through a chronological sequence here. Crikey discloses that Graeme Wood is backing Monica Attard in her proposal for the Global Mail. A group of academics then write to Senator Brown proposing tax deductibility for not-for-profit journalism enterprises. Senator Conroy then announces the establishment of the independent media inquiry, including one of those academics who had written to Senator Brown. Senator Conroy then releases a discussion paper which canvasses whether there should be support for independent journalism and how to provide for that. Senator Brown then makes a submission to the independent media inquiry proposing tax deductibility for not-for-profit journalism enterprises. Talk about cash for comment! Senator Brown was first on his feet to criticise various commentators when it was suggested that they might be doing it, and one can only assume that the same applies in this instance.

What is the quid pro quo for the biggest single political donation to any political party ever? Well, there is the Triabunna mill down in Tasmania. Mr Wood, the donor of the $1.6 million to Senator Brown, and Aprin, a group, were trying to buy the Triabunna woodchip mill from Gunns. Senator Brown and the Greens have been actively campaigning for Mr Wood's bid. Mr Wood then made this donation. The donation was reported to have been personally negotiated by Senator Brown, who said afterwards that he was 'forever grateful' to Mr Wood. Mr Wood is quoted as saying that the Greens winning the balance of power in the Senate was 'probably a good return on investment'. You do not have to be terribly clever to work out what is happening here. Here are the Greens, destroying any other bids for this Triabunna woodchip mill, even supporting Gunns, the company they have been fighting for decades—

Senator Fierravanti-Wells: Rubbishing.

Senator IAN MACDONALD: They have been rubbishing Gunns for decades. They support Gunns on this occasion so that Gunns will get out of the Triabunna mill so that—who can buy the Triabunna mill? Would it be Mr Wood, the donor of the $1.6 million? Or Aprin? Of course, we know how the Greens then have done everything to stop Aprin from having a free go at it. All of this Senator Brown could have answered. He could have got up and explained to the Senate. We actually gave him a five-minute opportunity to stand up and point out where the facts are wrong, where the insinuations are wrong, but did he do it? In his typical cowardly fashion, he used his five minutes to find attacks on anything and anyone else that he could. Then—the doozy of all doozies—Senator Brown talked about this wonderful democratic institution of parliament, when he has spent the last week shutting parliament down, doing the sort of thing that totalitarian regimes in the past have done.

You know how you set up a dictatorship? You take over a parliament; you stop debate. First of all, you curtail debate. Once you
have got rid of the opposition, once you have got rid of any debate in the parliament, you then shut down the parliament and you rule by decree. It seems to me that before too long we will have the Labor Party and the Greens ruling by decree following their caucus meeting every morning: 'Why bother with parliament? Why have a debate? We have already made up our minds. This is what is going to happen. The carbon tax is going to pass. It doesn't matter what inconsistencies you bring out; it's going to pass and it's going to pass at 12.30 next Tuesday afternoon.' That is how totalitarian regimes start, and this is what Senator Brown is part of.

Senator STERLE (Western Australia) (15:35): I wish to take the opportunity to make a contribution on this motion to take note of answers to questions without notice. There are a few things we need to sort out. I hear Senator Macdonald talking about totalitarian governments shutting down debate. Mr Deputy President, you and I would remember the previous totalitarian government that shut down debate, and it was the Howard government. You and I were involved in the debates on the sale of Telstra, when debate was guillotined at a late hour. You and I were present when the guillotine was used on the voluntary student unionism vote. I remember that. I find it absolutely appalling when I sit here and I hear interjections from Senator Macdonald, Senator Brandis and Senator Abetz, when Senator Abetz was the minister at the table. There was a big clap of thunder—kaboom—and the sun was shining on him just as the vote was being taken as that totalitarian government shut down debate.

But I will get back to the point of why we are standing here today. It is absolutely appalling that the opposition senators have put the boot in and attacked Senator Bob Brown. Senator Brown sat there quietly and did not interject once. He listened to the whole lot. When he rose to his feet and you gave him the call, Mr Deputy President, there was such rude behaviour in front of a big heap of people out there—fortunately most of them walked out of the gallery half way through it. They attacked him and attacked him.

We have to clear up a few things here. I hear Senator Macdonald and Senator Brandis attacking an individual for donating $1.6 million to a political party. How appalling is that? Are you on the other side saying that we should attack every person who donates to a political party? I saw Senator Sinodinos sitting over on the other side. With the greatest respect, what hair he has left—and I am not being rude—was actually curling. He, like me, was probably sitting there thinking that this is a very silly attack on a political party, especially as an independent inquiry is going to take place and these matters will be discussed.

I come from that fabulous resource-rich state of Western Australia. To be quite honest, in Western Australia millions of dollars in donations flow from the mining industry to political parties—to my party as well. I just wish we could attract as many mining dollars as the other side. But I did not hear any Liberal senator condemning their own party when Mr Abbott and co were attacking the Gillard government's proposal for $11 billion worth of mining taxes,
through the Minerals Resource Rent Tax, which would put money into the majority of Australian workers’ pockets as well as sharing the wealth from that great industry.

No, I did not hear a thing. I ask everybody out there who may have had the misfortune to be listening to this debate for the past 40 minutes: do we seriously think that big miners in this country donate hundreds of thousands of dollars to the Liberal Party because Senator Brandis has a good head or Senator Macdonald has a good head? Let’s get real! They donate for a number of reasons, which is their business and not mine. But I know when the mining dollars are flowing in the attack on the government when we announced the Minerals Resource Rent Tax—it was coming from no less than every single member of the opposition. They were absolutely condemning the government. How dare we pick on the likes of Andrew Forrest. How dare we pick on that poor individual, Mr Clive Palmer, a major donor to the National Party. What did we hear— (Time expired)

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Carbon Pricing

The DEPUTY PRESIDENT: A letter has been received from Senator Fifield:
Pursuant to standing order 75, I propose that the following matter of public importance be submitted to the Senate for discussion:
The economic and job prospects that would be lost as a result of the Gillard Government's carbon tax.

Is the proposal supported?

More than the number of senators required by the standing orders having risen in their places—

The DEPUTY PRESIDENT: I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the Clerk to set the clock accordingly.
regional communities for very little environmental gain.

Let us try to put these numbers into perspective. According the Treasury's updated carbon tax modelling, the tax will reduce our GDP by an allegedly modest 2.8 per cent by 2050. *(Time expired)*

**Senator FURNER** (Queensland) *(15:42)*: In the time that I am permitted it is very difficult to pronounce all the opportunities that are available for this great nation of ours through the Clean Energy Future. I want to reflect on a particular report, which Senator Sinodinos did as well. The reflection I want to give is on the Senate Select Committee on Climate Policy, wherein a number of coalition and government senators explored the opportunities available to us as a nation, and they were unbelievable. Entrepreneurs gave evidence about the great green opportunities of renewable energies and the jobs that will be provided through the policies we will deliver as a government. I challenge the opposition to go back and read that report and remind themselves of it, including Senator Macdonald and Senator Boswell—the name of the able chair of the committee escapes me at the present. It was an opportunity to talk about the endless ability for jobs to be created. In fact, Treasury modelling indicates that we will create 1.6 million jobs out of this particular venture by 2020. That is certainly a great initiative. People should recognise and understand the opportunities in this area. And the $9.2 billion Jobs and Competitiveness Program will provide incentives for companies to reduce their emissions over the first three years. Naturally, as time progresses and as people realise the opportunities that are available, I am certain that they will recognise the benefits of our government's clean energy program and our initiatives to protect our environment.

**The DEPUTY PRESIDENT:** Order! The time for the debate has expired. It being 3:45 pm, pursuant to order the Senate will now return to the Clean Energy Bill 2011 and 17 related bills.

**BILLS**

- Clean Energy Bill 2011
- Clean Energy (Charges—Customs) Bill 2011
- Clean Energy (Charges—Excise) Bill 2011
- Clean Energy (Consequential Amendments) Bill 2011
- Clean Energy (Customs Tariff Amendment) Bill 2011
- Clean Energy (Excise Tariff Legislation Amendment) Bill 2011
- Clean Energy (Fuel Tax Legislation Amendment) Bill 2011
- Clean Energy (Household Assistance Amendments) Bill 2011
- Clean Energy (Income Tax Rates Amendments) Bill 2011
- Clean Energy (International Unit Surrender Charge) Bill 2011
- Clean Energy (Tax Laws Amendments) Bill 2011
- Clean Energy (Unit Issue Charge—Auctions) Bill 2011
- Clean Energy (Unit Issue Charge—Fixed Charge) Bill 2011
- Clean Energy (Unit Shortfall Charge—General) Bill 2011
- Clean Energy Regulator Bill 2011
- Climate Change Authority Bill 2011
- Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment Bill 2011

Second Reading

Debate resumed on the motion:
That these bills be now read a second time.

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:45): I rise to conclude the second reading debate on the Clean Energy legislation. I acknowledge the contributions of all senators in this place. I also acknowledge the contribution of those senators who have in previous parliaments added their voices in support of a carbon price. I want to also acknowledge the contributions of the many public servants, both now and previously, who have developed these policies under three successive governments, which has led to the bills before the chamber today. At the commencement of my remarks, I want us to consider the path that has led us here. You would have thought from some of the contributions to the debate that we have not been here before. We should not forget that we have been here before. The goal of putting a price on carbon was set well before the bills entered the parliament. I acknowledge the contributions of all senators in this place. I also acknowledge the contribution of those senators who have in previous parliaments added their voices in support of a carbon price. I want to also acknowledge the contributions of the many public servants, both now and previously, who have developed these policies under three successive governments, which has led to the bills before the chamber today. At the commencement of my remarks, I want us to consider the path that has led us here. You would have thought from some of the contributions to the debate that we have not been here before. We should not forget that we have been here before. The goal of putting a price on carbon was set well before the bills entered the parliament. The threat of climate change has certainly not materialised in the life of this parliament, and neither has the policy response. In fact, we have had some 37 parliamentary inquiries since 1991 in relation to climate change. While those opposite like to forget this, Prime Minister Howard took a carbon pricing mechanism to the 2007 election.

From 2007 to 2009 there was bipartisanship on the issue of climate change. We did not agree on every detail but we compromised and negotiated firm in the knowledge that the challenge required action. But in 2009, after the change in leadership on the other side, the opposition shifted from that approach to an approach that is based on scaremongering, deceit, a denial of the science and the creation of an environment of fear—a blatant negativity that contrasts poorly against the magnitude of the task.

The case for climate change could not be clearer. We know that scientists have been warning governments around the world for many years that there is a clear consensus among climate scientists that climate change is real, is currently being observed and will have significant future impacts if no action is taken to reduce emissions. Institutions such as the CSIRO, the Bureau of Meteorology and the Australian Academy of Science—along with science academies around the world—agree that human activity is almost certainly causing climate change. One might recall that even Margaret Thatcher recognised this. For the parliament not to act when faced with the weight of evidence that is before us would be an abrogation of our responsibility to the Australian people.

In the course of this debate, we have heard the well-worn mantra of denial from those opposite. Some of the positions from those opposite remain extreme. Senator Bernardi's position, for example, is telling. He has made clear to the Senate—and I will give him his due: he has at least been consistent, unlike Senator Brandis—that he is not convinced that man's actions have increased emissions that destroy our climate and he remains unconvinced of the science. It is truly remarkable that in 2011 in this place we have senators who refuse to accept the science and who continue to refuse to accept the advice of the best scientists from Australia and the world on this issue.

We on this side of the chamber accept the science and also accept the responsibility of action. We recognise the economic imperative of action, because while the
scientists are clear in their advice so too are the economists, and there is an undeniable economic imperative to climate change. I heard Senator Sinodinos suggest, in the speech just given on another matter, that this was not an economic reform. With respect, I believe that he is wrong. The same reasons that led the Prime Minister whom he so honourably served to a view that carbon should be priced remain salient today.

Pricing carbon is an economic reform. It will have a powerful effect on our economy. It will see us use energy more productively. It will see us produce more—have a greater output for a given level of energy input. It will direct domestic and international capital, and this is one of the points that the opposition have never grasped: a carbon price also acts as a signal to investors. It says to investors that they should not just invest in the old economy but also invest in the new economy, the clean energy economy—the economy that we know will continue to grow as the world consistently moves to place a premium on low carbon goods and services.

We know that this is a carbon constrained world, whether those opposite rail against it or not. The countries that will be able to compete in that world will be the countries that have put in sensible economic reforms. That is why carbon pricing is part of Labor's broader economic agenda. It is about ensuring that the Australian economy can take advantage of the opportunities as they arise. We do not want to condemn this country to catch up when it comes to low-carbon jobs. The low-carbon goods and services sector is already worth at least $4.8 trillion and employs some 28 million people. It is a sector growing at four per cent a year—faster than world GDP growth. That is why we are determined to do this, and that is why we are determined to put the national interest first, even when it is not easy for us to do.

It is unsurprising that it is the Labor Party who has been prepared to introduce this reform, because in its history Labor has always looked to the future wellbeing of Australians, not only today but also tomorrow. Labor has always looked at how it is that we ensure not just the jobs of today but the jobs and economy of tomorrow. Think back to the reforming Labor governments such as those of Prime Minister Hawke and Prime Minister Keating, governments which laid the foundation of the economy we have today, governments which laid the foundation of the economic reforms that mean we have had the prosperity we have seen in the last decade. This is a party that recognises that if you want to secure prosperity for tomorrow, if you want to secure jobs for tomorrow, you cannot shy away from policy challenges in the face of the sorts of scare campaigns that this nation has been subjected to under Mr Abbott.

We understand that reform is part of the Labor tradition, because it was Labor that put in place the significant economic reforms in recent times—the floating of the dollar, the reduction of tariffs, the deregulation of markets—and it will be the Labor Party and the Labor government that puts a price on carbon. This is a package that is true to the progressive principles that underpin our party. This is a party that is about jobs, a party that supports working families, a party that protects pensioners—and these themes have shaped the Clean Energy package which is before the parliament, a package which unashamedly looks to the securing of jobs through the industry assistance that is in the package, a package which unashamedly looks to low-income Australians and pensioners. It is also a package that looks to participation, because we understand that getting more people into the workforce, giving more people the opportunity to enjoy
the dignity of work, is not only good for the nation; it is good for those individuals. The themes that are Labor values have shaped the legislation before the parliament. This is a government committed to supporting Australian households, Australian industry and Australian jobs as we reduce our emissions.

There has been much talk from the other side about the Treasury modelling, and many accusations. But the single set of facts that they simply cannot accept is that we can continue to grow jobs, we can continue to grow incomes and we can continue to grow the Australian economy with a carbon price. They have gone uphill and down dale in search of a proposition to counter that, and they have not found one. The reality is that the best economists in this country, the best scientists in this country, know that this is how we secure the prosperity of the nation today and tomorrow—but, as importantly, this is also how we reduce the risks for the next generations.

At the core of the package is breaking the nexus between carbon pollution and economic growth. As I said, real national incomes will continue to grow under a carbon price. Average incomes per person will in fact increase from today's level by around $9,000 to 2020 and by more than $30,000 to mid-century. National employment will increase by 1.6 million jobs by 2020, with or without carbon pricing, and all state economies will continue to grow strongly. It is the case that some sectors will be affected, so the government, through the multiparty committee, is acting to assist the most affected industries and regions to transition into the mechanism. This includes the Jobs and Competitiveness Program, the coal sector jobs package and other programs to support clean technology.

In relation to the price impact, something massively overstated by the opposition, we know that the price impact will be a 0.7 per cent increase in the CPI—much less than the inflationary impact of the GST. Nine out of 10 households will receive some combination of tax cuts and increased payments, and I again state here that the government's assistance for households is ongoing. Some six million households will receive assistance that covers their expected price impact. Some four million low-income households will receive assistance that is at least 20 per cent more than their average price impact. This is extremely important to pensioners and low-income earners in our society and important to the political history and beliefs of the Labor Party.

When I was last in this place in the second reading debate on the CPRS, after some 63 hours of debate in the last parliament I made this point: there are times in this parliament when we are asked to look ahead, when we are asked to think about those who do not yet vote—perhaps even those who have not yet been born. I ask those in this chamber to think about that responsibility. I ask those in this chamber to not allow this parliament to again fall short on what is a great intergenerational challenge—a challenge that this generation of parliamentarians needed to rise to. Regrettably, on that occasion, as a result of Mr Abbott becoming the Leader of the Liberal Party, we saw a leader torn down, a leader replaced and the Liberal Party decide that it would go to the worst aspects of scare campaigning, the worst aspects of negativity, the worst aspects of opposition on a policy which actually requires some statesmanship from those on the other side, a policy which actually requires some responsibility to be taken, for people to be prepared to say to today's Australians: ‘We know this seems hard—reform is hard—but
we are doing this because it is the right thing to do.' At some point a generation of members of this parliament, senators in this place, have to say that they are actually prepared to do something that may not be popular because it is right, because they believe they have a responsibility not just to those who vote today but also to their children and their grandchildren.

So it was deeply regrettable that on the last occasion this Senate fell short. It is deeply regrettable that this has become such a partisan issue. It is deeply regrettable that the opposition have decided to be so negative. It is deeply regrettable that this debate—which is about the future, which is such a large and important economic and environmental reform—has been the subject of deceit and a shameless fear campaign. All of these things are regrettable, but we do have an opportunity to right what has been done wrong. We do have an opportunity to say to the next generation: we are prepared in this parliament to take responsibility on this issue, we are prepared to reduce the risk for our children and our grandchildren. I commend the bills to the Senate.

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

Question put:
That these bills be now read a second time.

The Senate divided. [16:04]

(The President—Senator Hogg)

Ayes.....................36
Noes......................32
Majority...............4

AYES

Hanson-Young, SC
Ludlam, S
Lundy, KA
Milne, C
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Urquhart, AE
Wong, P

NOES

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
Parry, S
Ronaldson, M
Sinodinos, A

PAIRS

Conroy, SM
Sherry, NJ

AYES

Hogg, JJ
Ludwig, JW
McEwen, A (teller)
Moore, CM
Pratt, LC
Siewert, R
Stephens, U
Thistlethwaite, M
Waters, LJ
Wright, PL

NOES

Adams, J
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Fisher, M
Humphries, G
Kroger, H (teller)
Madigan, JJ
McKenzie, B
Payne, MA
Seullion, NG
Xenophon, N

PAIRS

Ryan, SM
Williams, JR
Nash, F
Johnston, D

Bills read a second time.

In Committee

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

Senator ABETZ. (Tasmania—Leader of the Opposition in the Senate) (16:08): The turkeys have just voted for Christmas. I say to those in the Australian Labor Party that they will need to explain to the Australian people and explain a few answers to questions. The first one is: on what basis,
what authority, do they claim to guillotine this legislation through the parliament? Is it on the strength of an election promise? Is it on the strength of an electoral mandate? Is it on the strength of popular demand for this legislation? During this committee stage, having avoided answering question after question during question time and in the public debate, the minister can explain to the Australian people on what moral authority, on what mandate or on what popular support she claims that this legislation needs to be guillotined through the parliament. She might like to also explain to the Australian people why this needs to be rushed through, as she has claimed. I suspect it is for Durban, but let us wait for the answer.

She might also tell the Australian people what is the actual environmental dividend. If we pass this legislation, by how much less will temperatures rise or how many fewer droughts will we allegedly have or how much less will sea levels rise?

*Senator Wong interjecting—*

**Senator ABETZ:** Senator Wong says, 'exactly the same as ours', our direct action plan. For the first time we have an acknowledgment that our direct action plan will deliver the environmental dividends we have said but without the huge tax being imposed on every single Australian.

Another question that the minister might like to answer during the committee stage is: why is it that if we dig out coal in Australia to burn in Australia for Australian jobs and for Australian electricity it is such an unmitigated evil that it should be taxed, but if that same coal is dug out of Australia and shipped to China or India and burnt in China or India for the benefit of their populations and their manufacturing sectors, it is not an unmitigated evil and not worthy of a tax?

**Senator Colbeck:** It is counted against our carbon emissions.

**Senator ABETZ:** As Senator Colbeck interjects, then why does that count against us? There are a number of questions that the Australian Labor Party needs to answer. My colleagues will be asking a lot of technical questions and of course Labor will not be able to answer them. But there is a fundamental threshold question; indeed, there are three. On what basis do you bring this legislation in? Was it an election promise, was it because you received an electoral mandate or was it because there is overwhelming public support? We know that the answer to all three questions should dictate what you actually promised the Australian people, which was no carbon tax. You have no moral authority, you have no mandate, you have no moral support, so on what basis do you bring it into this chamber? And please do not tell us the line that we have to do it because it is the greatest moral challenge of our time. Remember that Ruddesque line of the 2007 election: the greatest moral challenge of our time? That was the reason we needed it. The great moral challenge of our time could be so easily dispensed with when the electoral polls turned sour on them. If it is indeed the greatest moral challenge of our time, why did you deny its existence during the 2010 election? That is another question that the Greens might have to answer in this debate.

So I would invite the Australian Labor Party to search their collective conscience, knowing that they were all elected into this place on a promise of no carbon tax, as to why they are still supporting this legislation. They know they have no moral authority, they know they have no mandate, they know that there is no popular support. They have dispensed with the argument that somehow it is the greatest moral challenge of our time. So what is it? I suspect that, if the minister were truthful in her answer, she could be quite brief and say to us: 'The answer is
because we did a deal with Mr Bandt, the member for Melbourne, and the Australian Greens to cling on to power.'

Senator Milne sits there smiling like the cat that has just swallowed the canary. I say, good luck to the Australian Greens, but bad luck to the Australian Labor Party. They have sold out their traditional supporters like never before in their history. They have junked the manufacturing workers, they have junked the miners, they have junked the agricultural workers, they have junked those who are on low incomes who battle on a weekly basis with the cost of living, because they will be imposing job losses and increased cost of living on those people in a manner which is a complete betrayal of that for which the Australian Labor Party was actually founded. So, without delaying the committee further, Minister, on what moral authority, what mandate or indeed what popular support do you claim to bring in this legislation?

Senator WONG (South Australia—Minister for Finance and Deregulation) (16:15): Mr Deputy President—my apologies, Mr Chairman; it has been a long week—

Senator Abetz: But you have been making it shorter with the guillotines.

Senator WONG: I will take the interjection from the Leader of the Opposition in the Senate. When I was in opposition he guillotined and gagged I do not know how many bills and, with WorkChoices, came in with 336 amendments some 35 minutes before the debate began.

Senator Abetz interjecting—

Senator WONG: I am making the point, Senator, that I think the moral authority and the high-handedness of the opposition do not really have any grounds. I would say that the way in which the Leader of the Opposition in this place opened the debate probably indicated the tenor of this debate. They are not interested in the policy, they are not interested in the detail of the bill; they are only interested in making the same political points that they have been making now for a very long time.

We believe this legislation is in the national interest. We have worked very hard with those on the crossbenches and the Greens to deliver this package of legislation to this parliament. I do not think anybody in this place or outside of this place would have not recognised how many times we have tried to get a price on carbon through this place. I know that Senator Abetz wants to relitigate the previous election over and over again. What we are doing is debating this package of legislation. This is the opportunity for senators to move amendments. I see there are some seven amendments, most of which I think are moved by Senator Xenophon, and—

Senator Milne: One amendment.

Senator WONG: Is it only one amendment from the opposition? I am grateful to my colleague Senator Milne.

