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Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

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http://parlinfo.aph.gov.au

SITTING DAYS—2011

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RADIO BROADCASTS
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- PERTH 585AM
- SYDNEY 630AM

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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 Cossin, Mary Jo Fisher, David Julian Fawcett, Helen Evelyn Kroger, Scott Ludlam, Gavin Mark Marshall, Claire Mary Moore and Louise Clare Pratt
Leader of the Government in the Senate—Senator Hon. Christopher Vaughan Evans
Deputy Leader of the Government in the Senate—Senator Hon. Stephen Michael Conroy
Leader of the Opposition in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Opposition in the Senate—Senator Hon. George Henry Brandis SC
Manager of Government Business in the Senate—Senator Hon. Joseph William Ludwig
Manager of Opposition Business in the Senate—Senator Mitchell Peter Fifield

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

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

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

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

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

Minister for the Arts                                      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. Jason Clare MP
Minister for Indigenous Health                          Hon. Warren Snowdon MP
Minister Assisting the Prime Minister on Mental Health Reform Hon. Mark Butler MP
Minister for the Status of Women                         Hon. Kate Ellis MP
Minister for Social Housing and Homelessness            Senator Hon. Mark Arbib
Special Minister of State                               Hon. Gary Gray AO, MP
Minister for Small Business                             Senator Hon. Nick Sherry
Minister for Home Affairs and Minister for Justice      Hon. Brendan O'Connor MP
Minister for Human Services                              Hon. Tanya Plibersek MP
Cabinet Secretary                                        Hon. Mark Dreyfus QC, MP
Parliamentary Secretary to the Prime Minister            Senator Hon. Kate Lundy
Parliamentary Secretary to the Treasurer                Hon. David Bradbury MP
Parliamentary Secretary for School Education and Workplace Relations Senator Hon. Jacinta Collins
Minister Assisting the Prime Minister on Digital Productivity Senator Hon. Stephen Conroy
Parliamentary Secretary for Trade                        Hon. Justine Elliot MP
Parliamentary Secretary for Pacific Island Affairs       Hon. Richard Marles MP
Parliamentary Secretary for Defence                      Senator Hon. David Feeney
Parliamentary Secretary for Immigration and Multicultural Affairs Senator Hon. Kate Lundy
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing Hon. Catherine King MP
Parliamentary Secretary for Disabilities and Carers       Senator Hon. Jan McLucas
Parliamentary Secretary for Community Services           Hon. Julie Collins MP
Parliamentary Secretary for Sustainability and Urban Water Senator Hon. Don Farrell
Minister Assisting on Deregulation and Public Sector Superannuation Senator Hon. Nick Sherry
Minister Assisting the Attorney-General on Queensland Floods Recovery Senator Hon. Joe Ludwig
Parliamentary Secretary for Agriculture, Fisheries and Forestry Hon. Dr Mike Kelly AM, MP
Minister Assisting the Minister for Tourism               Senator Hon. Nick Sherry
Parliamentary Secretary for Climate Change and Energy Efficiency Hon. Mark Dreyfus QC, MP
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for
Foreign Affairs and Shadow Minister for Trade
Leader of the Nationals and Shadow Minister for Infrastructure
and Transport
Leader of the Opposition in the Senate and Shadow Minister for
Employment and Workplace Relations
Deputy Leader of the Opposition in the Senate and Shadow
Attorney-General and Shadow Minister for the Arts
Shadow Treasurer
Shadow Minister for Education, Apprenticeships and Training
and Manager of Opposition Business in the House
Shadow Minister for Indigenous Affairs and Deputy Leader of
the Nationals
Shadow Minister for Regional Development, Local Government
and Water and Leader of the Nationals in the Senate
Shadow Minister for Finance, Deregulation and Debt Reduction
and Chairman, Coalition Policy Development Committee
Shadow Minister for Energy and Resources
Shadow Minister for Defence
Shadow Minister for Communications and Broadband
Shadow Minister for Health and Ageing
Shadow Minister for Families, Housing and Human Services
Shadow Minister for Climate Action, Environment and Heritage
Shadow Minister for Productivity and Population and Shadow
Minister for Immigration and Citizenship
Shadow Minister for Innovation, Industry and Science
Shadow Minister for Agriculture and Food Security
Shadow Minister for Small Business, Competition Policy and
Consumer Affairs