Senator Fierravanti-Wells: And alliance partner.

Senator WONG: I will take the interjection from Senator Fierravanti-Wells. I will remind her that the people who were prepared to sit with the Greens on the migration legislation were those opposite. So she can have a go about the Greens voting with us on this, but they were voting with Bob Brown on the migration legislation.

We have been very clear about the policy reasons for this. We think this is about reducing the risk for the next generations of Australians and we also believe that investment in clean energy is good for the Australian economy.
Senator CORMANN (Western Australia) (16:18): The minister today, in summing up the debate, perpetuated the lie, perpetuated the fraud that is being conducted here. The minister again repeated this line about how emissions are going to be cut, how there is not going to be an economic cost from this carbon tax, how there is not going to be an impact on wages and how wages are going to be so much higher.

I am going to put something before the minister that I would like her to respond to, because during Senate question time she has always ignored these questions. I am going to draw the minister's attention to a few bits of information in the government's own Treasury modelling, to get to the bottom of this particular issue. According to the government's own modelling, domestic emissions in Australia will continue to grow, despite a carbon tax. Emissions in Australia now are at 578 million tonnes of CO$_2$. By 2020, under a carbon tax, emissions will be at 621 million tonnes of CO$_2$. According to the government's own modelling of the economy, in 2050 our GDP will be 2.8 per cent lower, or $100 billion lower, in today's dollars, than what it would be without a carbon tax. If you look at the impact on our GDP between now and 2050, year after year after year, and you add it all up in today's dollars, the cost of the carbon tax to our economy is $1 trillion.

When we made that assertion at the conclusion of our Senate carbon tax inquiry, Minister Combet sought to dismiss it. He sought to make the exact same assertion that the minister just made: the economy is going to continue to grow; the size of the economy is going to double; the economy is going to grow by $2.3 trillion. This is where the deception comes in. The government cannot have it both ways. They cannot claim a cut in emissions just because emissions are going to be lower than they otherwise would have been—because demonstrably emissions will continue to grow and then climb at the same time—and say that the economy is going to be so much better off, that the economy is going to continue to grow, and not also concede that there is going to be a reduction in the size of the economy compared to what it would have been.

After Minister Combet dismissed the propositions we have put forward about the impact of the carbon tax on the economy, we asked questions during Senate estimates. Guess what the Treasury official at the table said about the impact of the carbon tax and the emissions trading scheme which is to follow between now and 2050? She said that the cost will be about $900 billion. So $1 trillion, $900 billion—I guess she could not quite get herself to admit that our figure was right. She had to have a little bit of variation. But the principle here is that we have a carbon tax, and an emissions trading scheme, which has been put forward by this government, which has just gone through the second reading stage of the debate in the Senate and which will cost the Australian economy $1 trillion. Even though it is going to cost the Australian economy $1 trillion, emissions will continue to go up because, as well as reducing the size of our economy by $1 trillion, the government also wants to send $792 billion overseas to purchase permits in unidentified other parts of the world so that we can buy permission to keep our lights on in Australia.

The minister says, 'What the opposition is saying about a reduction in real wages is scaremongering.' I take you to chart 5.12, on page 88 of the Treasury modelling. Do you know what happens to real wages? They go down. The scary bit is that not only do real wages go down all the way to 2050 but they will be about six per cent lower in 2050 than they would be without a carbon tax, and there is no end in sight. Normally you would
expect, with all of the assertions the government is making otherwise that there will be some sort of equalisation at some point, that the reduction in real wages would start to plateau, but it does not. If you look at chart 5.12 on real wages in the government’s own Treasury modelling, you can see that real wages continue to go down and down.

So we have a carbon tax here which will push up the cost of everything and will increase the cost of living at the same time that real wages will be significantly lower and emissions will be higher, and there will be a $1 trillion cost to the economy and we will be sending $792 billion overseas. What is the sense of that? I would really like the minister to explain and confirm that she still stands by the Treasury modelling given the various assertions she has made. I would like the minister to confirm that she still stands by the Treasury modelling, because the Treasury modelling does show that there will be a cost to the economy of $1 trillion between now and 2050, which effectively means that every single Australian will have to work for nothing for a whole year to pay for the impact of a carbon tax on the economy between now and 2050. That $1 trillion is just about the whole GDP for the whole of Australia for a whole year. That is the cost this government is imposing on the Australian economy with its carbon tax.

I know that there are quite a number of people on the Labor Party side who share our concerns on this. It is very interesting. I did not hear a contribution in this debate from Senator Glenn Sterle from Western Australia. I did not hear Senator Sterle tell us during this debate what he thought about the carbon tax. I wonder why? Mr Tony Sheldon, who is about to become the National President of the Australian Labor Party, appeared before the Senate committee inquiry on the carbon tax. I know Mr Temporary Chairman Cameron that you were there when Mr Tony Sheldon arrived at our inquiry. He talked about the carbon tax being a death tax. You were there. Mr Sheldon has since had other things to say about Senator Evans and others. I am very intrigued that Senator Sterle has not actually found his way into the chamber to explain to us his view about the carbon tax, to explain his view about the impact of the carbon tax on the cost of living, on international competitiveness, on jobs, on people in the trucking industry and on real wages, given that the head of the Transport Workers Union, Tony Sheldon, who is about to become the National President of the Labor Party, has referred to it as a death tax.

Where was Senator Conroy? Why was Senator Conroy not telling us things about the carbon tax? I know that Senator Wong well knows that Senator Conroy shares our view that this is a bad tax, that this is a tax that will hurt ordinary Australian workers, that this is a tax that will do nothing to help the environment. We know that Senator Conroy agrees with that. The thing is, in the corridors of parliament a lot is said. I call on Senator Conroy, Senator Sterle and all the other Labor senators who in their heart of hearts know that this is a serious fraud being committed on the Australian people. The Australian people are being asked to make a sacrifice without it actually making any difference, and that is cruel. To impose a tax that will increase the cost of living, shrink the size of the economy compared with what it could be and result in lower real wages without actually doing anything to help reduce global greenhouse gas emissions is just cruel.

In this chamber I asked Senator Wong a question, and I urge her to now answer the question during the committee stage of this debate. I asked Senator Wong a question during question time, but in her usual fashion
she did not actually say anything factual; she just gave us a barrage of political rhetoric and abuse. I asked Senator Wong to advise the chamber what the net effect of a carbon tax in Australia would be on global emissions. What will be the net effect of a carbon tax or an emissions trading scheme in Australia on global emissions? So far, the minister and the officials appearing before various inquiries have been ducking and weaving and have not been able to come up with any response whatsoever to that question.

At some point, not in this context, when we were holding the inquiry into the Carbon Pollution Reduction Scheme, one official said: 'We can't really tell you that. We can't really know that because it depends on what other countries will do.' Well, exactly. It depends on what other countries do. Since the conference in Copenhagen we know that other countries are not prepared to impose an economy-wide carbon tax, other countries are not prepared to impose an economy-wide ETS, other countries are not prepared to inflict this much damage on their economies without doing anything to help reduce global greenhouse gas emissions. Other countries are not prepared to go down that path. This is of course highly relevant to the other big lie that government members and senators have been spreading in recent months, which relates to the proposal by the former Howard government to introduce an emissions trading scheme. That was at a time when there was an expectation around the world that there would be comprehensive global agreement to price emissions, including by countries like the United States. You can shake your head, Senator Thistlethwaite, but that is exactly the circumstance. You can refer to Shergold reports as many times as you like. A report that is put to government is not government policy.

I well remember the 2007 election because it was the first election that I participated in as a senator for the great state of Western Australia, and I well remember that the shadow minister for climate change, Mr Garrett, made a big stuff-up. The only reason after the election that Senator Wong ended up as the Minister for Climate Change and Water is that Mr Garrett stuffed up during the election, because Mr Garrett went out during the election and he said Australia might go it alone. Mr Garrett said Australia might go down the path of an emissions trading scheme irrespective of what countries like China and others do. Of course, Kevin Rudd forced him to withdraw that, forced him to clarify his statements, forced him to correct what clearly was an assertion that, if implemented in government, would not be in our national interest. That is the only reason why, after the election, Senator Wong became the minister for climate change, because Kevin Rudd, our then Prime Minister, did not trust Mr Garrett to handle this particular policy area of responsibility.

Now here we are. After the election, the government actually wanted to do exactly what Mr Garrett had said before the election. This irresponsible and reckless government wants to press ahead with a carbon tax when our trade competitors in other parts of the world are not proposing to go down the same path. It is proposing to impose a cost on businesses in Australia which will not be faced by their competitors in other parts of the world. This is a government which is seeking to make overseas, higher emitting businesses more competitive than even the most environmentally efficient equivalent business here in Australia, shifting emissions from Australia to other parts of the world, which is of course not effective action on climate change.

The minister, in wrapping up the debate, said: 'Well, it's time for us to act. It's time for us to do something about climate change.' Well, doing something is not enough,
Minister. You have to do something that is going to make things better. Doing something that is going to make things worse is the worst of all worlds, and what you are doing in shifting emissions from Australia to other parts of the world where these emissions are going to be higher for the same amount of economic output is not effective action on climate change. It is, as a US congressman quite astutely observed about what was going on here, an act of unilateral economic disarmament. That is what you are doing, Minister. You are going for the unilateral act of economic disarmament, and that is not in our national interest.

I want to know from you, Minister: what is going to be the net effect on global emissions from this carbon tax? By how much will global emissions go down as a result of this carbon tax in Australia? Can you confirm that you stand by the Treasury modelling that shows that real wages will be six per cent lower by 2050 as a result of the carbon tax and that the GDP will be $100 billion lower in 2050 than it otherwise would be? (Time expired)

**Senator LUDLAM** (Western Australia) (16:33): I have an actual question for the minister about the bills, so I would just like to put that. You possibly do not have all this at the desk, so I might ask you to take this on notice. On page 76 of the consolidated document, item 7.2.3, 'Planning a clean energy grid', is about long-range modelling work, I figure, around grid stability and so on, about a 100 per cent renewable energy network. The task that the government is putting to AEMO is to expand planning scenarios, with 'further consideration of energy market and transmission planning implications of moving towards 100 per cent renewable energy'. I understand how that is going to work with the NEM, and I guess the administrative arrangements are reasonably straightforward. How will this work for the South West Interconnected System, the Pilbara grid and other smaller but isolated networks across the country?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (16:34): I thank Senator Ludlam for a question of some detail—which is what we usually do in committee debates. I will come back to him with a detailed answer on the NEM issues he has raised in a short period. I have just asked the advisers to provide me with some advice on that.

In Senator Cormann's contribution, he asked about the emissions trajectory. What the government has said and the Treasury modelling shows is that with a carbon price we would reduce Australia's emissions from what they would otherwise be. If you do not use that analysis, you are constructing a world which does not exist, which is a world in which emissions do not grow, which is completely illogical. I think the Treasury modelling shows that without a carbon price Australia's emissions will grow to over a billion tonnes by 2050—to 686 million tonnes in 2020, and with a carbon price there would be 621 million tonnes of domestic emissions and an offset of some 94 million tonnes through international linking by 2020.

In relation to the economic effects, I have said on many occasions that the Treasury modelling shows that the Australian economy will continue to grow at the same time as we cut pollution. The economy continues to grow, with average growth in GNI per capita of 1.1 per cent a year. Average incomes grow strongly. Jobs grow strongly, with some 1.6 million additional jobs by 2020, and Australia's carbon pollution would fall by 160 million tonnes per annum in 2020.

In terms of overseas permits, I do not believe there was a question in particular in relation to that; I think there was yet another
set of criticisms about international linking. I think it is a very worrying trend that we have a Liberal Party that appears to believe, in relation to international action to support the global economy and international linking to ensure that Australian firms can adjust at the lowest cost, that both should be opposed on the basis of some strange protectionist or xenophobic criteria. In relation to the net effect on global emissions, Senator, if you assert that your policy achieves the five per cent reduction then the net effect on global emissions of our policy and your policy is the same. The difference is that ours costs less and will actually have an effect. We know that the coalition's policy will cost some $1,300 per household per annum to deliver.

Senator BIRMINGHAM (South Australia) (16:37): I have got plenty of questions that over the next couple of days we will no doubt go through with the minister. I will turn to one in particular at the end of my remarks that follows on from the matters that Senator Cormann just raised and that the minister attempted to address. But I have an initial question for 17 of the minister's colleagues. It is this simple question: where are they? Where have they been in this debate? Will they actually let their views be known and justify their decisions and their reasons for supporting this carbon tax?

We have seen today and in the course of this debate a number of Labor senators simply dodge fronting up and answering. A number just have not had the courage to come into this chamber to spell out their reasons for supporting this carbon tax, to spell out their reasons for supporting a Prime Minister and a government that are doing the exact opposite of what they said they would do in the lead-up to the last election, an election where so many of these Labor senators were elected. In fact, if I look at the senators from my home state, aside from the minister herself not one of them has actually contributed to this debate. Not one of them has had the courage to come in and give us their explanations or their reasons why they think the backflip on their party's position is justified. Not one of them has been willing to go on the record and justify to the people of South Australia why it is that they actually will support this legislation and will back down on their previous promises.

Senator Farrell, Senator Gallacher and Senator McEwen, where are the three of you? Will you come in during this debate and explain your reasons? Tell us why you support this Labor backflip. Tell us why you are supporting this carbon tax, which is the opposite of what you, your party and your Prime Minister promised to do at the last election. So often we hear about the faceless men of the Labor Party, but what we have here are the invisible senators of the Labor Party. These three South Australian senators, out of 17 overall, will not address the issue and will not face up to the electorate for whatever reason. We hear so little on so many issues of importance from them. Where are they when we talk about the Murray-Darling? Where are they when we talk about the mining tax and the impact on developments like those of BHP? Where are they when we talk about the axing of the Green Car Innovation Fund and the future of Holden? Where are they when we talk about the carbon tax and its impact?

They are not alone in this because there are 17 Labor senators. It is not just those from my home state who have dodged it on this issue; there are many others, including many ministers who have responsibility for particular areas that will be directly affected and impacted. There is the faceless man in chief, Senator Arbib. Why has he not come in here and explained why his candidate to be Prime Minister, who made the 'there will
be no carbon tax' pledge, did a backflip on her own promise and changed the government's policy days after the election? Senator Arbib has responsibility for some important areas—housing and welfare. We have had questions asked in this place and we have taken evidence in the committees that Senator Cormann and I have sat on from the social welfare sector. Senator Fifield has identified many of these concerns in the welfare sector, as has Senator Payne in the housing sector, about the cost impact of the carbon tax. Is it true that the cost of new housing will rise by around $5,000, as estimated by industry? Why hasn't the housing minister fronted up for this sweeping economic reform that the government talks about as having such an impact across the economy? Why hasn't the housing minister come in and talked about its impact on housing and tried to explain how this package ameliorates the impact on housing? Why hasn't Senator Arbib, as the minister responsible for large parts of the community welfare sector, come in here and explained during this debate how those charitable organisations and community welfare organisations, which have such significant costs from their electricity usage and such high overheads, are going to adapt under this carbon tax? I know the government points to certain aspects of compensation here, but the challenge for Senator Arbib, as it is for the minister at the table, is to give an assurance that all of those community welfare organisations and all of those charitable organisations will be totally compensated for the costs of this carbon tax. They do not give that assurance because they know that the money they are promising will not stretch far enough.

It is not just senator Arbib; it is not just the three South Australians. Senator Carr has not contributed during this debate—he is only the industry minister. He is only the minister responsible for the nation's major manufacturers and the major industries, which have such high overheads, so many of whom will be exposed by this tax policy, so many of whom will actually be the industries dealing with the complexity of compliance, dealing with the complexity, if they qualify, of meeting EITE status, dealing with the complexity of the paperwork that comes with that, dealing with the fact that their free permit quotas face erosion over time and dealing with the activity definitions that come with being in an EITE sector. There are so many questions for the industry minister, not least of which are the questions that go to the nub of how he and this government will ensure that all industries under this carbon tax will be guaranteed they can continue to operate in Australia and how it will not become more attractive for them to base their activities offshore and, as a result of that, for carbon to leak offshore, which is the nub of some of the points Senator Cormann was making previously. To Senator Collins, the parliamentary secretary with responsibility for education: what about the education areas? Again, there are high input costs for many schools, universities and the like in this package, not only for electricity but also, in time, the transport costs that will flow through beyond 2014. Where was Senator Conroy to explain how the impact on the costs throughout the build
will be managed? It is not a build that will be over in a year or two; it is a build that will still be happening once fuels are included in the carbon tax, if the government gets its way. Where was he to explain how that fits within the cost parameters of the NBN? Perhaps Senator Wong, as his shareholder partner in the NBN, can explain how that works and whether there is an additional budget impact to that in the fiscal tables that have been outlined by the government to date.

I would not want to skip over Senator Evans. The Leader of the Government in the Senate has not addressed matters related to this carbon tax. Just like Senator Collins representing the education and university sector, Senator Evans could well and truly answer some of those issues that I highlighted. Senator Farrell, whom I highlighted as one of those three South Australian senators who have not talked about the carbon tax and who have not addressed these issues, handles the matter of urban water. Urban water utilities in the nation's capital cities are some of the most energy intensive organisations in the country. They are some of the biggest power users in the country. You need only look at the NGERS list of major emitters and those who have significant potential liabilities to see that the nation's urban water sector will face real pressures. Australians, who in many instances are already grappling with significantly higher water prices as a result of investments in desalination and other activities, will face yet higher water prices as a result of this. Where was Senator Farrell to talk about the impact on water?

Senator Feeney also failed to come in here and address this. Perhaps it is because Senator Feeney does not support the policy. Perhaps it is because there do not seem to be too many on that side who support Senator Feeney nowadays. But he could have come in here and addressed not only, as a Victorian, the impact on the manufacturing sector and the like in Victoria but also, as the Parliamentary Secretary for Defence, how this will impact on our defence industries over time and what guarantees the government can provide for them.

I have mentioned the impact on transport a couple of times, and I would particularly like to have heard from Senators Sterle and Gallacher. Both are formerly of the Transport Workers Union and both made very public threats as this package was being finalised about the potential inclusion of transport in this package. It is made clear in the explanatory memoranda to these bills that it is the government's intention to include transport from 2014. They know it is part of the integrated package, part of the plan, that transport industries and trucking in this country will be affected, and yet they have not come in and explained how they reconcile that with all the noise they made prior to the release of the detail. Senator Gallacher, Senator Sterle: the invitation is there to come in and tell us why you think it is acceptable to pass this legislation knowing it is simply a foundation stone to do the very things that you were publicly opposing earlier on.

I will let the minister defend the package and its impact on transport now and in the future, because we saw during the committee inquiry into this a very defensive approach taken, particularly by Mr Windsor. Every time transport was mentioned, and when the Australian Trucking Association appeared before the inquiry to highlight its concerns, we saw Mr Windsor getting very defensive, saying, 'Transport's not in this package.' But transport is in this package. It is highlighted in the explanatory memoranda. It is part of the government's long-term plans. It is there in the clean energy future package overall. These people who want to claim it is not
about transport really need to explain how they can support something that is a foundation stone for the inclusion of the transport sector.

There are many other Labor senators—I highlighted 17 in total. I will not go through them all by name. There are those who could answer as to the impact on the tourism industry as well, particularly the discriminatory impact that will see domestic airfares hit with the carbon tax while airfares to international destinations will not face the carbon tax, and what that means for the tourism sector.

I want to turn to the issue of global emissions that Senator Cormann raised and that the minister attempted to respond to. The minister said, ‘If the coalition believe that their policy will deliver a five per cent reduction in Australia’s emissions, it will flow through to a reduction in what global emissions would have been, and therefore the same applies to our policy.’ I want an assurance from the minister that, in saying that, she believes and is confident: there will be no leakage under this carbon pricing regime; that there will be no instance of Australian industries ultimately undertaking activities offshore; that the five per cent reduction, if that is what it is, to be achieved by 2020 against that 2000 baseline will actually be a five per cent reduction of what global emissions would have been; and that we will not see the reduction in emissions that may be achieved in Australia—or not in Australia, as the case may be with a reliance on permits, but we will turn to those issues later—eroded by the fact that there will be increased activity in countries that do not have a similar pricing mechanism in place.

So while the challenge is there to the 17 Labor senators to come and explain themselves during the concluding stages of this debate and to address many of the specific issues across a range of industries that I have highlighted, the specific issue for the minister is: will you give the assurance of no carbon leakage under this plan? (Time expired)

Senator WONG (South Australia—Minister for Finance and Deregulation) (16:52): That was not Senator Birmingham’s greatest contribution, I have to say. I think he went through a list of Labor senators and gave a long political diatribe about that. I think he asked me about the finances of the NBN. I declined, Mr Temporary Chairman, to raise the issue of relevance, though I am not sure what that had to do with any of the bills before us. He did raise two issues which I should respond to, the first in relation to carbon leakage, and I would make two points on that.

The first is that there is a very significant amount of assistance to industry to recognise the needs of industry through this transition, with a focus on supporting jobs, which includes a $9.2 billion Jobs and Competitiveness Program, a $1.2 billion Clean Technology Program, a $1.3 billion coal sector jobs package and a $300 million Steel Transformation Plan, the last of which I understand the senator will be voting against, notwithstanding his avowed concern for jobs.

The second point I would make on that issue is to quote the senator himself in his speech in November 2009 when he quoted Prime Minister Cameron—whom he then agreed with and now disagrees with—a Conservative Prime Minister who does believe that action on climate change is important and who believes in the role of carbon pricing.

Senator Cormann: He wasn’t very supportive of the carbon tax.

Senator WONG: I am quoting Senator Birmingham. I am happy to quote you too,
Senator Mathias Cormann. I have quotes about you too. He said:

But when I think about climate change and our response to it, I don’t think of doom and gloom, costs and sacrifice. I think of a cleaner, greener world for our children to enjoy and inherit. I think of the almost unlimited power of innovation, the new technologies, the new products and services, and the progress they can bring for our planet and all mankind. And I think of the exciting possibilities that may seem a distant dream today—changing the way we live to improve our quality of life. We’ve all got to get positive about climate change.

The senator went on to say:

I hope that is what we see from the government through this process.

What I would say to that, Senator, is that it is a pity we have not seen more from you on this process.

On the issue of global emissions, I think it is the same question as I have already answered from Senator Cormann.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (16:55): Obviously I will have a number of questions. I think if there is one thing you can say about me, Minister, it is that I have not supported this from the start.

Senator Wong: You have been consistent.

Senator Joyce: I have been consistently—

Senator Wong: I have no quotes for you saying, 'I'm going to support a carbon price'.

Senator Joyce: You will have none from me. What I can say is that this is a very sad time for our nation; it really is. It is something that has frustrated so many people out there. They feel that they are disconnected from this parliament. They feel the parliament has gone off on its own form of frolic. There is a belief, I think, in the Labor Party that somehow people will forget about this. They will not.

We will start with a couple of fallacies. No. 1, it is of course not going to do anything to the climate. It is a question you have said I have asked you 600 times and, Minister, you have never answered me once: by how much is it going to change the temperature of the globe? It is not. That is the primary fallacy and, once they recognise it, people say, 'Then why are we participating in it?'

The other one is that you believe carbon is currently free; that apparently people are getting their power, their fuel, for free. They do not. The reality is that there are people out there—and they might be a long way from this chamber and out of sight—who cannot afford it as it is. That is the issue and the crux of why this thing is so selfish and so self-indulgent. There are people for whom one of the greatest issues in life is to try to pay the power bill. Where I grew up, in the New England, there are people—and you will laugh, you will giggle, and that absolutely antagonises them—

Senator Wong: A point of order, Mr Temporary Chairman: none of us were laughing and none of us were giggling, so please do not say that—as a matter of courtesy, Senator Joyce.

Senator Joyce: who stay in bed, especially when they are older and pensioners, not because they are infirm but because they are cold, and this is the most bizarre thing that we could ever be doing to them. Looking after people is the crux of what a good government does. We should be making their power cheaper, not dearer. We should be making their food more affordable, not less affordable. That is why there is this mounting frustration. You see decent people trying to do the decent thing. You go to a humble house—it might be a weatherboard
in Ingham—where they prune their roses, they sweep their front veranda, they try to be decent citizens and they ask of us just one thing: for an environment to be created for them where the fundamentals of life are affordable. When we intrude on that for no real constructive purpose—there is no purpose to this—except to throw gold coins at the new Praetorian Guard of the Labor Party, the Greens, then people become furious. The only way that they will be able to quell their fury is at an election, and they are not going to forget. They cannot. It is an absurdity for our nation to be going down this path. To develop the metaphor, the whole reason that any organisation starts to fall apart is that an extenuated group starts to have excessive power in their deliberations. For you, that is the Greens. You have been driven into this corner by the Greens. You are deserting your core constituency. The other issue, of course, is the frolic. In any economy, at any time in history, one of the things that brings about a sense of economic disconnect is when you lose a sense of the fundamentals of economics. We are bringing into the economy something that is obviously a pricing mechanism. By your own words, it is a pricing mechanism. Therefore it works by putting the prices of things up so that people cannot afford them. The people who cannot afford them will not be the upper middle class or the wealthy; the people who cannot afford them will be the poor, the working class, the pensioners, the people in the regional towns. Why are you doing this to them? What is the purpose of this madness? You say: 'We must make a stand. We've got to do our bit.' What a load of rubbish! Do you think for one moment that we are not already doing our bit? There has been a quantitative increase in the efficiency of everything from internal combustion engines to coal fired power plants to everything we do—and we have done it without a carbon tax. We have done it because people, by their nature, have a form of ingenuity which allows them to become more effective.

When you think of the essence of this, who will be the greatest beneficiary of this? At the end of the day, I believe it will be the banking sector, from the commissions they make in trading paper permits around a marketplace. Were they doing it that tough that we needed to help them? Is that what this was about? Of course, they will lobby you. This is a frustrating day, a sad day. We know what we are going to do. We will fight this battle right to the end, because it is incumbent upon us as decent people to do it. We know that in the end we will lose, not because we have lost the argument, not because we got lower numbers than you in the election, not because you made a warrant at the election and you are sticking by your warrant; we will lose this because of the peculiarities of the Greens and the Labor Party and, in the other place, a couple of Independents who basically sold their souls and are now paying the price in their own polling.

This legislation is something that I think Franz Kafka would find a delight. I just want to go to one classic section. In part 8, division 2, we see:

On 1 September in the eligible financial year beginning on 1 July 2014, the Regulator must issue a number of free carbon units equal to the number worked out using the following formula:

\[
\text{Annual assistance factor specified in the certificate} \times 83,410,000 \quad - A - B
\]

Total annual assistance factors
For that eligible financial year
where:

\[
\ldots \quad \ldots \quad \ldots
\]
A means the total number of free carbon units issued in accordance with this Part before 1 September 2014 in respect of the generation complex.

B means the Regulator’s reasonable estimate—

'Reasonable estimate!' In accountancy, we are always fascinated when people have this wondrous equation and everything is so perfect, until we get to the part where we have got to have a 'reasonable estimate'. When in doubt, just pluck a figure out of the air or out of some orifice! It goes on:

B means the Regulator’s reasonable estimate of the number of free carbon units with a vintage year beginning on 1 July 2013 that were not issued in accordance with this Part in respect of the generation complex because of:

(a) section 169 (power system reliability); or

(b) section 177 (Clean Energy Investment Plan); or

(c) section 181 (closure contracts).

And on it goes—clear as mud! How many days have we got to go through this rubbish? We have got until Tuesday next week to go through this rubbish. This is you running the country. The same people who had the planes grounded when we came down here, the same people who could not get fluffy stuff into the ceilings without setting fire to 194 houses, the same people who have got us $215 billion in gross debt, the same people who were responsible for Building the Education Revolution, the same people who shut down the live cattle trade, are the people who are going to cool the planet. When you get back, Senator Wong, I want you to tell me what your 'reasonable estimate' is, since you have so clearly been following my question! I want to know what it is. I want people out there to realise that you have heard the question. Of course, we are not going to get an answer—because this is not about getting answers.

There is a time when every country gets to a point of frolic where they start to lose control, where the Praetorian Guard starts to take over from the emperor and run the show, where the finances of the empire start to be invested in frolics and extravagances and we lose sight of the fundamentals. In a world where, as we speak, there are so many incredible uncertainties out there, the only thing a good government, a prudent government, would do would be to look across the horizon, to look across the waters that bound our nation, and say: 'The world is getting very tenuous. A smart, prudent government would start to do whatever we can to get our people into a strong economic position that takes into account the realities of where we are.'

One of the greatest ways to sequestrate carbon is to pray for rain. When it rains, the grass and the trees grow and carbon is sequestrated. One of the greatest ways to reduce human induced carbon emissions is to take a nation into recession or depression. Then you have an immense carbon reduction. There is no doubt about that. If that is what you want, you can lose sight of the economic fundamentals, you can take your nation over the precipice, you can be so naive as to say, 'It's all right; it's happening everywhere else but it won't happen to us.' Then we will have carbon reductions. We will have massive carbon reductions, because our debt will get to a point where, like everywhere else, people will start to question whether they want to lend us money.

Senator Wong, you are the Minister for Finance and Deregulation. You are the one who oversees our $215 billion in gross debt. You are the one who last week borrowed $1.7 billion extra. The week before that, you borrowed $2.4 billion. The week before that, you borrowed $2.1 billion. The week before that, you borrowed $2 billion. The week
before that, you did not borrow any and, the week before that, you borrowed $3.5 billion, which you do not seem to care about anymore. It seems to be not an issue. You have this blase statement that it is small compared with somebody else. It is like saying the melanoma on your arm is smaller than the one on mine and therefore you do not have a problem. I never quite worked out how that theory works.

This will show the virtue of your competency in this area. In part A, division 2, in the discussion about what the regulators reasonable estimate is, can you now please give a definitive explanation of how the regulator comes to that reasonable estimate? What exactly is it, how does it work into the equation nominated in part 3, what is the purpose of that and what drove that decision?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (17:08): You have a number of issues there, some of which were germane. There were certainly a lot of references to Praetorian guards and empires. I am not an imperialist; I am a republican.

First, in relation to the section the senator was reading out, from listening to it I think he was reading out a part of the legislation that deals with the allocation of permits under the Energy Security Fund—I am looking to the advisers’ box to confirm I am right. You might recall that there is a capped number of permits available to the electricity sector to ensure smooth transition and in recognition that there is a significant carbon liability for parts of that sector. So, a significant amount of funds is made available, via the provision of free permits, to assist with that transition. It is an economically responsible thing to do. I believe the section the senator is reading out is part of those provisions that talk about how you allocate those permits. That policy has been in place for some time. I am not saying it is without controversy. Obviously different generators have different views about how the permits should be allocated, but I think that is the section to which the senator refers.

The senator also spent a lot of time talking about working people. I am very happy to talk about Labor’s record when it comes to working people and pensioners. This government has put jobs first. Under this government we have seen over 700,000 jobs created. That is 700,000 people who get to engage in paid work and understand the dignity of work. It is 700,000 people and their families who have the capacity for economic security. It is 700,000-plus people who are able to ensure that they can provide for themselves and for their dependents. When it came to the global financial crisis, something those opposite sought to dismiss with a wave of hand, we put jobs first. Some 200,000 Australians would have been on the dole queues but for the actions of the government and the response from business and the economy more broadly. So I think this government has a very proud record when it comes to ensuring that we do what it takes to support jobs—now, through the global financial crisis, today and beyond. In regard to the economic stimulus, which supported 200,000 jobs, I would also say that it was opposed by Senator Joyce and those opposite.

A comment was made about pensioners. What has this government done for pensioners? We have delivered an unprecedented increase in the age pension. It was delivered by a Labor government, not by a coalition. They had 11½ years to deliver it and they never did. Who delivered it? A Labor government. Since 2009 we have delivered extra payments worth about $148 per fortnight for single pensioners and $146 per fortnight for pensioner couples.
combined—this is full pension rates. This was never delivered by those opposite. We have put in place an annual $600 carers supplement; we have increased the pension supplement; we have delivered increases to Family Tax Benefit Part A for families raising teenagers; we have increased the Child Care Rebate; and we have delivered Australia's first paid parental leave scheme. In addition, we have delivered the Education Tax Refund to contribute to the cost of getting children to school, and all that comes with that. So, I do not think I can allow the rhetoric from Senator Joyce, who supported Work Choices, to go unanswered, because this government has supported jobs, has delivered for pensioners and continues to support the social safety net, which the opposition would have to tear apart to meet their $70 billion black hole.

I think the senator also talked about rewarding work. If you look at the tax package that is part of the household package in the Clean Energy Future package you will see there is a very strong focus on rewarding work and a very strong focus on lower-income Australians. Part of the logic behind an increase in the tax-free threshold is that it is good for participation. It means people keep more of every dollar they earn. It is a good reform in its own right and it is significant in the context of the Clean Energy Future package. So, we are combining an important economic reform—that is, to increase participation through tax reform—with the need to provide assistance to lower-income Australians. Increasing the tax-free threshold will also particularly help the second income earner. We are increasing pensions as a result of the clean energy assistance package. We are also increasing family tax benefits for pensioners—an additional $338 per year. There are increases to the Family Tax Benefit and provision of a low-income supplement. These are all benefits that the government is putting in place because we understand the point that Senator Joyce made, with which I agree: there are many Australians doing it tough. The package has been put together with a very clear understanding of Labor values and the importance of supporting those in need as well as the importance of putting in place economic reforms to encourage more people into the workforce.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (17:14): As you noted in that last piece, I asked a specific question. It is extremely important that the Australian people understand whether a person is competent in an area or not. If they are not competent in an area they will generally give you a long palaver on all sorts of issues to try and cover up the fact that they do not know what they are talking about. If they do not know what they are talking about, you know that you are in for real strife when they bring the policy in. I will repeat the question—and I see they are desperately talking to one another because they do not have a clue. When I asked about the regulator's reasonable estimate, I wanted to know how they calculate that reasonable estimate. You will find it, Minister, in part 8, division 2, page 215, between lines 4 and 30 but specifically on line 24.

Senator Wong (South Australia—Minister for Finance and Deregulation) (17:16): I am not sure which part of the question you want me to answer. The question was originally in relation to 161(3).

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (17:16): I will clarify. I want you to answer the question that I asked you, which is: how does the regulator determine reasonable estimates?

Senator Wong (South Australia—Minister for Finance and Deregulation)
(17:16): I will provide a reference to the EM and we will see if that is of assistance. It is paragraph 6.78 of the EM reads:

To determine the amount of free carbon units that should be allocated for each generation complex on 1 September 2014, the Regulator then must consider how many free carbon units have already been issued for that generation complex (term ‘A’), and how many units would have been issued for that generation complex but were not due to the operation of various other provisions of the bill (term ‘B’). [Part 8, clause 161(3)]

It goes on. There is an explanation in the EM on page 186. I could read that out, but I am sure that the senator has it.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (17:17): I am quite happy for you to read it out if you can find the area where it says how we calculate the estimate. What is the process of coming to a reasonable estimate? What is the purpose of having some fantastic equation and then subjecting that equation to a reasonable estimate? What on earth do you mean by ‘reasonable estimate’?

Senator WONG (South Australia—Minister for Finance and Deregulation) (17:19): Perhaps the senator could settle down. This is the Senate, a chamber of the federal parliament. To be shouting in that way and engaging in personal abuse of me is hardly going to assist the debate. I respect one thing about you, Senator: you have consistently opposed a carbon price, unlike most of your colleagues. I understand that you do not like the legislation that is being voted on. But we could undertake this debate with some measure of civility around content.

Senator THISTLETHWAITE (New South Wales) (17:20): As I have sat here and listened to the debate so far, it has become apparent to me that those opposite do not understand that there is no zero-cost policy or program when it comes to reducing emissions in our economy and throughout the globe. That is a point that is well understood by economists throughout the world. It is well understood by sensible policy makers. But apparently it is a point that is not well understood by or has not dawned on those opposite. There is no zero-cost way to reduce emissions in our economy so as to protect our environment. Yet those opposite wish to give the impression in this place and in the wider community that we can somehow reduce emissions in our economy with no cost to our nation, no cost to businesses, no cost to households—no cost at all. That is a complete fallacy. They are living in another world if they cannot grasp that fundamental issue. Of course there is going to be some cost in reducing emissions.
The approach that the government took in relation to this very important social and economic issue was to seek the advice of expert economists. The brief that was given to them was: how do we reduce emissions in the context of the commitment that our nation has made at a global level through international agreements? This is a commitment that those opposite say that they believe in and say is their policy—a five per cent reduction on 2000 levels by 2020. Their brief was: how do we reduce emissions with the lowest-cost method throughout our economy? And of course those economists came back and said that the best way to do that was through an emissions trading scheme, a market based mechanism. That is what this legislation seeks to do.

Many of those opposite used to believe in a market based mechanism. Indeed, that is the Liberal Party philosophy: ‘We believe in the efficiency of markets, that government should get out of the way.’ Not when it comes to this issue!

Senator Cormann: The government is at the heart of this; it is a massive bureaucracy.

Senator THISTLETHWAITE: Senator Cormann is seeking to interject. Senator Cormann was one of those who stood up in this place, in his first speech, and spruiked the positive aspects of an emissions trading scheme. He said what a wonderful policy it was—what a great advance it would be for our nation to move to an emissions trading scheme. But this, of course, was under the leadership of John Howard, when John Howard believed in an emissions trading scheme and all of those in the Liberal Party followed his lead. Even when Malcolm Turnbull was the Leader of the Liberal Party, those opposite still believed in an emissions trading scheme—and, again, followed the lead of the Liberal leader.

Senator Cormann: We voted against it when Malcolm Turnbull was leader; you should check your facts.

The TEMPORARY CHAIRMAN (Senator Mark Bishop): Order! Senator Thistlethwaite, resume your seat for a moment. Opposition speakers were listened to in absolute silence, and the same courtesy should be extended to Senator Thistlethwaite.

Senator THISTLETHWAITE: Thank you, Chair. What has changed, of course, is the Liberal Party leadership; and with a new leader came a new view from those opposite. The new view was: ‘We no longer believe in an emissions trading scheme, we no longer believe in the efficiency of markets; we now believe in a policy of subsidies to polluters.’ So they are going to pay the biggest polluters in the economy, through a subsidy based system, in the hope that they will introduce new technology and new practices that will reduce their emissions. And of course there is going to be a cost associated with that. But those opposite will not tell the Australian people that. They will not come into this place and admit that there is a cost associated with reducing emissions under their scheme—and that cost is in the vicinity of $1,300 per household, as calculated by the Labor Party. To reduce emissions there is a cost. But the philosophy of the government is to ensure that we do it in the most effective and lowest-cost manner.

I am quite surprised that Senator Cormann and others have sought to criticise the government when it comes to the Treasury modelling associated with pricing carbon. The Treasury modelling is robust; it has stood up to scrutiny in a number of inquiries now. It is the modelling produced by the same Treasury that produced the modelling associated with the goods and services tax, which predicted that the cost effect on the
CPI would be of the magnitude of 2.49 per cent. What did it come in at? At 2.5 per cent—they were spot-on. Treasury have estimated that the cost effect of carbon pricing on the CPI will be 0.7 of one per cent, a quarter of that associated with the goods and services tax—yet they seek to rubbish the modelling.

Let us have a look at the Liberal Party's record when it comes to modelling. I draw the Committee's attention to the modelling that was undertaken by the New South Wales government, associated with carbon pricing. In an article published in the *Sydney Morning Herald* on 20 August 2011 Matt Wade said, when speaking with respect to the New South Wales government:

Analysis used by the Premier to claim the introduction of a carbon tax would be an economic disaster for NSW shows Sydney would actually have more jobs and stronger growth at the end of the decade because of the tax.

It goes on to state:

The modelling showed other regions, including northern NSW, the mid-north coast and south-east NSW would also have more jobs and higher growth compared with business as usual.

So there we have the record of the New South Wales government when it comes to economic modelling: they attempted to hide the fact that there will be jobs growth and that their own modelling showed it.

Then we have the attempt by the Victorian Treasurer to make claims that there will be job losses in Victoria. This was well pointed out in an article in the *Australian Financial Review* by Matthew Dunckley on 21 September 2007. Mr Dunckley said:

If Kim Wells—the Victorian Treasurer—were a quiz show contestant he would now be heading home empty-handed.

The Victorian Treasurer was put in the hot seat yesterday and entrusted by the government with facing questions about his chosen topic area economic modelling on the federal government's carbon tax.

Wells then staggered his way through a quarter-hour press conference giving every impression that he had not read the 112-page report prepared by Deloitte Access Economics and handed to the government two weeks ago.

That is the performance of the Victorian government when it comes to economic modelling.

Then, of course, in the Senate recently, based on a number of questions, Senator Boswell sought to take the government to task with respect to questions associated with economic modelling. Senator Boswell sought to take a number of Treasury officials to task at a hearing of the Select Committee on Scrutiny of New Taxes associated with the modelling of the carbon price, on 10 August 2011. Professor Henry Ergas happened to be appearing before the committee at that point in time. Senator Boswell asked Professor Ergas a question:

This morning I asked a question which I will repeat to you and you can comment on it. It was: 'Respected economists like Henry Ergas have argued that the Treasury modelling has not been released to the public in order that taxpayers can scrutinise all data which his and her dollars have financed. Can you undertake to fully release this modelling?' There was a lady here called Meghan. I forget her other name.

Professor Ergas responded: 'Megan Gale', to which Senator Boswell said:

Megan Gale. She had a series of articles that you had written which she wanted to challenge. I did not have time to get them down but I think, in respect to you, that you should have the right to respond to the articles that she mentioned. I ask the chairman whether he will undertake to allow Professor Ergas to respond to those.

And then the chair, none other than Senator Cormann, replies:

Yes, go for it.
Well, pray tell Senator Cormann, what particular article written by Ergas that Megan Gail had responded to were you referring to? Was it the one in *Cosmopolitan*? Was it the one in *New Idea*? Perhaps it was the one in *Who* magazine.

Here we have a New South Wales Premier and a New South Wales Treasurer who apparently cannot read economic modelling; here we have a Victorian Treasurer who apparently cannot read, according to the *Australian Financial Review*; and here we have old Senator Boswell over there who thinks that of a Senate hearing on this issue as an episode of *Australia's Next Top Model*. And you seek to criticise us about economic modelling when it comes to the carbon price. Quite clearly, those opposite have no credibility at all when it comes to economic modelling, and the proof is in the pudding—the proof is in the results. These are sly and dishonest attempts by the Victorian government and by the New South Wales government to fool the public into believing that the consequences for jobs in their economies will be much more disastrous than they will in fact be. That is a despicable exercise.

Under the government's proposed package associated with the Clean Energy bills there is support for business, and the nature of that support is to ensure that our economy makes a transition from an industrial, carbon-polluting based economy into a clean energy future. The nature of that assistance will ensure that we are supporting research and development and that we are supporting jobs and investment in businesses which are subject to export competition and forced to compete in international markets. I will not go through the nature of that assistance or the level of it, but it is quite comprehensive.

The package also represents a great Labor tradition of economic growth with fairness. The nature of the package means that 50 per cent of the revenue that is raised will go to assisting households to make the transition into a clean energy future. The assistance is in the nature of payments to households. Those in receipt of family tax benefits will get additional payments. There will also be assistance to pensioners, both single-income pensioners and couples; assistance to jobseekers; assistance to retirees; and, of course, assistance to students. Those payments will ensure that the effects of the carbon price are mitigated for households. Again, the Treasury modelling has indicated that the effects of a carbon price on the average basket of goods for a household will be in the nature of $9.90 per week and that the assistance provided and proposed under the package will more than adequately compensate those households when it comes to the price increase effects associated with the legislation—and that assistance is in the nature of $10.10 per week.

In all respects, this package is a sensible reform. It is one that recognises that global warming is real and that we need to act and that the longer we wait the greater the cost will become. It recognises that an emissions trading scheme—a market based mechanism—is the most appropriate and the least-cost model to achieve reductions in emissions. Those reductions in emissions will be based on business-as-usual scenarios, which is the way that these issues are calculated at an international level. All of the international agreements that we as a nation have signed up to mention emissions and reductions on the basis of business as usual—what the reductions will be in the context of what they would have been had there not been action. That is consistent with international practice. And, of course, there is assistance for families, households, jobseekers and pensioners to ensure that they
make the transition into a clean energy future.

PERSONAL EXPLANATIONS

Senator FAULKNER (New South Wales) (17:35): I seek leave to make a short personal explanation.

Leave granted.

Senator FAULKNER: Thank you, Chair, and I thank the Senate. In an article by Mr Mark Latham on page 86 of today’s Australian Financial Review my name is mentioned. For the record, I have not spoken to Mr Latham for a number of years, and for the record there is no truth in what has been written about me. I make this statement only because this matter has been raised with me. I do not intend to depart from my long-standing practice of not responding, normally, to such irritations.

BILLS

Clean Energy Bill 2011
Clean Energy (Charges—Customs) Bill 2011
Clean Energy (Charges—Excise) Bill 2011
Clean Energy (Consequential Amendments) Bill 2011
Clean Energy (Customs Tariff Amendment) Bill 2011
Clean Energy (Excise Tariff Legislation Amendment) Bill 2011
Clean Energy (Fuel Tax Legislation Amendment) Bill 2011
Clean Energy (Household Assistance Amendments) Bill 2011
Clean Energy (Income Tax Rates Amendments) Bill 2011
Clean Energy (International Unit Surrender Charge) Bill 2011
Clean Energy (Tax Laws Amendments) Bill 2011
Clean Energy (Unit Issue Charge—Auctions) Bill 2011
Clean Energy (Unit Issue Charge—Fixed Charge) Bill 2011
Clean Energy (Unit Shortfall Charge—General) Bill 2011
Clean Energy Regulator Bill 2011
Climate Change Authority Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment Bill 2011

In Committee

Debate resumed.

Senator WONG (South Australia—Minister for Finance and Deregulation) (17:36): I want to respond to an earlier question from Senator Ludlam. I am advised that the scenarios to be modelled by AEMO to explore the energy market and transmission implications in moving towards 100 per cent renewable energy are being considered. Currently, AEMO's scenarios undertaken for its existing role in providing information for transmission planning are focused on the NEM. Given that the NEM represents by far the bulk of existing generation and emissions, the NEM will clearly be the key focus of new scenarios. Nevertheless, the treatment of smaller groups, which I think is an issue the senator raised, is an issue still to be worked through. I am advised that Minister Ferguson's department and the Department of Climate Change and Energy Efficiency, Minister Combet's department, are in active
discussions with AEMO to finalise the scope of the scenarios to be modelled.