Hon. Tony Abbott MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Eric Abetz
Senator Hon. George Brandis SC
Hon. Joe Hockey MP
Hon. Christopher Pyne MP
Senator Hon. Nigel Scullion
Senator Barnaby Joyce
Hon. Andrew Robb AO, MP
Hon. Ian Macfarlane MP
Senator Hon. David Johnston
Hon. Malcolm Turnbull MP
Hon. Peter Dutton MP
Hon. Kevin Andrews MP
Hon. Greg Hunt MP
Mr Scott Morrison MP
Mrs Sophie Mirabella MP
Hon. John Cobb MP
Hon. Bruce Billson MP

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

Shadow Minister for Employment Participation
Hon. Sussan Ley MP

Shadow Minister for Justice, Customs and Border Protection
Mr Michael Keenan MP

Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation
Senator Mathias Cormann

Shadow Minister for Childcare and Early Childhood Learning
Hon. Sussan Ley MP

Shadow Minister for Universities and Research
Senator Hon. Brett Mason

Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Minister for Indigenous Development and Employment
Senator Marise Payne

Shadow Minister for Regional Development
Hon. Bob Baldwin MP

Shadow Special Minister of State
Hon. Bronwyn Bishop MP

Shadow Minister for COAG
Senator Marise Payne

Shadow Minister for Tourism
Hon. Bob Baldwin MP

Shadow Minister for Defence Science, Technology and Personnel
Mr Stuart Robert MP

Shadow Minister for Veterans' Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC
Senator Hon. Michael Ronaldson

Shadow Minister for Regional Communications
Mr Luke Hartsuyker MP

Shadow Minister for Ageing and Shadow Minister for Mental Health
Senator Concetta Fieravanti-Wells

Shadow Minister for Seniors
Hon. Bronwyn Bishop MP

Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate
Senator Mitch Fifield

Shadow Minister for Housing
Senator Marise Payne

Chairman, Scrutiny of Government Waste Committee
Mr Jamie Briggs MP

Shadow Cabinet Secretary
Hon. Philip Ruddock MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition
Senator Cory Bernardi

Shadow Parliamentary Secretary for International Development Assistance
Hon. Teresa Gambaro MP

Shadow Parliamentary Secretary for Roads and Regional Transport
Mr Darren Chester MP

Shadow Parliamentary Secretary to the Shadow Attorney-General
Senator Gary Humphries

Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee
Hon. Tony Smith MP

Shadow Parliamentary Secretary for Regional Education
Senator Fiona Nash

Shadow Parliamentary Secretary for Northern and Remote Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Local Government
Mr Don Randall MP

Shadow Parliamentary Secretary for the Murray-Darling Basin
Senator Simon Birmingham

Shadow Parliamentary Secretary for Defence Materiel
Senator Gary Humphries

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Thursday, 15 September 2011

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

BILLS

National Broadband Network Financial Transparency Bill 2010 (No. 2)

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator URQUHART (Tasmania) (09:31): Isn't it nice when those on the opposite side recognise that we have done something. The National Broadband Network Financial Transparency Bill 2010 (No. 2) is a rehashed version of an old bill that Malcolm Turnbull brought to the lower house last year, a bill that was defeated. Not only is this bill a rehash of a failed bill but it has had to be amended to reflect the hard work of this Gillard Labor government.