Senator LUDLAM (Western Australia) (17:37): I will put a couple of questions on notice. If that is all the information, I thank the minister for providing that response. I am interested to know whether any Western Australian officials in the Office of Energy, for example, or any senior departmental officials or indeed the Minister for Energy in WA have been involved in those discussions. If so, can you provide us with some detail?

Senator WONG (South Australia—Minister for Finance and Deregulation) (17:37): I will get some advice and come back to the Senate in the course of the debate. I did have a response to Senator Joyce on a couple of the issues he raised but I do not know whether he wanted to put more things to me before I responded.

Senator Joyce: No, I would like to hear that response.

Senator WONG: I accept that there are a number of aspects of the legislation before the Senate which do involve some complexity because they obviously deal with what is a significant economic reform. I am advised that, consistent with what I said earlier, in relation to the provision of units under the energy security package, the regulator will obviously allocate a portion of the pool of units available to eligible entities. To ensure it does not underallocate, there is a true-up subsequent to that, I think in the second year, which takes into account the actual free units and the estimates of what would have been provided to that identity under the legislation. The policy point here is that the provision of these units is linked to the government's policy objective of energy security. If you read the explanatory memorandum and the act, you will see there is discussion of the power system reliability test. I will just quote that:

To ensure energy security at the beginning of the mechanism, the Government has imposed conditions on assistance. This is designed to reduce the risk of unexpected behaviour from owners, controllers or operators of generation assets (or their creditors) affecting the supply reliability in Australia’s electricity markets. ... Generation complexes must comply with the ‘power system reliability test’ in order to receive assistance. The power system reliability test uses the value of free carbon units to influence the decisions of owners, operators or controllers of some generation complexes about when to withdraw generating capacity, to promote the secure supply of electricity. So these provisions are about ensuring the continued security of Australia's electricity supply in the context of a significant transition.

I was not sure if the senator has asked this, but I have asked the question of whether the concept of reasonable estimate was reviewable in any way. I am advised it would be the subject only of judicial review. I am also advised that the concept of reasonable estimate is quite a common concept, not only in the bills before the Senate but in a range of federal and other legislation.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (17:40): I will have to go home and Google 'true-up'. I have never heard that term before. This is a new world we are living in; we are truing up things. It sounds like 'chewing up'. The question that was clearly asked was, how do they calculate the regulator's reasonable estimate—what is the reasonable estimate? We have a very long procession of words without any semblance of an answer inside them. What we do know is that it is up for judicial review, because who needs a parliament anymore? We will just forget all about it.

I have another question. You can spend all night and all day going through these one
after the other after the other. I grant that under this lunatic scheme the climate change authority makes its recommendation and then the minister, in his war against climate, accepts the recommendation. But it never goes through the parliament. This completely new tax does not have to go through both houses of parliament. It is just a regulatory instrument. There is no other tax in this nation that you can increase without having to go through the parliament, but this one you can. Things change. The only hope we have is the disallowance of a regulatory instrument. Then it goes to the default carbon pollution cap. The default carbon pollution cap is the carbon pollution cap of the previous flexible charge year minus 12 million. Why 12 million? I do not know. It is another number plucked out of the orifices of banality.

The problem with this default year—and this is the question, Minister—is that, if we disallow it, it goes to the default year minus 12 million. If it is disallowed again, it goes to the default year minus 12 million. There is no phase-out year. It will just keep going to the default year and there is nothing in the legislation about a phase-out year. It will go to the default year continuously until we have to turn out the lights in this place, until we are not allowed to breathe out anymore, until there is no carbon left in the economy. It is another one of these lunatic provisions in an extremely badly written bill. I will direct you explicitly to it. Go to part 2, section 18, page 31. What is the phase-out year? Where in this magnum opus is it actually explained to us what happens if we have a succession of default years, one after the other, because the Senate keeps on disallowing it? We will not have an economy; there will be nobody left here.

I am advised that the default reduction is consistent with the five per cent reduction to 2020, which I remind the senator is his own policy.

Senator Joyce: I am going to tear you apart on that one.

Senator Wong: I will take that interjection. Apparently I am going to be torn apart. Please proceed.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (17:44): With a five per cent reduction, you must then concur that it is quite consistent to have a 12-million unit reduction year after year, seriatim, in perpetuity. You will go beyond five per cent; you will shut down the whole show. You have no phase-out clause in your section. It is incompetent, like everything else in this legislation is. If there is a phase-out clause, then here is the question: show it to me.

Senator Wong (South Australia—Minister for Finance and Deregulation) (17:44): As I was saying, the default is a cap reduction, consistent with Senator Joyce's own policy. It only comes into effect if this parliament disallows the caps which are being put forward by the government. Obviously, one would hope that the parliament would make a more sensible decision than simply relying on default caps in the legislation.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (17:45): Minister, what are you saying then? You just have to be upfront and honest with the Australian people. Just say it: 'I don't have a phase-out clause. We forgot to put one in.'

Senator Wong (South Australia—Minister for Finance and Deregulation) (17:45): I do not think that is a serious question. I have explained it. The default reduction—have you finished?
Senator Joyce: I haven't even started.

Senator Wong: The default reduction is consistent with your policy and it only comes into effect if the parliament disallows the caps.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (17:46): We have had two questions and two absolute fiascos. Minister, you have said that it is in line with our policy. Our policy does not say that you can just keep on taking 12 million units out year after year, year after year without completely shutting down the show. You have failed to put in a safety clause mechanism in this legislation; you have left it out. As it reads, if it goes to default, which is quite probable if there is a change in the mechanism of the Senate, and if it goes on and on and on, we shut down the show by your own legislation. You might say that is unlikely. But the point is that, right at the start of this, we were looking at the competency of your drafting, the competency of your government. There is a bit of a concern when the answer to the first question involved a non-explanation because you did not have a clue and the answer to the second question was 'It's been left out,' because you made a mistake.

Senator Wong (South Australia—Minister for Finance and Deregulation) (17:47): There is no mistake. What Senator Joyce is suggesting is that this chamber would be so incompetent as to disallow something this important permanently. That is what you are suggesting. I think there is a little more responsibility in the chamber, perhaps not demonstrated in his performance tonight, than he gives it credit for. He is suggesting that this chamber will disallow, every year, this important economic policy and allow the default cap to apply. The default cap only comes into play if the caps are disallowed, and it is consistent with the policy for which you, Senator, have signed up for.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (17:48): Do you not think you would have the competency somewhere in those large vessels of academic acumen, which preside on the other side, a person who when drafting this legislation would have a default position and say, 'Of course, when we reach our five per cent we won't be going on into the default clause there?' It does not say that. There is nothing in here, except what is written and what is written is this: 'If this is disallowed, we keep on taking out 12 million units each year until we do not have an economy.' There is nothing that you have written in the legislation on this. All you are saying is that, in the future, you will have to presume that the chamber will be more competent than it is currently. And on that one, you are probably right, because anything could be more competent than what is written here.

Senator Milne (Tasmania—Deputy Leader of the Australian Greens) (17:49): I have listened to the committee debate to date. I note with interest that, in spite of all the time that has passed since mid-July, when the exposure drafts of the bills came out and then the bills themselves—in spite of the hours and hours of the second reading debate, we have one amendment here from the coalition requiring a change of date, which just gives effect to their political strategy.

As a result of that, the Leader of the Opposition has encouraged laziness that is off the scale in terms of policy analysis. If you go out there and say to a political party: 'You actually don't need to grapple with the detail, you don't have to put your mind to the policy process—just go out there with the 30-second grab and make up anything you
like, tell anybody anything you like at all and
that will do.' That has allowed all of you on
that side to engage in the biggest bout of
laziness and drivel I have ever heard in the
Senate. But now it has come back to bite
you, because we are in the committee stage
of this bill where you need to understand
what this legislation is about.

I would like to take Senator Joyce back
through this legislation, because he has not
read it. The first thing is whether you accept
the premise that the coalition leader sets out
is the premise which the opposition holds—
clearly, Senator Joyce does not, but some
others over there might—and that is that
climate change is real and that action will be
taken on climate change. That is what the
Leader of the Opposition says, when he is
not saying that it is crap—that is what he
says on the other days. Then he says that the
coalition will take action on climate change
to reduce emissions by five per cent by 2020.

And so the way this legislation is
structured is to accept that as it passes, as of
this time, Australia will always take action to
reduce emissions consistent with the latest
science, the evidence base that is coming out
from around the world, consistent with the
recommendations of the Climate Change
Authority, which is going to be an
independent authority which takes into
account the latest science, which takes into
account the targets of the government of the
day—and in this case the target that the
government has set is 80 per cent reduction
by 2050. The climate authority will set out
the trajectory by which we meet that target
by setting out the first five years of
emissions reductions and, thereafter, every
year. After the climate authority has given
that advice to the government of the day and
the government of the day then moves by
regulation to give effect to those trajectories,
if the parliament disallows that, then,
recognising the coalition's commitment to a
reduction of five per cent by 2020 as an
absolute minimum, that will apply and the
cuts will be consistent with that until such
time as the parliament gets back on track
with recommendations, which are likely to
be greater than that because it will be
consistent with an 80 per cent reduction
trajectory and, indeed, even more than that
over time because the science will become
clear to everyone, and also international
action will be clear to everyone.

So for Senator Joyce to stand here this
afternoon and show that he does not
understand even the basics of this shows that
he has just engaged in wallowing in laziness.
It is a disgrace, actually. People listening to
this debate will be horrified to think that this
is the best the coalition can do—just wallow
in ignorance. If you are serious about a five
per cent reduction by 2020, you would know
that we are already struggling in Australia to
get the policies in place to meet even that, let
alone what the Bali process sets out, which
was that developed countries like ours
should be cutting emissions to somewhere
between 25 per cent and 40 per cent by 2020.
So we are far off the baseline as it is. The
logical consequence of what Senator Joyce
was just saying is that he wants a guarantee
that the default position is phased out at
some point in the future when a five per cent
reduction is achieved—that is, some time
after 2020 presumably since, at this point, it
is unlikely we will even get to the five per
cent by 2020.

What we have had this afternoon is a
complete insult to the parliament, and every
minute that goes on from here will be a
further insult to the parliament and to the
people of Australia because what is on show
here is total ignorance and total laziness; it is
a total failure to engage the detail of the
legislation and actually get into the scenario
space. I think the people of Australia need to
know that, after all this time, the best the
coalition can do is bring in an amendment that says, 'You can have this after the next election; set a new date.' That is simply the rhetoric of the 30-second grab.

This is where it will be very interesting in the future. We all know that the great big new lie of Australian politics is that the coalition, if they ever do get into government, will repeal this legislation. We know that is a great big lie of Australian politics.

Opposition senators interjecting—

Senator MILNE: It is a fascinating thing because you see that the same people who are wallowing in policy laziness, wallowing in a mud heap of laziness, are the ones who have stood up here and believed their leader that he will repeal the bills. Every one of them has stood up here and done exactly what they are accusing the Prime Minister of doing. They are setting themselves up for a scenario where, if they ever get into government, if they do not repeal the bills everyone will come back and say: 'Treachery and betrayal. Look at what you all said, one after the other, day after day, hour after hour. You said you would repeal the bills and you haven't and you won't.' And why won't they? We have already seen it.

What happened to ARENA? I was fascinated, Mr Temporary Chairman, to see Mr Macfarlane in the other place say that the coalition now does not oppose ARENA. Let alone going to repeal it, they suddenly do not oppose it. I recall this because I announced ARENA in July, and out came the coalition saying: 'The Greens are holding the government to ransom. Shocking policy. Terrible business. This is an extension of white shoe brigade politics'—blah, blah, blah. Now, last night, Mr Macfarlane said, 'Well, the coalition actually think this is quite a good idea.' Well thank you very much! I am so pleased, Mr Macfarlane, that you have finally come around. Except that all these people here did not know that Mr Macfarlane was going to say in the lower house that they had changed their mind, they were not opposing it and they would not repeal it. So they are still here in their policy wallowing laziness saying, 'We'll be repealing the bills.'

Senator Boswell interjecting—

Senator MILNE: And they are still over there. Apparently Senator Boswell still does not know that the coalition is not opposing the ARENA bills let alone is not going to repeal them. Fancy that! They still have not worked that out. That is another one. So already we have had the Carbon Farming Initiative, with 13 hours in this place of how terrible it was going to be for rural and regional Australia, and that it was going to be the worst thing ever. Then they forgot to tell their senators up here that on the third reading down there they got up in a wimpy little voice and said, 'Actually, we're not going to repeal the Carbon Farming Initiative.' This was after hours of saying what was wrong with it and that it was going to do absolutely shocking things across rural Australia, but suddenly they are not going to repeal it.

Then we get ARENA. They not only announced that they are not repealing it; they are not even opposing it. They have suddenly realised that this is a good idea. That is two of the bills already that they have changed their minds on. The oath in blood has become so anaemic that it is now subject to laser treatment. It will be removed altogether very shortly, this oath in blood, because we are seeing it erode as we stand here and speak. What I am loving about the contributions from over there is that I am thinking, 'You wait; all of these quotes are going to be out there in 12 months time as all the industries around Australia start engaging
the bills,' which they are already doing now. They know it will be law by 1 July.

Look at the Food and Grocery Council. They are a classic. They were out there initially saying, 'Food prices are going to go up shockingly.' They put out a report based on the old CPRS, not based on this legislation, not based on Treasury modelling. Out came Kate Carnell, former Liberal leader in the ACT, absolutely bashing it and saying, 'Increase in price of food.' The Leader of the Opposition, wallowing in the lazy pool, just took the Kate Carnell line and went from one end of Australia to the other talking about food prices increasing. Then the legislation went through. What happened after that? The Food and Grocery Council went to get some consultancy done. Out they came and said, 'Actually, food prices to consumers are not going to go up as part of the carbon pricing scheme.' After the legislation had gone through, the Food and Grocery Council outcome was, 'No, the food prices are not going to go up,' but, in the policy laziness wallow, the opposition were so busy wallowing in the hole they did not even realise that the Food and Grocery Council had actually changed their mind on food prices going up.

This is going to happen week in, week out, because all of these companies, all of these umbrella bodies, are now wriggling all over the place to reposition themselves to engage and try to get more benefits out of the package as it currently stands. They are starting to engage the policy detail. They are starting to realise that there is $150 million that they can access with their food processing plants and the like. They are changing their position, while the laziness on the policy side is such that the opposition have nothing to say—nothing to say on the detail—just lots and lots and lots of the same 30-second grabs. But they do not work in the committee stage.

So, if you have amendments, bring them forward. This is the time to deal with them now. We need more than just a date change. What are your amendments to this emissions trading scheme? What are they? Bring them down here and let us actually debate the detail of those amendments, or else just go back to your policy vacuum. Just go back to wallowing in your big, lazy hole. It is going to bury you, because you will not repeal these bills. Business will not allow you to repeal these bills. What is more, as this becomes law and business engages with it and the pressure comes on not to repeal the bills, you are going to find yourselves in an extraordinary position, because you will not be able to go into the next election with that policy position. The problem for your leader is that he has hung himself out on that particular issue. The real question is going to be: how are you going to get out of the mess you have got yourselves into as the country starts to take on this legislation and people really engage with how they are going to develop it and work with it?

Far from imagining that there is any kind of merit in an argument that says a default position continues indefinitely and it needs to have some sunset clause, there will be no sunset clause, in the sense that this country has made a decision to reduce emissions ad infinitum into the future, consistent with the science. That means there is no longer an option for Senator Joyce and the other denialists on that side of the house to pretend that we are not going to take action on climate change. We are. Let us hear your specific amendments.
Senator CORMANN (Western Australia) (18:03): I am sad that I will have to disappoint the minister, because I was going to ask the minister some questions, but after the contribution we just had from that representative of this Labor-Greens government I have to make a few observations in relation to that. The representative from the Labor-Greens government just now insulted the Senate. The representative from the Labor-Greens government showed the dictatorial tendencies that are coming from this Labor-Greens government.

Because we are asking questions about a significant change that this government wants to impose on the Australian economy, because we want to scrutinise 1,000 pages of legislation, because we think the government should explain why it wants to impose a carbon tax which will push up the cost of everything, which will make Australia less competitive internationally, which will cost jobs, which will just shift emissions overseas, which will make manufacturers in China, emitting more, more competitive than even the most environmentally efficient business here in Australia—because we want to ask questions about this—Senator Milne, representing this Labor-Greens administration, is saying that we are wasting the Senate's time. And here is the best one. Because we have the novel approach where we say that people across Australia deserve a say on fundamental economic change like this before a government proceeds with it, because we say that this legislation should not be allowed to come into effect until the Australian people have had an opportunity to have their say, somehow that is a 'lazy' amendment.

Let me say this to you, Senator Milne: there is nothing lazy about respecting the views and aspirations of the Australian people. There is nothing lazy about engaging in a democratic debate that is honest, upfront and transparent in the lead-up to an election. This Labor-Greens government is treating the Australian people with absolute contempt. When you have a Prime Minister like Ms Gillard, who goes to an election and gives the most emphatic commitment that any Prime Minister can make—that is, 'There will be no carbon tax under the government I lead'—only to turn around after the election, under pressure from the Greens political party, to say, 'Yes, there will be a carbon tax under the government I lead,' we know that this is a government that is treating the Australian people with absolute contempt. And we know why this government is treating the Australian people with absolute contempt: because that is the only way that the Labor Party can cling on to power.

We know that, after all the debates that have taken place in this chamber and in other places around Australia, the Australian people now well understand that the carbon tax will do nothing to reduce global greenhouse gas emissions. The people across Australia well understand that the carbon tax is not effective action on climate change. I know that many people on the inside of the Labor Party understand that the carbon tax is not effective action on climate change, and many people on the inside of the Labor Party understand that the carbon tax will hurt ordinary Australians. I know that many people on the inside of the Labor Party understand that very well, but they are stuck. Because their Prime Minister went out there and made an announcement on 24 February this year to say that there will be a carbon tax—an announcement where she had deputy prime minister Senator Bob Brown standing by her side in the prime ministerial courtyard—they now know that they are stuck. For as long as there is a Prime Minister Gillard, they are stuck.

Here we have this Green tail wagging the Labor dog. We have had this conversation
before, because this Labor dog is no longer in charge of running the country. This Labor dog is being wagged by the Green tail. Let me make this prediction, because here we have Senator Milne saying that the coalition would not rescind the carbon tax after the next election. Let me make it very clear, Senator Milne. The coalition will rescind the carbon tax. If you are successful in passing this carbon tax through the parliament against the express and explicit wishes of the Australian people, if you are successful in passing this bad carbon tax through the parliament even though it is not in our national interest, if you are successful in passing this carbon tax through this parliament even though it will push up the cost of everything, make Australia less competitive, cost jobs and reduce real wages without doing anything to reduce global greenhouse gas emissions, we will rescind it.

Let me make it very clear. The next election will be a referendum on the carbon tax. The next election will be a referendum on whether the Australian people want this bad tax or whether they do not. Looking at the evidence out there, I suspect that the judgment is in and I know that Senator Milne knows that too, which is why the Greens are trying to use every single procedural trick in the book to ram this legislation through, to minimise scrutiny, to keep secret all of the information that could expose the many flaws in this legislation.

Let me make this prediction. If we win the next election, which will have been a referendum on the carbon tax, every single Labor senator and every single Labor member of the House of Representatives will rush to the side where the new government sits to vote with us to rescind the carbon tax. Opposition leader Bill Shorten will impose surgery on that red Labor dog. We will make sure that that green tail is amputated from the red Labor dog. There is absolutely no way that the future opposition leader Bill Shorten will continue to allow—

Senator Milne: On a point of order, Temporary Chairman: we are in the committee stage and I wonder which provision of the bill concerns a dog and the state of its tail, which Senator Cormann is addressing. We have had many hours of discussion of dogs, fleas and ticks and the like. We did that in the second reading stage, and that highlights the policy laziness we have already been through. Now we are having another dose. At this stage, we ought to be discussing the provisions of the legislation. I would ask Senator Cormann to point out which provisions of the bill he is talking about in this rant, which is reminiscent of a second reading contribution and not a committee stage contribution.

The TEMPORARY CHAIRMAN (Senator Pratt): Senator Cormann, while we are considering all the bills cognately and that therefore means we have a wide and robust discussion, you should draw your remarks to the legislation.

Senator CORMANN: Thank you, Madam Chair. Of course my remarks are entirely relevant to the legislation. I note that Labor-Green government senators are very touchy about this particular aspect. Here we have Senator Milne who, in her contribution during the committee stage of this bill, five minutes ago made assertions as to what the coalition may or may not do after the next election. I am talking about the amendment which Senator Milne was talking about, which is clearly on the table and has been put on the table by the coalition, an amendment which says that this legislation should not come into effect until after the next election so that the people of Australia can actually have a say before this bad tax is imposed on them, this bad tax which will do nothing to reduce global greenhouse emissions but
which of course will impose significant sacrifices on them.

Let us be very clear. Talking about these 1,000 pages of legislation, it is one big dog's breakfast. I do not know which part of the dog's breakfast is the responsibility of Senator Milne and which part of it is the responsibility of Prime Minister Gillard but that is one big dog's breakfast. We know that we have a green tail wagging the red Labor dog, which is why we have this dog's breakfast of a carbon tax. We know it is a tax which many people on the inside of the Labor Party do not want.

In responding to Senator Milne's assertion that somehow we would not be rescinding this carbon tax, let me make it very clear. My expectation is that after the next election opposition leader Bill Shorten will rush as fast as he can to sit beside the next prime minister, Mr Abbott, to help rescind the carbon tax. In reflecting on what might happen after the next election, let me make another analogy. I have been quite amused during this debate as the Labor-Green government senators have voted gag after gag to guillotined debate, to prevent proper scrutiny through the committee process and so on.

I have been intrigued because we have had various senators say, 'That's what you did with Work Choices. You should be used to this.' That is a great approach! That worked really well for us, did it not? I cannot believe that as a government you have not learnt from our mistakes and that you are going down the exact same path. We have learnt from our mistakes. We recognise that what we did with Work Choices was wrong. We recognise that the processes we followed were wrong, but look at the Labor-Green senators. They are trying to justify why they are moving gag after gag, why they are voting to guillotined debate. They are justifying it by saying, 'That's what you did with Work Choices.' Good luck to you, I say.

You keep treating the Australian people with absolute contempt. You keep pushing the carbon tax down their throats, which you know they do not want. That is the crux of it. That is why Senator Milne is so offended by our amendment which would have the effect of giving the Australian people an opportunity to have a say. You say it is important economic reform, you say it is in our national interest, you say it is that the best thing since sliced bread. You say it is going to solve all of the errors of the world, that all the floods will stop, all the droughts will stop, the climate will cool and there will be no more rising sea levels. If it is so good, why are you so scared to give the Australian people an opportunity to have their say?

The reason you want to do whatever you can to take this to an election is that you know that the Australian people do not want a carbon tax. The reason the Australian people do not want this carbon tax is that they know it is bad policy. They know it will do nothing to reduce emissions. They know that you want to impose significant sacrifices on them, sacrifices which are not going to make a difference. Quite frankly, that is cruel. That is absolutely cruel. That is why, before the last election, the Prime Minister thought it was necessary for her to give a commitment that there would be no carbon tax under the government she leads. She knew that this was about as popular as the plague.

Throughout the last parliament we had the debate on the Carbon Pollution Reduction Scheme. People need to remember the reason the Carbon Pollution Reduction Scheme did not get through this parliament is the both coalition and the Greens voted against it. Not just the coalition, but the coalition and the Greens voted against the Carbon Pollution
Reduction Scheme. Let me make something else very clear: the coalition voted against the Carbon Pollution Reduction Scheme when Malcolm Turnbull was the leader and when Tony Abbott was the leader. We voted against the Carbon Pollution Reduction Scheme twice.

The reason we first voted against the Carbon Pollution Reduction Scheme between June and August 2009 was—

Senator Thistlethwaite: When you believed in climate change! When you believed in ETS! Tell us what has changed, Mathias. Your leader does not believe in climate change, that's what.

Senator CORMANN: that we said it was in our national interest to wait until the Copenhagen conference before making a final decision. We needed to know what our trade competitors in other parts of the world were going to do before we could make a judgment on whether it was in our national interest to impose a price on carbon in Australia.

Back at the time Senator Thistlethwaite was quoting, in 2007 when I gave my first speech, the overwhelming expectation was that there would be a comprehensive agreement on pricing emissions. That was the expectation in 2007. We now know that Copenhagen was an absolute failure. The then Prime Minister Rudd had some colourful language to describe what happened in Copenhagen. It would be unparliamentary for me to repeat how then Prime Minister Rudd described what the Chinese did to the Copenhagen talks on climate change. I would not want to expose myself to the wrath of the chair by quoting the words used by the then Prime Minister, Kevin Rudd. There were some little creatures and some natural activity involved, which I would not want to describe in terms too technical, because that would be offensive.

We know that Copenhagen was an absolute failure, and in Copenhagen Australia's national interests changed. When it became clear that the US would not go ahead with a cap-and-trade scheme—which they will not—and when it became clear that China, India and a range of other countries that we compete with would not be going down this path, there was a need to change track. That was the whole reason why, under Malcolm Turnbull's leadership, we voted against the carbon tax in July-August 2009. That is why we thought we needed to vote against it again in December 2009. It was the responsible course of action. Once it became obvious that Copenhagen was such a failure, we needed to make a judgment on how Australia could make the best contribution to reducing global greenhouse gas emissions without putting its economy at risk and without imposing excessive costs on Australian working families.

This government does not care about any of this. It was really telling to listen to the contribution by Senator Milne; clearly she must think that elections are a troublesome interference to her pursuing her ideal vision for the world. All of us scrutinising what the government is doing is clearly a very cumbersome interference to Senator Milne being able to get 100 per cent of what she wants irrespective of what people across Australia think. That is not how democracy works. Elections do matter, and on this very bad carbon tax, which we were promised we would not get, the Australian people deserve a say.

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:19): First, I make the point to Senator Cormann that his position on carbon pricing has been entirely inconsistent. In his first speech, in August 2007, he said:

Climate change is a challenge we are facing as a global community. If we take a sensible and
considered approach to meeting that challenge, Australia can play a pivotal role in facilitating the production of clean energy for the world.

He also said:

The government’s recent announcement of a national emissions trading scheme, including offsets for trade exposed industries, is a positive and sensible approach …

More importantly, he has made the point on a number of occasions that Copenhagen changed everything. I want to give him a reminder about history and, in that context, a reminder about mandate: he was elected to this place on the policy of pricing carbon. He was elected to this place on the policy of putting a price on carbon through an emissions trading scheme. I remind him that Prime Minister Howard's Shergold report specifically contemplated a world in which there was not a fully developed, global agreement on pricing carbon.

Perhaps Senator Cormann would like to consider this quote:

A comprehensive global mechanism will take years to develop and Australia has decided not to wait for this to emerge and last month I announced that the Government will establish an emissions trading regime for Australia based on a cap and trade model. Our goal is to begin in 2011 subject to relevant design issues being properly completed.

… … …

In the years to come, it will provide a model for other nations to follow.

Being among the first movers on carbon trading in this region will bring new opportunities and we intend to grasp them.

That was an address by John Howard to the Melbourne Press Club in July 2007. Let us put to bed this lie that is perpetuated by those opposite that somehow their policy was to wait for a global agreement. Your then Prime Minister and leader, under which most of you served for a number of years, made it very clear that you were not waiting for a comprehensive global mechanism. Every time you make that proposition, every time you say that, you are seeking to mislead the Australian people, because that was not your policy under Prime Minister Howard and it was not your policy in this chamber when you voted against a carbon pricing mechanism because you were worried about whether or not you would get on the front bench under Tony Abbott. So let's be really clear here about people's political positions. Those opposite supported a carbon price when they thought it was popular, their Liberal Prime Minister supported an emissions trading scheme when he thought he needed to, and they did it explicitly without a comprehensive global agreement. This is simply another lie designed to mislead.

I am not sure that Senator Cormann actually asked me anything. I think it was the same bluster and negativity we always hear from the opposition under this leader. This is a debate that is not easy—I accept that. I accept that this is not an easy debate; it is not an easy reform. But sometimes the responsibility of leaders and members of this place is to do what is right for the country's future even if it is not easy. Instead, what we have is more bluster and more negativity from the opposition. I have to wonder: why is it that all you do is say no? Why is it? You do not put forward any positive policy in any area for the country.

Senator Cormann: It's bad policy. You should always say no to bad policy.

Senator WONG: Senator Cormann says he does not like this policy. He is entitled to that view. Amazingly, he used to support pricing carbon. But you know what? He says no to everything. He says no to a stimulus package to support jobs; he says no to offshore processing because he is going to vote with Bob Brown. They just say nothing
but no. This is a debate about something far more important than that.

Madam Temporary Chairman, it would be good if at some point we could actually get to debating the bills. There has been a lot of discussion over the many years, since 2007, this has been on the political agenda. These are substantive bills. I am happy to have a discussion about them. As yet we still do not have an amendment moved. The coalition are not interested, are they, in moving their amendment at any point and having it voted on? I invite them to do that. That is what the committee stage is for.

Senator IAN MACDONALD (Queensland) (18:24): This morning in the Senate, by way of interjection in the debate on the curtailment of scrutiny of the complex carbon tax bills, I made some comparison between GetUp! and the Hitler Youth. I want to take this opportunity to unreservedly apologise for any offence taken at my remarks by the Jewish community. As for GetUp!, their attempts to stifle debate on the carbon tax in the Senate, through the Greens, demonstrates their political agenda very clearly.

Senator BOSWELL (Queensland) (18:25): I rise to support the amendment, because the amendment gives effect to people having a say—

Senator Wong: The amendment has not been moved.

Senator BOSWELL: I can support the amendment.

The TEMPORARY CHAIRMAN (Senator Pratt): Order! Senator Boswell, there is no amendment yet before the chair. You are at liberty to speak to a circulated amendment, but do be aware that it has not yet been moved and therefore it is not before us.

Senator BOSWELL: Madam Temporary Chairman, whether or not the amendment has been moved does not really matter. In effect, the Australian public have not been able to have a say on whether they want a carbon tax or whether they do not. If you look at the polls you see that around 60 per cent say they do not want a bar of it, yet it is going to be forced down their neck whether they like it or not. It is a very disappointing day. No-one can accuse me of ever supporting this. I was the first out opposing it, and Senator Wong would probably agree with that.

Senator Wong: No, I think it was Barnaby. You were ahead of Barnaby?

Senator BOSWELL: I was ahead of Barnaby on it. I opposed it because I had been involved in business before I came in here. I was a manufacturer's agent who had to sell a product to keep 300 people working at the factory benches. If I did not sell, they did not have a job. That is why I knew this was one of the worst things that could ever come into Australia. I know what happens in these factories. I have been there. I was there for 20 years, striving to get my product out the door in competition with other manufacturers and in competition with imports. I knew what it was like. So the moment I saw this I thought it was just a disaster, and my worst fears have come to fruition.

What the Greens senator said shows me that she has a greater depth of knowledge on the subject than Senator Wong, and I suspect that is because it is the Greens' legislation. It is their pride and joy, their great claim. Senator Brown will go over to Durban in South Africa in a couple of weeks and he will parade around and say: 'Hey, look what the Greens have got. Look what we've done.' That will be the Greens' claim to fame. Why the Labor Party has gone along with it, I will
never know. I will never understand how you can get cut to pieces, get flogged, lose your vote down to 26 per cent, cut to pieces by the Greens and still go along with it. I went through this with One Nation, and the only way you will ever come out of it is to fight back, not go along like a bunch of tame pussy cats. That is what you are—you are captive to the Greens. You have a fight out of this. It will be 25 per cent next, then 24. The Greens will be going from 13 per cent to 14, 15, 16. They are eating you, and you are too stupid to understand. When I came into this place and I looked across there at the government of the time, there were some good men in it. One was Peter Walsh. He just finds this so appalling. Senator Button would never have let this happen on his watch. There were doctors, there were solicitors and there was even—would you believe it—a waterside worker who had actually picked up a tool in his life and done something physical. Now we have a bunch of Labor Party union hacks, who have no experience of the real world, trying to run a country. None of them have ever picked up a tool in their life.

One thing about Senator Thistlethwaite is this. There is an old adage in this place—and you have not been around long enough, Senator, to know it—that says, ‘Don’t open your mouth. Let people think you are a fool, because when you open your mouth you prove them right.’ You are completely out of your class. You might improve in another five years here—doubtful—and you will probably translate from the middle bench up to the back bench. I think that is where you will probably end up.

Madam Temporary Chair, I will tell you why this is wrong. It is a fraud. It is the greatest Ponzi scheme ever perpetrated on Australia—‘Put money in and everyone’s going to get wealthy’. Well, let us look at some of the fraud. We are told that sea levels will rise. Sea levels have risen 32 centimetres in a hundred years—yes, they are rising—but to make the jump that they will go up 1.1 metres or two metres is a blatant, absolute lie. I have checked this with BOM. I have made speeches on it. I have checked it with BOM and anyone who wants to challenge it can go and look at my speeches.

... the Australian Food and Grocery Council ... estimates that the scheme will cost the industry the equivalent of 4.4 per cent of operating profits ... costs incurred as a result of the carbon pricing scheme ... the players themselves, reducing their profitability and, in some cases, making them less competitive in domestic or export markets against players who do not face the same embedded carbon costs in their supply chains.

If you are making eight per cent profit, you lose 4.4 per cent—you have lost half your profit. If you are making 4.5 per cent or, say, five per cent on turnover—not a bad profit; it is not good but it is reasonable—you are almost in a minus situation. So, Senator Milne, do not come in here and misquote the facts. You do have some credibility, but when you do that you shoot yourself to pieces and you make yourself look almost as stupid as Senator Thistlethwaite.

One thing about Senator Thistlethwaite is this. There is an old adage in this place—and you have not been around long enough, Senator, to know it—that says, ‘Don’t open your mouth. Let people think you are a fool, because when you open your mouth you prove them right.’ You are completely out of your class. You might improve in another five years here—doubtful—and you will probably translate from the middle bench up to the back bench. I think that is where you will probably end up.
One of the other lies is that we are going to get more countries on board and the Third World too. Burma, the Philippines, Indonesia, China and Russia are all going to be there by 2016, we are told. What a blatant lie. You know, Minister, and everyone in the world knows that you cannot penalise Third World countries and ask them to pay more for their food, more for their accommodation, more for their electricity—and most of them do not have it anyway. If you tell me that the assumption that everyone is going to be on board by 2016 is right, Senator Wong, you will be declared. You know it is not right. You know it is impossible to achieve.

The TEMPORARY CHAIRMAN: Senator Boswell, please direct your comments through the chair.

Senator BOSWELL: Unless everyone gets on board on this it will not fly.

Another great lie is that only 500 polluters will pay—we can all live happily ever after because householders will receive lots of cheques, so it is not going to affect anyone because the polluters are going to pay. How can that work? How can that lie be perpetrated by the Labor Party and the Greens? Everyone is going to pay. For people with households, electricity will be going up by around 10 per cent, so you throw a few bob in for renewable energy. But where it is going to hit—and hit like a rocket—is industry, because electricity prices are going to go up by 30 per cent, or about a third, for industry. I had dinner the other night with a person called Trevor St Baker—I do not think he will mind me using his name—who owns ERM Power. I have known him for a long while. He has made a lot of money and he has created a lot of wealth because he owns a lot of generators. He told me about this. All I can say is that there a lot of people out there, a lot of people in industry, a lot of farmers and a lot of dairy farmers who have coldrooms and who think, 'Oh, we'll just put 10 per cent on. We'll be all right. It's going to be hard. It's going to cost six grand but it probably won't break us.' But it is not going to cost that. I advise everyone to go out there and talk to an electricity consultant, who will tell them what it is going to cost.

But the worst thing, Madam Temporary Chair, is this: this has never ever been modelled by anyone else but Treasury and Treasury are not allowed to release the model. You know that is right, Senator Wong. You took it on notice five times as to whether you would release the model or not—and you know you will not release the model, because the model is based on the assumption that the rest of the world is going to be in by 2016. That is crazy. It cannot be. The other day we saw a representative of Canada, a country roughly equivalent to us, saying: 'Not in the world! We just went out there and we ran a campaign and we wiped the opposition out on it.' America is saying no thanks. The whole world is turning against it. But the fact that you will not release the model is one of the greatest frauds ever perpetrated on this nation. Senator Cormann and I have tried and tried and tried. Mr Ergas writes:

It has taken three months and 10 hours of questioning in Senate committees. Ultimately, however, the facts do emerge. And they did last Monday.

... ... ...

... Treasury's most senior officials have persistently claimed the opposite. In the Senate Select Committee ... Treasury said 'these models are publicly available.'

I asked the question: So, if Professor Ergas were to go with a cheque in hand it would it be available to him?
Ms Quinn said yes, it would be. Everyone has tried it. Brian Fisher wrote a letter and said he had listened to Ms Quinn's statements and had gone out and tried to buy the modelling, but he could not. Mr McKibbin has also said he wants the modelling, but no one has ever been able to access it.

By 2020 we will be adding $33 billion to the cost of doing business and by 2050 it will be $1 trillion. Who knows what it will be — no-one has produced the modelling. Mr Phillip Glyde belled the cat when he said that no-one can do the modelling — there is not enough information out there for a third party to do it. Ms Quinn also said that modelling had not been released since 2007. That was well before the carbon tax was proposed. So, Senator Wong, don't you ever accuse anyone of dishonesty, because you have been dishonest. You have been totally dishonest — you have avoided, you have ducked, you have dived, you have weaved and you have never produced the modelling.

The TEMPORARY CHAIRMAN: Senator Boswell, you will withdraw your unparliamentary remark.

Senator BOSWELL: What was my unparliamentary remark? What do you want me to withdraw?

The TEMPORARY CHAIRMAN: I am sure you know the standing orders well enough. You are not allowed to reflect on the honesty of a member of this place.

Senator BOSWELL: This is a very sad day for Australia and if I have to withdraw I do it with great reluctance.

The TEMPORARY CHAIRMAN: Senator Boswell, you have not withdrawn the remark.

Senator BOSWELL: I will withdraw it because I have one minute and 18 seconds to get the rest of my message out. How can any government stand before millions of Australians and say this is not going to cost them anything, or will cost very little, when no-one knows what it is costing because no-one has the modelling? McKibbin wants it, Fisher wants it, Ergas wants it and the peak bodies want it because they want to know what they are going to be up for. But no-one has ever been able to get it and, Senator Wong, every time I have asked you or Senator Cormann has asked you or a number of other people have asked you, you have ducked and weaved and dived but you have never produced the modelling. I asked you five times the other day whether you would produce the modelling, and you said you would take it on notice. You are hiding the fact that this scheme cannot work. If it could work I could possibly have some support for it, but it cannot work — it never could work, and it cannot work because you cannot get the Third World in, because you will not get everyone there by 2016 and because you think it is just the 500 major polluters. The whole argument is built on dishonesty. (Time expired)

Senator SINGH (Tasmania) (18:41): Excuse me for saying so, but a student going through this evening's Hansard in the future might well think that Senator Boswell had come in from another planet to give his 15-minute message, as he called it. I know Senator Boswell is the longest serving senator in this place and I know that therefore he would have a very long history in and understanding of the various climate change policies of previous coalition and Labor governments. What he has said this evening does not demonstrate that understanding — it shows that he does not remember what happened under John Howard's leadership, that he does not take into account the fact that it was under John Howard's leadership, some 12 years ago, that
this whole review of an emissions trading scheme for Australia was first discussed.

Senator Boswell made very clear tonight that he does not believe the science, that he does not believe in climate change and that he does not want to do anything about it. That seems to be the view of the coalition in general—except perhaps for one member of the coalition, Malcolm Turnbull. It must be very interesting in the coalition party room to have Malcolm Turnbull and Senator Boswell come together on this issue, because they are worlds apart. One is from another planet, and the other is the only member of the coalition to actually get this issue.

Senator Heffernan: Madam Temporary Chairman, I rise on a point of order.

The TEMPORARY CHAIRMAN: I hope this is a proper point of order.

Senator Heffernan: Of course it is. They are no further apart than Rudd and Gillard.

The TEMPORARY CHAIRMAN: Senator Singh.

Senator SINGH: It is clear that those senators opposite are ignoring the science on this, and that is why we have from them only one amendment, which relates only to a date change. There are no amendments to do with the actual detail of the bills.

Senator Cormann: How many amendments did you move on the GST? Do you remember that?

Senator SINGH: Senator Cormann interjects—the senator who once believed in climate change. I encourage Senator Cormann to go back and read his first speech. In fact, I encourage the entire Australian public to read Senator Cormann’s first speech to see that he once believed in this issue that has so much scientific backing. He comes into this place when we are debating the bills in committee and does nothing about addressing the provisions or the clauses of the bill at all.

Senator Heffernan: We’ve got some serious work to do.

The TEMPORARY CHAIRMAN: Order! Senator Heffernan, that is unparliamentary. Come to order.

Senator Heffernan: But we have got serious work to do.

Senator SINGH: You have not shown any serious work so far. Those members opposite have not shown any serious work in relation to these bills.

Senator Heffernan interjecting—

The TEMPORARY CHAIRMAN: Senator Singh, sit down for a moment. Senators shall not wander the chamber interjecting. Please desist or I shall have to evict you from the chamber.

Senator SINGH: I think the wandering of Senator Heffernan shows again that they are not on this planet when it comes to the issue of climate change and the bills before us. I want to address the fact that we are in committee. I have some understanding of this. Before my time in this place I was a minister in another place and I know what it is like to be in committee. That is where you actually debate the bills. It is where you debate the clauses within the bills. It is where you propose amendments. You look at the provisions of the bills and you scrutinise and go through those provisions. What have those opposite done so far? Absolutely none of that. You are lazy. You do not understand the bills in front of you because you do not believe in climate change to start with, except for Senator Cormann of course, who has backflipped all over the place—he did believe it then he did not believe it and so on. In fact, you have dumbed down this issue so much that your own leader, Tony Abbott, does not even understand the element of
carbon. How did he refer to carbon dioxide?
Invisible, odourless, weightless and tasteless. That shows you the degree to which the coalition understands the issue—

Opposition senators interjecting—

Senator Wong: Madam Temporary Chair, a point of order: I accept, as you know, a certain robustness in debate—

Senator Back: Let's have some accuracy though.

Senator Wong: If accuracy were required, many people here would be silent. I would ask you, Madam Temporary Chair, to keep some semblance of order while the senator is on her feet.

Senator Ian Macdonald: On the point of order: the speaker, the former minister who knows how these things work, has clearly explained to you, Madam Temporary Chair, how this debate should be proceeding now—that is, there should be questions of the minister and answers. Can you draw this speaker to order, tell her that she is supposed to be asking questions and ask her to sit down if she cannot. She has told you how you should be ruling.

The TEMPORARY CHAIRMAN: Senator Macdonald, there is no point of order. Senator Singh, you may continue, but before you do I remind the chamber to maintain this as an orderly debate.

Senator SINGH: We have been in committee now for nearly three hours and the opposition have asked one question in that time, maybe two if we are lucky. For Senator Macdonald to make a point of order, when it is up to the opposition to ask the questions in this committee time—

Opposition senators interjecting—

Senator SINGH: You have had three hours so far. You have asked one or maybe two questions. Senator Birmingham has not even moved his amendment. He has one tiny little amendment to change a date and he still has not even moved it. Maybe he wants to string it out because it is the only thing they have going over there.

The business community, which I thought those opposite cared about, want certainty when it comes to transforming the Australian economy into a clean energy economy. That is what these bills do. That is what the clean energy package addresses. It provides that certainty to business. It provides certainty so that they can move and transform their businesses into that clean energy space, as so many other parts of the world are doing and have done, as so many other businesses in other parts of the world are doing and have done. The coalition would have us believe that, despite all the work Senator Wong has taken you through this time and previously in this place to do with the detail in the package, we are not moving Australia into a clean energy future, that in fact it is all just a big tax on individuals rather than a tax on 500 polluters. The fact that they continue to mislead the public shows that they have no care for the economics. They have no care for the fact that business are transferring to a clean energy economy. They have no care for the economics and no care for the social factors in relation to this bill.

Senator Heffernan: Madam Temporary Chair, on a point of order: I ask her to withdraw that. Go back to my maiden speech. You are not going to accuse me of not caring, because I care as much as any person in—

The TEMPORARY CHAIRMAN: Senator Heffernan, that is not a point of order. Please sit down.

Senator Heffernan interjecting—

The TEMPORARY CHAIRMAN: Senator Heffernan, there is no point of order. You no longer have the call. Senator Singh, continue.
Senator SINGH: If it pleases Senator Heffernan, I will withdraw my statement that he does not care. I will take a moment sometime in my term in this place to read your first speech, Senator Heffernan, to see how much you do care. I will change my words. What the coalition have done thus far is focus on the politics, focus on the political point-scoring parts of a really important reform for Australia, a really important reform that makes us part of a world that is transforming into a clean energy economy. Rather than focus on the detail—and there is a lot of detail when it comes to a huge reform such as this—and rather than moving amendments or asking questions about the clauses in the bills, they have instead focused on the politics. They have focused on the things that will get them headlines. They are dumbing this down and the way that they do that is, for example, by making out that individuals will be paying a carbon tax, which is simply not true. The coalition know this. They have all the detail in this package of bills. They know that the big polluters will pay. The package of bills is introducing a carbon price mechanism to around 500 big polluters, not to individual households.

Senator Cormann: Your own modelling shows that people will pay. Who are they? Who are the big polluters?

Senator SINGH: This dumbing down and the misleading information that the coalition continue to carry on with is sheer laziness and sheer political point-scoring. It shows that there is little care about this issue of climate change. The fact is that there is so much overwhelming science out there, which has been in place for some time now, asking us to act on this issue and telling us that, if we do not act, the cost for the economy will be even greater, Senator Cormann. But, despite that, you continue to ignore all that scientific evidence and continue to oppose. You prefer to play with politics than to play with real policy, real issues and things that are actually going to move this country forward and make a difference to the lives of many people.