The amended bill says to Australians that the Gillard Labor government is getting on with governing this country. It says to Australians that the Gillard Labor government is not only tackling climate change with a carbon price that will cut pollution, cut taxes, increase the pension and create clean energy jobs; not only putting more doctors, more nurses and more beds into our hospitals, resulting in less waiting and less waste; not only giving Australians a fair share of the mining boom and also boosting retirement savings, providing tax breaks for small business and a company tax cut; not only doubling investment in school education, upgrading facilities and providing more information for parents than ever before; not only taking a serious look at how best to improve aged care to give older people more choice and control; not only investing more than $36 billion in invaluable infrastructure projects that will lift productivity; not only planning the nation's first ever national disability insurance scheme; not only delivering $5.8 billion to flood affected regions across the country; and not only seeing the passage of 185 bills through the House of Representatives and 138 through this parliament, which is more than the Howard government in the same amount of time, but this Gillard Labor government is also serious about providing financial transparency on the National Broadband Network through a corporate plan, which was released on 20 December last year.

The corporate plan, which of course was being prepared regardless of this bill, is sufficient to cover the coalition's demands for a business case for the National Broadband Network. It is sufficient for them to remove half of this stunt bill. However, those opposite continue to make half-baked, semi-serious demands for a full cost-benefit analysis of the National Broadband Network when they know as well as we do that it is not necessary. This is obvious because those opposite seem to think that the Productivity Commission could prepare a cost-benefit analysis on the National Broadband Network by 1 February 2012—that is, 4½ months away from now, and so far less than the date of royal assent and commencement. Although they are only proposing to give the Productivity Commission a few months to prepare this cost-benefit analysis, they have specified 15 matters the cost-benefit analysis must cover—15 matters in a few months.

Add to that the fact that, just as with the next private senator's bill to be heard in this place, the Leader of the Opposition has admitted that even if the result were unequivocally in favour of the Gillard Labor government's policy he would not listen to it
anyway. No doubt they would seek to tarnish the reputations of the telecommunications experts just like they do with climate scientists and economists in regard to the need to tackle climate change. The Australian people are finding this constant obstructionism and negativity offensive. We have one morning a week to set aside for private senators' bills and those opposite consider it appropriate to move stunt bills that they know do not have achievable goals. They know they will be defeated, and for the sake of what? To give me a chance to stand here and tell me how silly you look? No, it is because they are about cheap, short-term stunts. Those opposite are not interested in what a Productivity Commission cost-benefit analysis has to say. They know it would take many years and require a range of heroic assumptions for the Productivity Commission to do a formal cost-benefit analysis of the NBN. They know that the NBN's potential benefits affect almost every aspect of the economy and society. As one person said to Mr Turnbull at a public forum a few months ago: 'Who are you going to get to do the analysis? The Nostradamus unit of the Productivity Commission?' Australians know that no cost-benefit analysis was done on other major government projects such as the Adelaide to Darwin railway, the privatisation of Telstra or Malcolm Turnbull's very own $10 billion water plan.

Australians understand the benefits of the National Broadband Network. The facts are that the National Broadband Network will deliver affordable high-speed broadband services to all Australian homes, businesses, schools and hospitals no matter where they are located in Australia. As Australia's first national, wholesale-only communications network, the NBN will also support genuine competition in the telecommunications sector for the first time, which means better outcomes for consumers. This is instead of the vertically integrated, privately owned monopolist that currently operates our telecommunications industry.

The NBN will connect 93 per cent of premises in Australia with optical fibre, delivering speeds of up to gigabit per second, many times faster than many people experience today. All remaining premises will receive next generation wireless and satellite technology, providing peak speeds of 12 megabits per second. While those opposite continue to spout negatives, the NBN Co. is getting on with the job of connecting Australia. There is an overwhelming level of support in some communities. For example, the number of households that signed up for a fibre connection in the first release sites averaged 75 per cent, including a high of over 90 per cent in Willunga in South Australia.

My home state of Tasmania has been at the forefront of the development of the NBN. We have seen successful rollouts in Smithton, Scottsdale and Midway Point, with more than 200 kilometres of optic fibre laid at this stage and over 200 people employed during the project. Fibre is currently being laid in Triabunna, Sorell, Deloraine, St Helens, Kingston Beach and George Town, with work soon to begin in South Hobart. Labor is getting on with the job of connecting Australia.