I understand, to draw on the science, that some of the effects, such as sea level change, will come into being out of our lifetimes. But it is our duty and it is up to us to ensure that we lead the way for the next generation, for our kids and for their kids, that we leave this planet a better place, that we treat it better than we have been treating it up until now. Why? Because we know that we are damaging it if we do not do so, and we have a chance to turn that around. This is a chance to turn that around, to do what is right for our families, for our people and for our environment.

We are only here for a certain amount of time. We are only here in the Senate for a short amount of time, but we are privileged with a task, and that task is to ensure that we change things for the better for our people and for our environment. This is the time to do that. It is not the time to play politics, to get up and make another 15-minute speech about she said, he said and who said what. What is that going to do for anyone? How is that going to change anyone living in Australia in the future? It is not going to do anything for our environment, for our people, for our businesses. We on this side of the Senate, the Labor Party, take the issue of climate change seriously, and that is why we have acted. That is why we have put this package of bills through the House and before the Senate: to ensure that we move things and turn things around.

Having said that, 12 years ago, when you were in power, when you were in government, it seemed like you were going to do the same thing. But you conveniently forget that now because it does not suit you. It does not suit your politics.
Senator SINGH: The rest of the world is acting. China, India, the EU and states of the United States are acting. It is incorrect to say that the rest of the world is not acting. They are acting. They are acting in a number of ways, and why? Because they know that certain parts of the world are not even going to be there in the future. Islands like Kiribati and Tuvalu are not even going to exist. What goes when they go? Not just the people who lived on them but their culture, their history. We, like all the other nations in the world, have the opportunity to do something about this, to turn it around. That is why those on this side of the chamber take this issue very seriously. This is not about buck-passing or politics, which is all that seems to come from those on the other side. There is a sense of laziness, of lying to the Australian people, of spreading misinformation, of just playing politics.

There is a lot of evidence from around the world that we do need to act on climate change. That is what we are doing. We are proud to be doing it. We are not proud to be doing it just because we are a Labor Party; we are proud to be doing it for our kids, for our families, for the rest of this nation. We want to ensure that whilst we are in government we do as much as we can to ensure that we turn around something that we have so much science on. We know that we have been impacting on our environment now for so long. The science is clear. The time to act is now. There is a clear consensus amongst the climate scientists that climate change is real, and that is why we are acting to reduce carbon pollution—because of the serious effects of climate change that we as humans have caused in part and will continue to cause unless we do something about reducing our carbon pollution in this country.

Senator CORMANN (Western Australia) (18:59): I will be very brief. My colleagues Senator Heffernan, Senator Macdonald and Senator Birmingham will have a whole series of questions, and I will have to leave my questions till Monday. But some comments were made that I want to make a brief observation about. Firstly I want to thank Senator Singh for encouraging people across Australia to read my first speech. It is a very good read and I commend it to people. The point I would make, though, about her assertions about our views back in 2007 on an emissions trading scheme in Australia is that the world has changed since then. The world changed in Copenhagen. The expectation in 2007 was that other countries around the world, such as the US, would have cap-and-trade schemes in place. As we progressed through 2008 and 2009 it became increasingly obvious that that would not happen.

I would encourage Senator Singh, Senator Wong and others to read every single comment I have made about an emissions trading scheme and a carbon tax throughout 2008, 2009, 2010 and 2011. They are all consistent—and that is that it is not in Australia's national interest to impose a price on carbon when none of our trade competitors are likely to go down that path.

I will just close on this point. Senator Singh was just now making the assertion that China and India are taking all this action on climate change. I just thought I would refer Senator Singh to the Treasury modelling—it is a good reference document—to see what is right and what is wrong in the assertions made by the government. The Treasury modelling of the CPRS in 2008 told us that CO₂ emissions in China would be 16.1 billion tonnes by 2020. Three years later the Treasury modelling in the context of the carbon tax told us that CO₂ emissions in China by 2020 would be 17.9 billion tonnes.
So in just three years the Labor government's expectation as to what will happen with emissions in China has gone up by 1.8 billion tonnes, which is three times as much as the whole of Australia puts out in a whole year. That is just the margin of error in the Treasury modelling between what Treasury expected would happen in China by 2020 back in 2008 and what Treasury now thinks will happen in China by 2020.

Finally, on the point relating to India, I strongly encourage Senator Singh to look at chart 3.1, and the footnote in particular, in the Treasury modelling where it actually makes the point that India is not included on this particular chart about regional contribution to mitigation action because 'its emission mitigation is zero compared to the baseline'. I do have a whole series of questions, but I will leave them until some of my colleagues have had a chance to ask questions.

Senator HEFFERNAN (New South Wales) (19:02): I do not want to go on with too much political claptrap. Obviously this is part of a political deal which is designed to keep the government in government. I just have some questions about the actual tax. Minister, I think I have given you a bit of notice on this. In the train industry, for those who do not know, we are creating 60,000 new passenger journeys a week. The train lines, because of low technology and because we do not have the spectrum to run trains closer together, are at the absolute peak of their use without new technology to run closer trains. We have had an 18 per cent increase in passenger rail as opposed to a one per cent increase in car passenger journeys in the last few years. Why, Minister, have we included trains in the carbon tax and excluded cars and trucks?

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:03): I will make a number of points. There are the bills before the chamber and there is also the government's commitment to heavy on-road transport from 1 July 2014 which need to be factored into this discussion. It is the case in relation to fuel but, broadly, on-road use is out and off-road use, including domestic rail, is in.

I am advised that the Minister for Infrastructure and Transport has been provided with some advice about the likely impact of a carbon price on a range of transport modes and that the indicative additional cost per tonne per hundred kilometres travelled for rail will be about 4c under a $23 carbon price. So we are not talking about a massive impost.

The government has also made a commitment to bringing heavy on-road transport into the clean energy arrangements from 1 July 2014. That would provide the sort of competitive neutrality that I think the senator is advocating for. The government is a very strong supporter of rail. I would just remind the Senate that the government has injected some $1.2 billion into rail infrastructure through the Australian Rail Track Corporation and a range of projects to improve the reliability and competitiveness of the nation's railway network. This includes expanding the rail corridors connecting the Hunter Valley coalmines to the Port of Newcastle and a range of other projects, some of which are in Queensland. There is the Sydney to Brisbane line and so forth. These were part of the government's previous stimulus package. That is significant support for rail. Again, just in terms of the cost, the advice I have is that it will be about 4c per tonne per 100 kilometres.

Senator HEFFERNAN (New South Wales) (19:06): I will sharpen it up for you, Minister. It is about $100 million in extra...
costs to the train industry. I will point out that, despite these figures on the assistance to rail, the car industry and other industries have had far more assistance. We do build roads, but trains we ignore. I remind you that there are 60,000 new passenger journeys per week and yet we have decided to penalise trains. I do not have a tweeter to give me an answer on a computer like you do. So we can just take it that trains, which are environmentally friendly, will be told to go to hell as far as recognising them.

I will just go to another issue. As I understand it, agriculture is excluded. Until when is agriculture excluded?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (19:07): I was just trying to get some other information because I think you mentioned urban passenger rail fares. I am advised that the estimate of the carbon price impact on a train fare from Penrith to Sydney city is about 3c. The government has indicated that agriculture is permanently excluded.

**Senator HEFFERNAN** (New South Wales) (19:07): In future, just so it is recorded, will agriculture be excluded? On the credit or debit side, are we talking about credit or debit?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (19:07): The government has already put forward its Carbon Farming Initiative and outlined that. I had not realised until Senator Milne spoke that the coalition was actually now supporting that. There you go; I had the missed that too. I am pleased to hear that. We have made our position on scoping very clear: as I have just outlined, it is that agriculture is excluded.

**Senator HEFFERNAN** (New South Wales) (19:08): With regard to agriculture, if you believe science, and all science has vagary, by 2050 there will be 9 billion people on the planet, 50 per cent of the planet will be poor for water, 1 billion people will be unable to feed themselves, 30 per cent of the productive land of Asia will have gone out of production, two-thirds of the world's population will be living in Asia, there will have been a doubling of the food task and possibly 1.6 billion people on the planet will be displaced. We now have a trading system proposed for carbon credits. Other than in Australia, where in the world will Australian industries be able to trade carbon credits for trees?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (19:08): I will see if I can get some further advice, but broadly these are matters that markets will develop—he wants to speak again.

**The TEMPORARY CHAIRMAN** (Senator Cameron): Senator Heffernan, I am not sure whether you are actually seeking the call at times, you are half up and down.

**Senator Heffernan:** I am just a bit toey.

**The TEMPORARY CHAIRMAN:** Don't be so toey, Senator Heffernan. If you want the call stand up nice and straight and I will give you the call.

**Senator HEFFERNAN** (New South Wales) (19:09): God bless you, Temporary Chairman, I am passionate about this. You are going to have my major speech before the end of the night. We are discussing what could be one of the world's greatest frauds. We will be able to trade carbon credits for trees in Australia. Given that the legislation is before the chamber, I want to know where else in the world can you trade tree carbon credits for Australian credit use?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (19:10): What I was trying to explain is that there may be a distinction here between the voluntary market and the Kyoto market.
Carbon farming credits which are Kyoto compliant would be available for purchase by entities outside Australia. Obviously, whether or not those permits would be able to be remitted under their domestic system would be a matter for their domestic legislation. Non-Kyoto compliant permits might be purchased on the voluntary market. There is a voluntary market. Obviously, this is still a developing market—we acknowledge that—but we have provided a significant amount of funding through the package before the parliament to assist landowners to participate in that market.

On the issue of food security—I think you and I have discussed this before in my previous portfolio—these are obviously choices that landowners make. One would assume, if the scenario that you outlined is correct, that the prices paid for food would be significantly more than the sorts of prices you would get for carbon abatement. I am not sure if the policy proposition you are putting is—

Senator Heffernan: That was just a bit of cover.

Senator WONG: All right, that was a bit of cover.

Senator HEFFERNAN (New South Wales) (19:11): I was just letting you know that I know the facts. The legislation is before the parliament but the parliament does not know, from your answer, where in the rest of the world we will be able to trade carbon credits from to bring them back for credit use in Australia from trees. I would have thought that was a fairly fundamental thing to know. However, you say we are rushing at this and there have been no questions—we are getting questions with no answers.

In Australia there is a recent phenomenon for which there is $2 billion available—for the likes of the purchase by RM Williams of a cattle station and the sale by Allan Myers of another station, both in the Northern Territory, for carbon accreditation. What is the model that is being used to prove up the credits on those properties under this carbon legislation? If a bushfire goes across half the property, as they do out in that country—there has just been a 2½ million hectare fire in the centre of Australia—what is the model they are going to use? I ask that because on the PR side of this they are saying that these properties will make more money as sit-down properties for carbon credits than they will producing food?

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:12): I will get some advice on that. I am not sure I understand the question precisely. I will see if the officials understood it a little better than I. I also have some information about the voluntary market, which I can provide to you, about a recent transaction in relation to Japan.

Senator Heffernan: Thank you for that.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (19:13): Over a long period of time, Senator Heffernan and I have had a series of discussions about this issue, about the credibility of tree plantings and the like. We share a common abhorrence of managed investment schemes. I know that Senator Heffernan will be pleased to know that we have managed investment schemes on the negative list as far as the Carbon Farming Initiative is concerned, so that they cannot have credits.

Senator Heffernan asked about where in the world would an Australian entity—let us assume a polluting, coal fired power station, for example—would trade after 2015. When we go to flexible trading, this scenario may occur where a liable entity may purchase 50 per cent of its liability with overseas permits.
The issue here is that, recognising that the market is immature, recognising that many countries have varying degrees of rigour as to how they would assess and accredit such a thing, we have specifically said that not only is there a quantitative limit to the amount of permits they can be bought overseas—as in 50 per cent—but there is also a qualitative limit. That means that there will be rules put in such that one cannot purchase anything that does not meet a high standard, like the gold standard, in these markets. So you may have some companies or countries making available credits on the international market that would not be acceptable to be purchased into our scheme if they do not meet that high standard. That goes to the issue of rigour that you are talking about.

As to your second question, about the property south of Alice Springs, in relation to RM Williams and so on, the issue there is that there has to be a methodology that is developed and accepted before credits can be generated. My understanding of how this will work is that, for any particular activity for which you wish to generate carbon credits—like protecting native vegetation or enhancing carbon in the landscape or whatever—before the amount of credits you may be able to sell into a compliance market can be calculated, you have to go through the process of getting the methodology accredited. That is what we are going through. There have been very few methodologies accredited to date. One that has been accredited is savanna burning, and I am very pleased to say that that is occurring, because that will lead to good outcomes for Indigenous communities in the short term and we will see permanent employment and real benefits flowing into Indigenous communities because of that. We did hear on the news at one point that camel culling had already been accredited. In fact, it had not. A proposition had been put forward to accredit camel culling. There were lots of problems found with that, and that is the point of establishing an assessment—so that this can actually happen. So, in answer to your question, there has to be a methodology developed in order to do this.

Senator HEFFERNAN (New South Wales) (19:16): I thank the government for that answer! I think it is curious that we have lent serious money—millions of dollars—for property purchases through the program, yet at this point we do not know how they are going to gain their credits. These are million-acre properties, where all sorts of storms cross and something will grow here but it will not grow 30 miles down the road, where a fire will go through. We are kidding ourselves that somehow we are going to get carbon credits that are tradeable on millions of acres of country, where half of it might have been wiped out and half of it might have feed that is a foot high because a thunderstorm has gone through. God help us!

That leads me to my next question, Minister. The legislation is before the parliament now and we are expected to understand it in a couple of days. I cannot get any answers to very basic questions now, although I appreciate the assistance of Senator Milne. She, like me, has always had a bit of a passion for looking after Australia and Mother Earth.

The TEMPORARY CHAIRMAN (Senator Cameron): It's a Greens-Liberal alliance!

Senator HEFFERNAN: My transfer fee is too high; they can't afford me! I note in the press, and from overseas press, that there is serious fraud in Europe in the carbon market. I note that the Australian Federal Police have already moved to set up a fraud squad for the carbon market. Could the minister, given the legislation is before the parliament, explain why the government has found it necessary
to already start a fraud squad for the carbon market?

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:19): Because we are very intent on ensuring that this is a well-regulated, well-functioning market. We want to roll this out competently and carefully, and that is what we intend to do.

I have some information on the bushfire issue, and then I also have some responses to a previous question. I am advised that, in the case of bushfire reducing carbon stored in a Carbon Farming Initiative project, the project proponent will not be penalised. They will be allowed to re-establish the carbon over time. When the carbon is restored to its previous level, the project proponent can then begin to earn additional credits.

In relation to your question about where people will be able to sell credits—these are Kyoto compliant, obviously—the legislation that we hope will pass this place will create a market. I accept that there are still developments in markets in the international context in terms of some of the issues that have been raised, but the legislation before the parliament creates a domestic market.

I would also say to the senator that there are already some commercial companies engaging in this. There was an announcement in 2010, after the announcement of the CFI, of an agreement between Carbon Conscious Ltd and Perenia Pty Ltd which involved Carbon Conscious planting around 50,000 to 70,000 mallee eucalypt trees in marginal Western Australian farming land and delivering AAUs to Perenia in line with tree growth under the CFI. They agreed a price.

Senator Heffernan interjecting—

Senator WONG: Because this indicates how the market moves. This came on top of a deal which was announced by Carbon Conscious in 2009 with Origin Energy and BP Singapore, worth up to $169 million and $2.5 million respectively, designed for the CPRS.

Senator Heffernan interjecting—

Senator WONG: I quite like Senator Heffernan, but he has had a few goes, so I am going to have a go back. The thing that seems to be escaping you, Senator, is that this is the creation of a market and that markets will respond to the pricing signal. It seems extraordinary that it is the Labor Party and the Greens who are understanding the effect of a price signal on the behaviour of private sector companies and individuals. People will respond to the price signal. That is why it is important to get that signal into the economy, so that you can get the investment in the right places.

Senator LUDLAM (Western Australia) (19:22): My question relates to one that the minister took on notice a short while ago relating to item 7.2.3 in the final document of the Clean Energy Future proposal around planning for a 100 per cent renewable energy network and Western Australia's participation in that, given that we are not part of the National Electricity Market, through dint of being an island network and having another island network in the north-west. Does the minister have an update on that? I am just seeking to confirm that it was the government's intention and remains its intention that the 100 per cent renewable energy planning should apply to all large significant electricity networks in Australia, in which I certainly include at least those two in WA if not much smaller off-network systems, as well.

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:23): Thank you for the question. I am advised that there has been no consultation to date with Western Australian officials or
ministers in relation to the 100 per cent renewable scenarios. The Standing Council on Energy and Resources, comprising the ministers from all states and territories, will be discussing the scenarios to be considered with AEMO. The process will include discussions with state and territory officials. And I am advised that the government remains happy to work with the Western Australian government on this issue.

Senator LUDLAM (Western Australia) (19:23): I have a question I would ask the minister to take on notice. Could she provide to the chamber at the first opportunity, once she knows, which Western Australian agencies, departments or officials will be taking the lead on that planning process with WA?

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:23): I am happy to do that. I do not think I will be able to do that in the context of this debate, so I might have to take that as a question on notice.

Senator HEFFERNAN (New South Wales) (19:24): I asked a question on algae technology for coal-fired power stations in estimates three years ago and the bureaucrats said then that if it commercialises it will completely alter the global debate on climate change. It is in the process of commercialising. We are going to turn 87 per cent of the emissions from coal-fired power stations into an asset instead of it being a garbage disposal issue as it is now. If this occurs why would coal-fired power stations with this technology be included in the carbon tax?

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (19:24): I am interested in the issue of algae because, like Senator Heffernan, people have drawn to my attention the potential to capture carbon dioxide from coal-fired power and convert it into algae and then on into fuel and so on. So I went up to the University of Newcastle to have a look at the specific research in question. Whilst it is achievable in a test tube and it is quite achievable in the volumes that you can generate in a lab, the issue is volume. When you put to them the question of what area you would need in order to convert large volumes, it becomes a completely unviable proposition at that scale. I put to the researchers there that, whilst it is achievable in the lab, when you look at the volume of carbon dioxide emissions and the area you would need in order to create the ponds for the algae you just get into some massive logistical problems. They acknowledged that they do not have a solution to the issue of scale. That is the point. If there is a breakthrough to the contrary in the future, it will be one of a suite of options in the whole field of being able to deal with it. But at the moment the issue of scale is, I understand, not one that can be overcome.

I also want to take this opportunity to ask if Senator Heffernan intends to move an amendment to the legislation that would remove the support currently given to the Australian car industry, so that you get competitive neutrality with rail. Or, does he intend to move to apply the carbon price to petrol in order to remove that inequity, because clearly the carbon price is coming in and, if you want to remove the inequity, that is what you would do. I just wondered if the coalition intends to move an amendment to take away the subsidies to the car industry or to impose a carbon price on petrol.

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:27): As I understood it your question was: if particular processes creating algae from CO2 emissions were commercialised, where would the liability fall? I think that is what you were asking. I am advised that as
yet that process has not been commercialised. Were that process to be commercialised there would have to be a technical consideration of where the liability would fall. As I understand it, CO2 is admitted and you then have the algae, and the algae is then used as a fuel source.

Senator HEFFERNAN (New South Wales) (19:28): I will just clarify a couple of things for you. I do know what I am talking about. Three MOUs for this technology have been signed with three major coal-fired power stations in Australia. There is later technology, Senator Milne. It is true that for a major coal-fired power station the process would require 2,500 acres at the present time. However, that has been overridden by highrise technology, which requires no sun to grow the algae. It is highrise, so it takes up very little area. Depending on the algae variety grown you can either go into a plastic outcome or into biofuel on the back of a feedstock for intensive livestock feed. Those are the two technologies. To make it clear, what I am asking, Minister, is: if that commercialises—and I emphasise that there are three major power stations in Australia that have signed up to this—why would they be included if they are turning what is now waste into an asset that then turns into a biofuel and a feedstock for livestock, which are excluded from the tax? Why wouldn't they be excluded from the carbon tax? They will have got rid of their emissions without the tax.

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:29): We are in pretty hypothetical territory here.

Senator Heffernan: No, we're not.

Senator WONG: Senator, we are, because this is not a technology that is commercialised and therefore it is not at this point within the remit of the legislation. You are asking me: 'If this happened, what would then happen?' But as a matter of courtesy to the chamber, I am happy to give you the best advice that I can. The issue would be this: at some point there has to be liability for the additional CO2, because the algae—as I understand it from the advice that I have just been given; this is not an area in which I have a great deal of personal expertise—is not permanently sequestering CO2. So there is a question then of who bears the liability. Is it the initial emitter of the CO2? Is it the person who grows the algae? Or, if the algae becomes a source for something else, is it the person who uses it for that? Those would be issues that would have to be resolved. But I emphasise that the advice that I have—and I can only take advice on this—is that this has not yet been commercialised and therefore this issue has not yet been resolved.

Senator IAN MACDONALD (Queensland) (19:31): I have some questions relating to the coal industry, which is a very important part of the state that I come from—Queensland—and of Northern Australia. This is not a reflection on your chairmanship, Temporary Chairman Cameron. But I want to point out to you that in the last hour we have had some questions from our side to the minister and then we have had Labor Party and Greens senators—two Greens senators in a row—getting the call when between them the Labor Party and the Greens have curtailed this debate down to a very short period of time. I have a lot of questions. These people were on the committee that put this legislation together. Why are the Greens now wasting our time questioning the government about a package that they put together? If the chair is going to be at all fair about this, it must be understood that the Greens have a very small representation in this chamber. To call one of us, then one of the Greens, then one of us and then another of the Greens gives them an
enormous advantage. And they are the people who agreed with the Labor Party on this package. They put it together. If they had any questions about this package, they should have asked them at the time they put this together.

We have a very restricted amount of time. A number of my colleagues here at the moment want to ask questions. I am confining myself tonight to 15 minutes, because I want others to have an opportunity. But we are going to keep getting interrupted by the Greens, who joined with the Labor Party to guillotine the time for these 18 bills down to the shortest committee stage for any debate held in this chamber for a long period of time—if you take the debate as being about 18 bills. I know that I have wasted a little time in saying this, but that point had to be made. We are in a guillotined debate. There are 18 bills that have to be gone through in detail. And yet the Greens keep getting up and giving little speeches, wasting our time. I plead with you, Mr Temporary Chairman, and all others who might take the chair, to be fair and equitable in relation to the questions that are asked.

Having said that, I will move on to the questions that I want to ask about the coal industry, which is very important in North Queensland. It supports the communities of Gladstone, Rockhampton, Mackay, Townsville, Mt Isa and Moranbah—an enormous number of coal towns. And it is not just the coal towns. A lot of workers have purchased brand new houses down on the coast and have big mortgages. Their jobs are at risk.

In the very short period that I have allotted myself tonight, because others want to have questions as well, I want to focus on fugitive emissions. Those listening on the radio will know that fugitive emissions relate to the mining not the burning of coal. Fugitive emissions vary enormously from mine to mine and represent about five per cent to six per cent of Australia's total greenhouse emissions. Just to put that in perspective, methane emissions from livestock account for 11 per cent. The government proposes to tax fugitive emissions from coal mining. Minister, is it correct that no other coal exporting country imposes a tax on fugitive emissions from coal mining? Is it a fact, Minister, that the European Union emissions trading scheme specifically exempts those emissions, even though European Union emissions are larger in volume than those in Australia? Minister, is it also true that none of Australia's competitors in the coal export markets—countries such as Indonesia, Columbia, Russia, South Africa, Canada and the United States, which all have large coal mining industries—are contemplating a tax on fugitive emissions?

The TEMPORARY CHAIRMAN (Senator Cameron): Senator Macdonald raised the question of the fairness of the chairing of this session. I have sought some advice on that and I have been advised that my chairing has been consistent with the conventions of the Senate.

Opposition senators interjecting—

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:36): I think that anybody listening to this debate would not suggest that the opposition has not had a fair share of the debate tonight. Government senators have been very limited in their contributions. In relation to other senators, including Senator Milne, whatever Senator Macdonald's prejudices about the Greens, senators are entitled to participate in this debate. On fugitive emissions, Senator, I am just seeing what the case is in relation to other nations. What I do recall—and I will come back to you if I am wrong—is that you are correct
that the European Union does not include fugitive emissions; however, they are regulated, which, as you know, is of course in itself the imposition of some sort of implicit price. I would also make the point that pollution from coal accounts for around one per cent of total emissions or less in the European Union and New Zealand, whereas I think it was around five per cent of Australia's carbon pollution in 2009. However, the government does recognise very clearly—and there was a lot of discussion about this—that there are a small number of gassy underground mines that have high-fugitive methane emissions. They will face an increased cost under a carbon price, and the government has allocated $1.3 billion to its coal package to provide assistance and to directly address the impact of the carbon price on these mines.

I emphasise that the vast majority of the coalmining industry is not emissions intensive and will not face materially increased costs under a carbon price. This is demonstrated in part, amongst other reasons, by Treasury modelling that projects that under a carbon price the coal industry will grow by 45 per cent. I would also refer the senator to the increased investment in the resources sector, which includes coal, over the last three years, and the $430-odd billion worth of investment in the pipeline. It is hardly an indication that there is a reduction in investment.

The Coal Sector Jobs Package is intended to directly address the impact of the carbon price on these mines. After taking into account assistance for gassy mines, the average impact of the $23 carbon price on all coalmines for their fugitive emissions is around $1.20 per tonne of coal.

I am also advised that recently Gujarat Mining released a statement claiming that their liability under the carbon price would be around $16 per tonne was a massively overstated amount and that the liability would be closer to $2.70 a tonne due to adopting strategies to reduce their carbon pollution. The company stated that this would not have a material effect on its future growth. There is plenty more information on that but I think I have responded to the senator's question.

Senator IAN MACDONALD (Queensland) (19:40): Thank you, Minister. Could you perhaps take on notice and confirm that no other coal-exporting country imposes a tax on fugitive emissions?

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:40): With respect, Senator, I do not think you qualified it by saying 'coal-exporting'.

Senator IAN MACDONALD (Queensland) (19:40): If I did not, let me qualify it now. I was sure that was my question but, if it was not, let's not argue about it. Can you confirm that no other coal-exporting country imposes a tax on fugitive emissions from coal mining? If you do not have that, Minister, could I ask you to take it on notice? Could you also confirm—I did ask you before—that none of our big coal-exporting competitor countries, such as Indonesia, Colombia, Russia, South Africa, Canada and the US, are contemplating a tax on fugitive emissions? If you do not have that information, I am happy for you to take it on notice, because I do have another question in the few minutes left to me.

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:41): I will certainly see if there is anything further I can provide. I think we have had a discussion before about a coal tax in India, which I think is roughly one dollar per tonne, which is then used to fund renewable and clean energy investment. I
think it is very important—and I am sure the senator would not be intending to do this—that we do not make a suggestion that somehow every single mine in Australia is a gassy coal mine. The reality is that most coal mining in Australia is not emissions intensive. There are a small number of gassy underground mines with high fugitive emissions. That is why the government has provided the $1.3 billion. But it would be wrong to suggest that the entirety of the coal industry in this country is made up of gassy underground mines with high liabilities as a result of fugitive emissions. I think that is demonstrated by the market. You could hardly suggest that investment in coal and in the resources sector has tailed off since the government has been pressing forward with its carbon package. That is simply not borne out by the facts. The market is quite clear about its investment pipeline.

Senator IAN MACDONALD (Queensland) (19:42): Thank you for mentioning India: $1 a tonne in India; $23 a tonne in Australia. You highlighted that; thank you for that advice. But could you, on notice, answer those other questions for me? And I ask a further question. I think the government has pointed out that fugitive emissions from coal mining and LNG production are the fastest-growing emissions in the Australian greenhouse inventory and must therefore be abated if Australia is to meet its five per cent emissions reduction target. However, is it right that there is no available or prospective technology to abate them? So, would you agree, Minister, that there is only one way to cut fugitive emissions from Australian coal mining by 2020—and that is by closing mines? Is that correct?

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:43): No, I would not agree. I think that question is a more polite way of putting the same sort of scare campaign we have seen from Mr Abbott. The government is providing, in addition to the $1.3 billion, the Coal Abatement Technology Support Package of $70 million, to support the development and implementation of abatement technologies. This would enable gassy coal mines to reduce emissions and therefore reduce their exposure to the carbon price. I am advised that, after taking into account assistance for gassy mines, the average impact of a $23 carbon price on all coal mines for their emissions is less than $1.90 per tonne of coal. As you would know, there have been significant increases of far greater proportions in coking coal prices and thermal coal prices over the last few years. So I would not agree with the senator's proposition about closing mines. He has put politely the same thing that the opposition has been putting for some time, which is simply not borne out on the facts and not borne out in terms of the investment decisions in the market.

Senator IAN MACDONALD (Queensland) (19:44): This is the last question from me. Minister, would you agree that Australia is the largest exporter in the global seaborne coal trade but that Australia accounts for only six per cent of global production? Is that correct? Would you agree that most of the world's coal is used in the country in which it is mined, with seaborne trade forming only 15 per cent of the global use? Is that correct? Is it a fact—and if it is not, perhaps you can tell me what the figures are—that China produces 50 per cent of the world's black coal; the United States, 15 per cent; India, nine per cent; and Indonesia, South Africa, and Russia, four per cent each? Is it also true that Australia's share of global production is falling? World coal production has increased, I am told—and I seek your confirmation—by 66 per cent since the year 2000, whilst Australia's coal production is
only up by 40 per cent, so we are going backwards. China's coal production has increased, I am told—and I seek your confirmation—by 141 per cent, and Colombia and Indonesia have increased their coal production by 91 per cent and 319 per cent, respectively.

Minister, do you agree that, with this global abundance of coal, the competitiveness of individual companies and countries is largely determined by their cost of production? Would you agree that by imposing additional costs on the Australian coal industry in the form of a carbon tax we diminish in some way our competitive advantage? And would you agree that the nature of global coal trade means that any loss of market will be readily filled by one or more of our trade competitors—none of whom have a carbon tax—thereby eliminating any potential environmental benefit from taxing Australian coal or shutting down Australian coal mines? Perhaps I can ask that last question in a different way: what is the benefit to global emissions when any reduction in Australian production will mean increases in production in these other countries that do not have any restrictions? Can you explain the environmental benefit?

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:47): There were a great many questions there. I am not in a position to confirm what the number is for Russian coal production. I am sorry; I do not have that.

Senator Ian Macdonald: Will you take that on notice?

Senator WONG: No, I am not going to take it on notice, Senator. It is not relevant to the legislation before the parliament. If you want to put it on notice, you can. You are asking a whole range of things which you know are not relevant to make a political point. The political point comes down to a couple of very clear propositions, and I am happy to respond to those. The first is that we should not bother, because it is going to get burnt elsewhere. I think that is the proposition.

Senator Ian Macdonald: Tell me what the environmental benefit is.

Senator WONG: There is an environmental benefit to a scheme which reduces Australia's emissions. There is an economic benefit in ensuring that you have the widest appropriate scope to that scheme, because that reduces the economic cost. The proposition from which we commence is that there is a benefit to reducing Australia's emissions. That is a proposition you share, Senator, because if that really were your position then why would you do direct action? If that really were your position you would not do direct action. You would not pick winners with taxpayers' money to reduce Australia's emissions. If that is your position you should go in to your party room and say to Mr Abbott, 'We should not have a direct action policy to reduce Australia's emissions by five per cent.'

You also talked about costs of production as being the primary factor of competitiveness in a global industry. There is some truth to that, Senator. But I would say this to you: I bet you would not come into this chamber and say that we should pay Chinese wages to coal workers. I bet you would not say that. You would not come into this chamber and say that we should pay Indian wages to coal workers in your state. So let us not pretend that this country has always decided, in relation to a globally traded commodity, that we should equalise the costs of production across the globe. We would never accept that. I do not think anybody in this chamber would accept that—not even Work Choices went that far.
Because the Senator is proceeding again on the proposition that somehow this will cause dreadful damage to the coal industry, I would remind him of two points. The Treasury modelling of a carbon price indicates that coal output will continue to grow strongly over the coming decades with or without a carbon price, doubling in size by 2050. Coal industry employment has more than doubled in the last six years. I am advised that there is an investment pipeline of $70 billion in the coal sector; I have actually seen higher figures than that. There are some 87 new mines either under construction or awaiting approval. The vast majority of the coalmining industry is not emissions intensive, and we have provided a very substantial amount of assistance, both for abatement technology and more generally to the industry, to reflect that proportion of the industry which is very emissions intensive.

Senator BOB BROWN: I want to follow on from Senator Macdonald's line of questioning. I think the figures are of great interest.

Senator Ian Macdonald: Mr Temporary Chair, on a point of order: notwithstanding what you were told before, this is clearly an attempt by the Greens, in the limited time the Greens have allowed us to ask questions—by having Senator Brown, Senator Milne and Senator Ludlam—to prevent—

Senator Wong: He has not spoken yet in three hours.

Senator Ian Macdonald: But we are having three Greens speakers who are taking up more time than coalition speakers and it is simply not fair, Mr Temporary Chairman. If you say that technically you are going from one side to the other, the community will understand that this is a Greens-Labor package put together by the two of them in this so-called bi-party thing—
the greenhouse gas emissions going to countries where there is not a trading scheme or a price placed. Perhaps they followed through the logic from Senator Macdonald that in fact, for fairness, they ought to be assessed and an impost put on, at the point of exit, equivalent to the price of the greenhouse gas—

Senator Birmingham: Mr Temporary Chairman, I raise a point of order. Senator Macdonald is not in the chamber and we all know he is very capable of looking after himself, but I do think Senator Brown is running extremely close to misleading the Senate by way of verbalising Senator Macdonald and misinterpreting what Senator Macdonald has said.

The TEMPORARY CHAIRMAN: That is a debating point, Senator Birmingham, not a point of order.

Senator BOB BROWN: I will keep it simple for Senator Birmingham to follow. I will consult with Senator Milne about this a little later over dinner, but I want to ask the minister at the table whether she could give the committee an assessment of what the greenhouse gas emissions coming from the export of coal and gas out of Australia will be once they are combusted. I might add that a recent shipment of woodchips which went from Tasmania to Japan was, according to Forestry Tasmania, burnt in a coal-fired power station. The point that was being developed by Senator Macdonald is a valid one. We are in a global trading situation, but we know that we share the atmosphere and that what is burnt elsewhere comes back to impact upon us, because it is part of the greenhouse gas emissions effectively coming out of this country. They will therefore effectively impact the climate change trajectory coming down the line—they will impact the Great Barrier Reef, the Murray-Darling Basin, the snowfields and the economy of this country.

Indeed, I would ask if the minister would look at the impact on the Darling Downs of the Wandoan coalmine, which the Minister for the Environment, the Hon. Tony Burke, ticked off on just a few months ago. I am told it might be up to 11 kilometres across. It is an open-cut coalmine in the farmlands of the Darling Downs—one of the largest open-cut coalmines on the face of the planet, if not the largest. Is that coal going to be combusted through export to China, Japan and perhaps South Korea and other countries overseas?

I also ask the minister, following on the line of questioning developed by Senator Macdonald, who has come back into the chamber, if there is an assessment by the government of the impact of the proposed 40,000 drill holes for coal seam gas in the Darling Downs. You will know, Minister, that there is a very large facility being built at Gladstone to process this gas to have it sent overseas, where it will be creating greenhouse gases, which will be feeding into the atmosphere. Senator Macdonald is quite right: this will very likely be in countries where there will not be a provision for domestic combustion of fossil fuels—as there sensibly is under this legislation—that would take into account, at least in the modest way in which this legislation does, the impact on the atmosphere, on the entities I have spoken about and therefore on the economy. What we have here is an export industry which is not exporting the problem at all; it is going to come back to us. Australia is left with the legacy of that problem, but the exporters—which, I repeat, are largely overseas entities—are going to escape the carbon price that is so fundamental to this excellent package of legislation that the Gillard government, working with the Greens and the
Independents, has brought before this chamber. Senator Macdonald has raised a very important point. I am grateful to him for having put it. I am following it through to ensure that we get some enlightenment in the chamber on a matter which is quite fundamental to the issue at hand.

Progress reported.

ADJOURNMENT

The PRESIDENT: Order! I propose the question:

That the Senate do now adjourn.

Coraki Art Prize

Senator FAULKNER (New South Wales) (20:00): Last weekend was a big one for the small town of Coraki, in northern New South Wales, because it was the weekend of the Coraki Art Prize. Some 260 people turned out for the opening night, on the Friday, and over 500 visited the show on Saturday and Sunday. There were 330 entries in the show—paintings, drawings, prints, photos and sculptures.

Coraki is a small, picturesque village on the banks of the Richmond River. Once a thriving centre of commerce based on riverboat trade in timber and dairy products, it even boasted its own shipbuilding industry. Coraki now has a population of around 1,200, a third of them proud members of the local original Indigenous Bundjalung community.

The Coraki Art Prize dates back to 1998, when three generous, civic-minded members of the community, Sharon Mackie, Kate Welch and Narelle Jarvis, took the initiative to establish the art show and, over the years, turned it into the major cultural event in the town, attracting entries from talented artists all over the Northern Rivers region in New South Wales.

After 10 years of dedicated effort, supported by a loyal band of volunteers, the founding committee found itself, for many reasons, unable to continue to organise the show. In 2008 there was no show, to the great disappointment of the Coraki community and the artists of the Northern Rivers. Among those who were disappointed were two recently arrived and recently retired members of the Coraki community, Melva and George Thompson, who volunteered to revive the show.

Along with others, Melva and George formed a new art show committee and, with the guidance of the original committee, re-established the show in 2009. The show has continued to grow since then and, once again, it has become a major annual event for the community of Coraki and the surrounding district.

Because of its popularity with regional artists, the art prize is now held at two venues in Coraki—the Coraki Conference Centre and the Anglican church hall. And this year the auxiliary of the Coraki hospital, which is adjacent to the conference centre, held its annual fundraising market on the same weekend as the art show.

It is fair to say that Melva Thompson has been the driving force behind the art prize, particularly since George returned to the workforce in 2009—a return for which I think I bear some responsibility! The success of the event is a great credit to her untiring efforts in promoting the prize and raising the necessary sponsorship that an event such as this requires.

The Coraki Art Prize is entirely dependent on sponsorship and fundraising. It costs about $13,000 to run each year. The art prize offers over $9,000 in prize money, with a Best in Show award of $2,000, entirely financed by the local businesses of Coraki, which is not bad for a such a small country community.
Congratulations go to this year's Best in Show Standing falling angels, a drawing by the well-known Lismore artist John Smith, a senior lecturer at the School of Arts and Social Sciences at Southern Cross University. Congratulations also go to all the other deserving winners in categories such as painting, drawing, Aboriginal art, print-making, sculpture, photography and youth art.

I am very pleased to have been associated with the art prize for the past three years by hosting a quiz night fundraiser event at the Coraki Golf Club. We held this year's quiz night in September, and I am delighted to inform the Senate this evening that it attracted around 200 attendees and raised the handsome sum of $3,500 for the art prize.

Honourable senators interjecting—

Senator FAULKNER: I can tell from the reaction in the chamber that there is a lot of interest in the Coraki Art Prize. I want to say to senators and any who might be listening, and I certainly hope some are listening in Coraki tonight, that you can find out more about the quiz night and the Coraki Art Prize on the website: www.corakiartprize.org.au.

I commend this to interested senators.

Events like the Coraki Art Prize, whether they be in sport, art, music, theatre or other endeavours, are the glue that binds together small country communities like that of Coraki and so many other rural and regional communities in New South Wales and right around Australia. I say they are very deserving of the support and encouragement of all of us who serve in the parliament.

Honourable senators: Hear, hear!

Senator FAULKNER: I am pleased to hear that response from senators who so warmly and strongly agree. I congratulate all those whose hard work in the local community of Coraki has made the Coraki Art Prize such a success.

Finally, let me record that the principal judge at this year's Coraki art show was Kylie Scroope, who I believe is the Director of Art Services here in Parliament House and responsible for the management of the parliament's extensive art collection. And I can finally say that the organisers of the Coraki Art Prize and art show were quick to tell me that Kylie was born—yes, you guessed it—in Coraki.

Disability Services

Senator BOYCE (Queensland) (20:09): I intend to make a small attempt tonight to overcome a major omission from the recent Community Affairs References Committee report into mental health in Australia. I would like to add that I take a very large degree of responsibility for that omission. I am referring to the fact that, although the terms of reference of the inquiry included the mental health needs of people with disability, this was not covered in any way in the main report. There were some reasons for that, but I hope that I can overcome that to some extent tonight by speaking on the topic.

Before I do speak on the issue of the mental health needs of people with disability, particularly of people with intellectual disability, I would like to look at the overall situation for people with disability in Australia. I think it is time we had a rethink on the separation of government disability agencies from government mainstream policy and service delivery. I think it is time we assessed whether the development of separate disability focused government agencies has really worked for people with a disability. In every area, from health to education to outside school hours care and violence against women, services available to people with disabilities continue to lag very badly behind those available in the
mainstream, and the needs of people with a disability are almost absent from mainstream policy areas.

I was among the thousands and thousands of people who lobbied in the past for the establishment of separate disability services and policy delivery so that at least attention could be properly focused on the needs of people with a disability. The thinking then was that the needs of people with a disability were getting lost in the mainstream and needed a special focus. But I would argue now that this separation has not led to genuinely better outcomes. I cannot think of one area where people with a disability have similarly positive outcomes to those of people without a disability.

In health, people with disabilities have a much higher unmet need for both general health and mental health services. Whilst the outside school hours care of children without disability is met, there is very limited outside school hours care for teenage students with disabilities provided through the FaHCSIA rather than the department of education program. This limitation seriously curtails the employment opportunities for their parents.

In transport, people with a disability have to wait for an accessible bus or train to go past and have to accept a quota system for using planes while the rest of the population travel as and when they wish. In the area of domestic violence, the needs of women with a disability are completely ignored by the mainstream women's programs, even though women with a disability experience violence and abuse at more than double the rate of women without disabilities.

The Australian organisation Women With Disabilities Australia have orchestrated a global campaign to end torture in health care through the forced and coerced sterilisation of women with a disability, and they deserve huge congratulations for this. But their campaign has not even registered with the organisers of White Ribbon Day. You cannot find the WWDA campaign on the White Ribbon website at all, and the White Ribbon resources page does not even mention organisations like WWILD, in Queensland, which assists women with an intellectual disability who have experienced violence or abuse. The disability sector had hoped that the separation of disability from other policy areas would lead to overall improvement. Instead, it has meant in many cases that disability issues are simply excluded from and ignored by the mainstream. Departments and governments can duck and weave, claiming that disability issues are handled in a special place and are not their problem. I quote from the recently released *World report on disability*, put together by the World Health Organisation and the World Bank, which supports the argument that I am putting. The report says that inadequate policies and standards are the leading barrier to people with disabilities taking their place in mainstream society. It says:

Policy design does not always take into account the needs of people with disabilities, or existing policies and standards are not enforced. Examples include a lack of clear policy of inclusive education, a lack of enforceable access standards in physical environments, and the low priority accorded to rehabilitation.

It points out that people with disabilities:

… experience greater vulnerability to preventable secondary conditions and co-morbidities, untreated mental health conditions, poor oral health, higher rates of HIV infection, higher rates of obesity, and premature mortality.

One of the strongest recommendations the report makes is that the needs of people with disabilities 'should be met in mainstream programs and services'. It makes the point that people with disabilities have ordinary needs as well as specific needs. It says:

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CHAMBER
Mainstreaming not only fulfils the human rights of persons with disabilities, it is also more effective.

Mainstreaming is the process by which governments and other stakeholders ensure that persons with disabilities participate equally with others in any activity and service intended for the general public, such as education, health, employment, and social services. Barriers to participation need to be identified and removed, possibly requiring changes to laws, policies, institutions, and environments.

The report suggests that there is a need for investment in specific programs and services for people with disabilities, but that is secondary to giving people with disabilities access to the mainstream.

I will now go to the very good submissions made to the mental health inquiry by the National Council on Intellectual Disability and other groups. There were only about three submissions that actually focused on the topic of intellectual disability and mental health. This is not for lack of interest in the subject; this is for lack of expertise in Australia. Unlike the UK, we only have one very limited program at the University of New South Wales which looks at the area of intellectual disability and mental health. There is no full-time, specialist program in Australia. If you like to think about what the effect of that is on people with intellectual disability and mental health issues, I think you can see for yourself that it would be extremely severe and that it leads to huge amounts of unmet need.

The New South Wales Council for Intellectual Disability in fact point out that they have been working for many, many years for recognition and action on the very high rates of mental illness experienced by people with intellectual disability and their poor access to mental health services. They say:

There has been only a small amount of progress on this problem since it was highlighted by the Burdekin report in 1993.

It is a shame that we have not been able to work to assist people.

And yet, when we look at the figures, there are about 408,000 Australians who have an intellectual disability, and they are estimated to have mental disorders at 2½ times the rate of the general population. This leaves a huge number of people who need assistance, and yet, over a 14-year period, only 10 per cent of those people with an intellectual disability and a mental disorder received mental health intervention. By contrast, in the general population, 35 per cent of people with a mental health disorder received treatment in a 12-month period.

Mr President, I would like to say more, but I am about to run out of time. But I will follow up this issue further.

**Mining**

Senator RHIANNON (New South Wales) (20:19): In 2008, New South Wales had to contend with two major environmental threats. Major mining projects are again on the state's agenda. Once again the Liverpool Plains community in northern New South Wales are blockading their farms against the threat of mining expansion, and once again the beautiful New South Wales coastline is under threat from offshore mining exploration activity.

Exploratory drilling for coal seam gas commenced off the Newcastle coast in December last year. When the proponent, Asset Energy, announced that they were not successful in locating a site for commercial drilling, they said they would be back. So, when a meeting of the Community Consultative Committee was called a few weeks back, on 19 October, it signified the company's intention to proceed with further test drilling. There is currently test drilling...
for coal seam gas at Fullerton Cove in Newcastle and Catherine Hill Bay in Lake Macquarie.

The petroleum exploration permit No. 11, located primarily in Commonwealth waters, covers over 8,200 square kilometres of the New South Wales coast between Newcastle and Wollongong. The wells drilled in December 2010 were the first to be drilled offshore in the Sydney Basin. Despite reports that the exploration permit may be covering a potential giant gas province, the exploratory drilling failed to find gas.

This is not the first time a company has planned to explore the coal seams. In 2008, three licences or applications for mining exploration off the New South Wales coast from the Illawarra to Port Stephens threatened the New South Wales coastal environment. Wildcat gas drilling operations were carried out under the existing petroleum exploration permit, PEP11, licence held by Bounty Oil and Gas and MEC Resources. Sandmining exploration off the coast of Gosford also occurred, and Energie Future Pty Ltd applied to explore the coal deposits in the seabed off the New South Wales coast with a view to mining that coal using the highly experimental mining method of offshore underground coal gasification. It is no wonder that the local community and environment groups in the Hunter are very concerned about Asset Energy’s latest exploration plans. The 2009 Montara oil spill into the Timor Sea is a recent reminder of the inherent dangers in these offshore mining operations. The spill, one of Australia’s worst, lasted 74 days and spilled 29,600 barrels of oil into the sea, forming a 90,000 square kilometre slick. We now know the company did not follow best practice. What assurance can the people of the Hunter have that a disaster will not occur at one of their local beaches? Throughout the approval process for these projects the New South Wales government has only paid lip-service to community consultation. Vital information about Asset Energy’s current environmental plan was only released to the community consultative committee on the day the government announced that offshore drilling would take place. The local councils were given copies of the full environmental plan but told not to release them to the public.

I understand that Asset Energy plans to continue exploring for gas, this time further south near Catherine Hill Bay, a site rich in deepwater corals and rare fish species, or even as far as The Entrance on the Central Coast. So far the company has reportedly spent $20 million on exploration and is preparing to renew its exploration licence for another five years. The community needs to know what is going on here and what the risks are to their coast. Environmentalists and commercial fishers have raised concerns about the impact of seismic surveys. There have already been reports of beds of scallops being decimated, disruptions to the sea floor and a downturn of fish availability after seismic surveys.

With so much at stake there needs to be a much greater level of public awareness, sharing of information and consultation. There is growing public opposition to risking the health of our coastal waters for risky mining projects. The public has a right to get answers to questions such as: what are the contingency plans for containment, capping of the wellhead and the clean-up operation if a spill occurs and who is liable for the costs? I have no doubt the government does not want people to know that it is the public who bear the bulk of the costs for the clean-up of the ocean, marine life and beaches in many of the spills that cause such devastation to our marine environment.
I congratulate the farming community of the Liverpool Plains, who are blocking attempts by a multinational mining giant to move onto their prime agricultural land. Santos wants to drill a pilot well to explore for coal seam gas near Spring Ridge in the Liverpool Plains. Just as they did when BHP Billiton tried to muscle in to explore for coal on their land, the local farmers and people from the community are running a blockade. People are travelling in from other regions to support them. I admire the conviction and determination of these people in Gunnedah and the Liverpool Plains region who have stepped in to protect their farming lands in the face of government failure to act. The harvest season is approaching on the Liverpool Plains so time is at a premium, but the farmers believe that the blockade is worth the effort to protect their farms, their future livelihoods and the food security of Australia. In 2008 I made several visits to the farmers blockade of BHP Billiton at Caroona when I was a Greens MP in New South Wales. This blockade lasted for nearly two years. One hundred and fifty farmers and their families supported the blockade of BHP Billiton exploratory rigs entering a property at Caroona, which highlighted the failure of the New South Wales government to protect agricultural land and stand up for the rights of farmers.

Those same farmers travelled in buses to the New South Wales parliament in Sydney to support Greens legislation to protect their prime agricultural land from the threat of mining exploration. It was a tremendous occasion of broad based cooperation between farmers and Greens for future food and water security, placing the public interest ahead of mining interests. It was about getting the balance right. It is a fond memory and I remain deeply committed to building on this cooperation to help win protection of farming land and the water resources that feed this land. Now, as was the case then, there is no scientific evidence to show that coal seam gas mining exploration will not cause unacceptable harm to farming land, water resources or the environment. The work simply has not been done. In 2008, BHP Billiton's coal exploration activities at Caroona were not supported by any hydrological studies or associated water studies. There is no way of predicting the potential damage to the aquifers. The farmers blockade was set up to protect farming land as both the federal and state governments continually failed to put any meaningful limits on the destructive practices of the mining industry. Their actions resulted in the Namoi Catchment Water Study that is currently underway in the region. Today the coal seam gas industry is being given free rein to expand its operations in New South Wales without proper scientific analysis or understanding of its short- and long-term environmental impacts. We must apply the precautionary principle here.

I congratulate my Queensland colleague, Senator Larissa Waters, on her coal seam gas bill that will allow the federal government to consider the potentially irreversible impacts of coal seam gas and other mining activities on water resources when assessing and approving mining projects. The farmers of the Liverpool Plains are interrupting their harvest preparations to blockade Santos. They say the companies involved should wait until the New South Wales government completes a land use review and a proper water study is completed of the Namoi catchment area. The Greens certainly support those demands.

An overwhelming majority of Australians are concerned about coal seam gas and support a moratorium on the industry, yet this week the energy and resources minister, Martin Ferguson, labelled the farmers blockade as unacceptable, saying the people
should abide by the science. How deceptive! There have been no studies demonstrating that coal seam gas will not damage the aquifers, the water resources and the farming land. Minister Ferguson's arguments that Liverpool Plains farmers will benefit from the coal seam gas rush do not wash. Selling out Australia's food security for short-term so-called economic gain is bankrupt politics. I say so-called because the real economic impact of coal seam gas mining in this region would be destructive, not productive. I look forward to visiting the blockade and congratulate the farmers, the Caroona Coal Action Group, Tim Duddy and Tony Windsor for their fantastic work in this area. *(Time expired)*

**Relay for Life**

**Senator FURNER** (Queensland) (20:29): Last weekend, as I have done for several years now, I was involved in Relay for Life. Relay for Life is an event that occurs right throughout Australia where the Cancer Council raises funds for cancer victims in hopes of one day finding the result and the cure for this insidious disease, cancer. Relay for Life began in Australia in 1999, when the Victorian community of Murrumbeena raised over $75,000 for the Cancer Council. Relay for Life is now run in every state and territory, and raises over $14 million each year for the cancer fight. In addition to ensuring the events run like clockwork, volunteers are brought in together with the staff of the Cancer Council for Relay for Life events in their communities, and they help make it a successful and inspirational day and night—the event starts at 3 pm on a Saturday and concludes at 9 am on Sunday. Relaying round a track for 18 hours on the weekend is certainly an arduous task, but in a teamwork environment we get through it.

This year, as in 2010, our team was the second highest fundraising team, raising $15,161.75. To date we have raised a total of $85,000 as a team since we commenced. Overall, the Brisbane Relay for Life teams, of which there are around 83 or more, raised around $105,000 just in the Brisbane relay alone. In addition, and based on our team's theme as scoundrels, we dressed as pirates and picked up the 'best dressed team' award. It was amazing to see people come along and get into the environment and into the theme of having a bit of enjoyment—even I got dressed up in a pirate costume. Some even claim I was Johnny Depp, but I dispute those sorts of claims.

Obviously, the real purpose of the occasion is raising money for the Cancer Council, and the fundraising commences well into the early stages of the lead-up to the event. I acknowledge the people who were involved in that. Firstly, our team members Wendy and Carol Cooke got involved with a framed Broncos jersey, courtesy of Carroll Excavations. Andy Carroll is the owner and major contributor, and the SPM Group donated the cost of framing and contributed to the raffle prizes. Christian Van and his sister Natalie Van, who recently lost their father to cancer, sold hundreds of the jersey raffle tickets at a local football match. That was the early onset of raising money for the Senate Scoundrels.

Another major event involved the consideration and the generosity of two groups of people. Firstly, I acknowledge Club Pine Rivers for a fundraising event on 23 September, where we raised in excess of $4,000. I thank Bob Ebborn, the president of Club Pine Rivers, and Wayne Moffatt, the CEO. They put on the event, supplied the venue at no cost and supplied finger-food and mid-strength drinks and soft drinks, as well as beer and wine, as part of the entry cost. We sold in excess of around 120 tickets. This demonstrates the good community spirit of Club Pine Rivers in
making that contribution towards raising money for such a charity as the Cancer Council.

The main drawcard, and also a great supporter of ours, was Australia Zoo. Terri, Bindi and Robert Irwin came along with a couple of animals—a snake and a South American bird, a macaw. People were delighted, naturally, to have their photos taken with the Irwins and also the animals, and that was a drawcard to get people along to raise money once again for Cancer Council. There were raffles, lucky door prizes and a bit of an auction on the night of some T-shirts signed by Bindi Irwin to further raise money for the Cancer Council.

A feature Cancer Council has had for some years now is a national online site, which was one of the main areas where we drew donations. People can donate online, and we had several people put through donations online to our team and to all the other teams that were involved. During the event, our particular way to raise money was to get people to walk the plank as pirates—blindfolded, naturally—and at the end they had to drop money in a bucket of water, which we said was shark infested. Our other event was digging for buried treasure in a bucket of sand. All this contributed to raising money onsite throughout the night.

The make-up of the team was: myself; Senator Moore; Abdul Obeid; Terry Kent and Christine Stubbs from my office; Russell Vieritz; Anneleise Vieritz; Wendy Cooke and Carol Cooke; John Hamze; Sharon Stocker; Vinay Nair; Chelsea Lambert; Courtney Lambert; John Marshall; and some members who joined us along the path. Petrina Zaphir from Channel 9 News on the Gold Coast and Vicki James from Cancer Council Queensland also dressed as pirate wenches and got involved later on in the night to complement the Senate Scoundrels. There is a whole list of donors and they need to be recorded on Hansard. We start with: Club Pine Rivers; Australia Zoo; Peter Birtles from Super Retail Group; Russell Thirgood; Gail Kerr from Access Services Inc.; Terri Irwin; Tasmanian Senator Catryna Bilyk; Russell Furner; Doug Flockart from Clubs Queensland; John Battams from the Queensland Teachers Union; Matthew Flanagan; Shan Ju Lin; Robert Mukombozi; Antione Ghanem from Byblos Bar and Restaurant Brisbane; Kath Nelson from Australian Services Union Queensland Branch; Peter Finn from Lion Dairy and Drinks; Karen Barfoot from Bristol-Myers Squibb Pharmaceuticals; the Hon. Mark Dreyfus; Mike Symon, the member for Deakin; Inspector John Fox from Queensland Police; Christine Flage; Robyn Deane; the Hon. Kevin Rudd; Rikki Mawad; Brendan McShanag; David Smith from the Australian Services Union; Melody Edwardson; Jeanie Rogers; Bronwyn Tutty; Senator Carol Brown; Meg Hart; Shayne Neumann, the member for Blair; Bidvest; Glenn Sutcliffe of IGA Distribution; Laurie Ferguson, the member for Werriwa; Lanna Lee from the Thai on Grand restaurant; Petrina Zaphir from Channel 9 News; and Vicki James from the Cancer Council of Queensland. And there were many others who bought tickets and attended the fundraiser at Club Pine Rivers to contribute to our team raising over $15,000. All those donors over the years have brought our team total to over $85,000—not a bad achievement, if I say so myself.

I will give you a bit of an idea of the night. The first stage of the event is the survivors walk, where the survivors march around the relay course to demonstrate the fact that they have actually survived cancer. That is followed by a very moving candlelight vigil where people light candles for the family or friends they have lost to
cancer. That time of the night is such a moving event. As I have spoken about, there are games and entertainment, along with what we did. This time round there were also stage performances. Some fellas dressed up as women. I could not get into that myself, naturally. But there was a performance by Petrina Zaphir which surprised us. She went on stage and sang a couple of numbers and showed a clear attribute that no-one knew she had.

I also want to thank the staff and volunteers who made this event so successful. It is an event that we will get involved in year after year. In fact, we are already discussing how we will coordinate the event for 2012 and what we might call ourselves as a team next year. Our aim is to smash this year's total and try to get around $30,000 or $40,000 for the Cancer Council of Queensland. I am sure that with the commitment of the people involved this year and the people who want to be part of our team next year we are going to reach that amount.

Senate adjourned at 20:39
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**AusAID**

(Question No. 553)

Senator Johnston asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 March 2011:

For each calendar year, from 2005 to 2010, how many overseas business class flights were taken by Canberra-based AusAID staff.

Senator Conroy: The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

2005—984 flights
2006—1116 flights
2007—1321 flights
2008—1317 flights
2009—1034 flights
2010—1011 flights

**AusAID**

(Question No. 554)

Senator Johnston asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 March 2011:

For each calendar year, from 2005 to 2010, what were the top 10 countries visited by Canberra-based AusAID staff.

Senator Conroy: The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

<table>
<thead>
<tr>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>Indonesia</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>Papua New Guinea</td>
<td>Papua New Guinea</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>Solomon Islands</td>
<td>Fiji</td>
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<tr>
<td>Fiji</td>
<td>Fiji</td>
<td>Solomon Islands</td>
</tr>
<tr>
<td>Philippines</td>
<td>Philippines</td>
<td>Philippines</td>
</tr>
<tr>
<td>Thailand</td>
<td>Vietnam</td>
<td>Thailand</td>
</tr>
<tr>
<td>Vietnam</td>
<td>East Timor</td>
<td>Vanuatu</td>
</tr>
<tr>
<td>East Timor</td>
<td>Thailand</td>
<td>East Timor</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>Vanuatu</td>
<td>New Zealand</td>
</tr>
<tr>
<td>China</td>
<td>New Zealand</td>
<td>China and Samoa</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Papua New Guinea</td>
<td>Papua New Guinea</td>
<td>Papua New Guinea</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Indonesia</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Fiji</td>
<td>Fiji</td>
<td>Fiji</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>Solomon Islands</td>
<td>Solomon Islands</td>
</tr>
</tbody>
</table>
A number of itineraries by AusAID staff include more than one destination. The figures are calculated using the first destination of the itinerary.

**AusAID**

(Question No. 557)

Senator Johnston asked the Minister representing the Minister for Foreign Affairs, upon notice, on 25 March 2011:

For each calendar year, from 2005 to 2010: (a) how many AusAID contracts with service providers were terminated due to corruption or project mismanagement; and (b) can the names of these service providers be provided.

Senator Conroy: The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

Two organisations that were involved in implementing AusAID-funded activities were identified as having their contracts terminated from 2005 to 2010 for reasons of fraud or mismanagement. A further 21 project staff of organisations implementing AusAID-funded activities had their employment contracts or sub-contracts terminated during this period as a result of fraud or project mismanagement. Details are set out in the table below.

Given the sensitivities involved in these investigations, it would be inappropriate to provide the names of organisations and individuals involved.

Where possible, AusAID or implementing organisations took action to recover funds.

<table>
<thead>
<tr>
<th>Program title</th>
<th>Termination action taken</th>
<th>Year occurred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Regional Development Scholarships – Vanuatu</td>
<td>AusAID terminated contract</td>
<td>2007</td>
</tr>
<tr>
<td>Demand Governance and Justice Program—Fiji</td>
<td>AusAID terminated the funding agreement</td>
<td>2009</td>
</tr>
<tr>
<td>Mozambique Australian Partnerships with African Communities</td>
<td>Implementing organisation terminated a senior trainer's contract</td>
<td>2006</td>
</tr>
<tr>
<td>PNG Law and Justice Program</td>
<td>Implementing organisation terminated a clerical staff member's contract</td>
<td>2006</td>
</tr>
<tr>
<td>East Timor Public Sector Capacity Development Program</td>
<td>A program adviser's employment contract was terminated</td>
<td>2006</td>
</tr>
<tr>
<td>PNG Law and Justice Program</td>
<td>Implementing organisation terminated employment contract of locally engaged staff member</td>
<td>2007</td>
</tr>
<tr>
<td>Solomon Islands Health Institutional Strengthening Project</td>
<td>Partner government employee's contract was terminated</td>
<td>2007</td>
</tr>
<tr>
<td>Agriculture Quality Improvement Project—Cambodia</td>
<td>Project officer's employment contract was terminated</td>
<td>2008</td>
</tr>
<tr>
<td>Program title</td>
<td>Termination action taken</td>
<td>Year occurred</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Basic Education Assistance for Mindanao—Philippines</td>
<td>Partner government terminated employment of a government official</td>
<td>2007</td>
</tr>
<tr>
<td>Human Rights Education and Training project—Laos</td>
<td>Implementing organisation terminated the project manager's employment</td>
<td>2007</td>
</tr>
<tr>
<td>HIV/AIDS Program in Zimbabwe</td>
<td>Managing contractor terminated the employment of four staff members.</td>
<td>2007</td>
</tr>
<tr>
<td>HIV/AIDS Program in Zimbabwe</td>
<td>Managing contractor terminated contract of Program Admin Manager</td>
<td>2008</td>
</tr>
<tr>
<td>Clinton Foundation HIV/AIDS Initiative—PNG</td>
<td>Implementing organisation terminated the project manager's employment</td>
<td>2007</td>
</tr>
<tr>
<td>Nutriion and Community Health Project—East Timor</td>
<td>Managing contractor terminated NGO project. NGO terminated the employment of the suspect.</td>
<td>2008</td>
</tr>
<tr>
<td>Electoral Support program Phase II—PNG</td>
<td>9 implementing partner program officers had contracts terminated</td>
<td>2008</td>
</tr>
<tr>
<td>Philippines-Australia Community Assistance Program – Swamp Rangers for Candaba Swamp and Wildlife Conservation and Ecotourism</td>
<td>Program officer tendered resignation having been advised his contract would be terminated.</td>
<td>2008</td>
</tr>
<tr>
<td>Democratic Governance Program—PNG</td>
<td>Managing contractor terminated project finance officer's employment contract</td>
<td>2008</td>
</tr>
<tr>
<td>Capacity Building Service Centre—PNG</td>
<td>Employee's contract terminated</td>
<td>2009</td>
</tr>
<tr>
<td>Education Capacity Building Program—PNG</td>
<td>Locally engaged clerical support staff member's contract terminated</td>
<td>2008</td>
</tr>
<tr>
<td>Education Employment Skills Development Program—East Timor</td>
<td>A program coordinator's sub-contract was terminated</td>
<td>2008</td>
</tr>
<tr>
<td>Fiji Health Sector Improvement Program</td>
<td>Managing contractor terminated project officer's employment</td>
<td>2008</td>
</tr>
<tr>
<td>Australia Pacific Technical College – Fiji</td>
<td>Coordination Office finance officer's contract terminated</td>
<td>2008</td>
</tr>
<tr>
<td>Electoral Support Program 2—PNG</td>
<td>Managing contractor terminated employment of the offender</td>
<td>2009</td>
</tr>
</tbody>
</table>

Australian Taxation Office

**Question No. 1105**

Senator Abetz asked the Minister representing the Assistant Treasurer, upon notice, on 9 September 2011:

With reference to an answer to a question without notice on taxation asked by Senator Payne in the Senate on 25 August 2011 and the Minister's reply that 'the ATO [Australian Taxation Office] had found a high level of noncompliance in relation to tax obligations by contractors in this industry':

1. What evidence is there of noncompliance of contractors in the building industry.
2. How many cases have there been over the past year of non-compliance.
3. Was this proposal made to the Government by the ATO or by the Minister's office; if neither, which department put forward this policy.
(4) Was any analysis done on the additional level of red tape that these obligations will place on contractors; if so, what was the result of that analysis; if not, why not.

Senator Sherry: The Assistant Treasurer has provided the following answer to the honourable senator’s question:

(1) In order to better understand compliance risks, the ATO has collected information from businesses in the building and construction industry about payments they made to contractors for the 2008-09 and 2009-10 income years. The ATO then matched the data to taxation information to identify the correct taxpayer and check their compliance with income tax obligations.

For the 2009-10 income year, the ATO found that only half of the individuals and just over three quarters of non-individuals, who could be identified, complied with their taxation obligations.

In addition, approximately 9% of the payment details collected were made to contractors who could not be matched to ATO records because they did not quote an Australian business number or did not quote their correct Australian business number. Whilst further work is required to correctly identify the recipients of these payments, it is unlikely that the income has been correctly reported.

The following tables provide income tax compliance data for the 2009-10 income year for contractors in the building and construction industry. These results are consistent with the findings for the 2008-09 income year.

Of the 11,384 contractors who were able to be identified, 5,353 or 47% were individuals and 6,031 were non-individuals (companies, partnerships and trusts). The following tables provide the compliance data for these contractors.

Table 1 Compliance by individual contractors

<table>
<thead>
<tr>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals who complied</td>
<td>2,679</td>
</tr>
<tr>
<td>Individuals who have not lodged</td>
<td>1,748</td>
</tr>
<tr>
<td>Individuals who omitted income</td>
<td>926</td>
</tr>
<tr>
<td>Total individuals</td>
<td>5,353</td>
</tr>
</tbody>
</table>

Table 2 – Compliance by non-individual contractors (companies, partnerships and trusts)

<table>
<thead>
<tr>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-individuals who complied</td>
<td>4,697</td>
</tr>
<tr>
<td>Non-individuals who have not lodged</td>
<td>1,037</td>
</tr>
<tr>
<td>Non-individuals who omitted income</td>
<td>297</td>
</tr>
<tr>
<td>Total non-individuals</td>
<td>6,031</td>
</tr>
</tbody>
</table>

(2) The tables above provide information about contractors who received payments in the 2009-10 income year and have not complied with their obligations to lodge tax returns and correctly report their income.

In summary, of the 11,384 contractors identified, the following were determined to have not complied with their income tax obligations:
- 2,674 (50%) of individual contractors (Table 1)
- 1,334 (22%) of non-individual contractors (companies, partnerships and trusts) (Table 2).

(3) The proposal was developed jointly by the ATO and the Treasury. The formal proposal to the Government was put forward by the Treasury.
A Regulation Impact Statement was developed by the Treasury to analyse the costs and benefits of the proposal, and was approved by the Office of Best Practice Regulation. This process included analysis of the compliance costs and burdens that would be placed on contractors and businesses paying those contractors. The analysis concluded that unless contractors further sub-contracted work, there would be no additional compliance burden for them. The compliance costs for businesses paying contractors were minimised by the fact that they would only be required to report information that currently they generally keep under existing record keeping requirements and practices. The full Regulation Impact Statement is available on the Office of Best Practice Regulation website.

Further consultation with industry has been undertaken to minimise the compliance burden on businesses paying contractors.

**Employment Participation and Child Care**  
(Question No. 1233)

**Senator Abetz** asked the Minister for Tertiary Education, Skills, Jobs and Workplaces Relations (transferred to the Minister representing the Minister for Employment Participation and ChildCare), upon notice, on 22 September 2011:

With reference to the answer to question on notice no. 899 (Senate, Hansard, 13 September 2011, p. 88), given that specific details of complaints were not sought, simply the nature of the complaint: (a) can a list of the complaints be provided under broad categories such as sexual harassment, misuse of resources etc; and (b) how many complaints were able to be resolved with payment or without payment etc.

**Senator Chris Evans:** The Minister for Employment Participation and Childcare has provided the following answer to the honorable members' question:

(a) Max Employment, as a large provider of employment services, has attracted a profile of complaints that is consistent with both its size and with the types of complaints that are received for Job Services Australia providers generally. These complaints have included job seekers complaining about their participation obligations; the nature, tailoring or level of assistance offered; the process of transferring the job seekers between providers; interactions with provider staff and complaints from job seekers about their access to expenditure from the Employment Pathway Fund. All complaints are taken seriously and where appropriate, an employment services provider will be required to take action regarding the issue or complaint.

(b) No complaints about MAX Employment have resulted in a compensation payment by the Commonwealth.