Tasmania has traditionally had lower education achievement levels than other states but, with the NBN, educators like Skills Tasmania have been able to start providing better online resources to help teachers and vocational education trainers in schools across the state incorporate e-learning into their teaching. One major barrier to this resource has been the restricted internet bandwidth faced by many Tasmanians which results in the types of information students and teachers can view...
being limited by how patient they are or how long they can wait for resources to download to their computer. This is hardly an effective classroom environment. We need to encourage all Australians to continue to upskill, and there should not be a false barrier that isolates remotely located students. The NBN, where all Australians will have access to bandwidth of at least 12 megabits per second, will allow classroom discussions and teacher professional development to be conducted remotely but in real time.

Added to this are the exciting video based opportunities for learning, where students will not be simply sent one package of learning materials in the post at the beginning of a semester but will be able to quickly receive materials over the internet that will be far more engaging and potentially more up to date. The days of downloading files, installing software and worrying about compatibility will be in the past, thanks to the NBN. With the NBN, people will be able to log onto virtual machines where their applications, such as courses, are hosted completely separately from the material they have at home. It will transform the way in which Australians teach and learn.

Remote diagnosis over high-definition videoconferencing is a healthcare benefit of the NBN that will save the Australian government money and save Australians in regional areas who are battling an illness the stress of having to travel long distances to get the best specialist advice and monitoring that those in the cities get. Federal Labor’s plans to allow Medicare rebates for these sorts of services will build on these technological possibilities.

The NBN will assist with overcoming the tyranny of distance for work, improving people’s ability to ‘telework’ from home sometimes, allowing greater workplace flexibility that does not result in lower wages, reduced penalty rates and worsened conditions as those opposite continue to purport. The NBN will allow people to seek greater job opportunities and stay in their local regional communities and not have to move to a big city or be constantly travelling. In the Circular Head region of Tasmania, based around Smithton, a major factory closed its doors in 2010. However, some of its displaced workers have been able to harness the power of the NBN and begin retraining without having to leave their town. In difficult times, local opportunities through the NBN see communities united.

An opportunity for Tasmania that would not be possible without reliable network connectivity is a Google data centre. This week it has been reported that Google are looking to build a data centre to service the Asia-Pacific region and they have stipulated that they will look to build only in locations with a high percentage of renewable energy. This makes Tasmania the only viable option in Australia.

In Smithton, I know a number of those workers I referred to. A lot of those workers have had difficulty accessing services in the past. They live in a very remote area of Tasmania. The NBN will provide those people with lots of different opportunities that they have not had in the past. The hydro dams of the mid 20th century are combining with the National Broadband Network of the 21st century to give Tasmania a competitive edge. Both were instigated under Labor governments who did not just look to the past but embraced the future.

It is embracing the future that is at the core of the National Broadband Network. OECD statistics for June 2010 show that Australia is falling behind other developed countries on broadband. Australia is ranked
18th out of 31 developed countries on number of broadband connections. A June 2011 study by Akamai ranked Australia 42nd in the world for internet speeds, on par with Russia and lagging behind almost every single advanced industrial economy, including New Zealand. And yet those opposite want to delay and destroy the very infrastructure project that will kick Australia back up these rankings.

In the area where I live in Tasmania, on the north-west coast in a small farming community, I cannot get wireless. I cannot get good access to the internet. The NBN will be able to deliver that access to me and the people around me. Delay is only costing Australians. The Australian Local Government Association estimated in its 2007-08 State of the regions report that Australian businesses lost $3.2 billion and 33,000 jobs in 12 months due to inadequate broadband infrastructure. The NBN will fix this, but it will take time to fully connect Australia. This is an important initiative that regions like Smithton and others need.

That is why the Gillard Labor government switched on the new Interim Satellite Service as part of the National Broadband Network in July this year. The service replaces the Australian Broadband Guarantee and provides eligible rural and regional Australians with access to an enhanced service. The interim service is expected to be in operation until 2015 when NBN Co. plans to launch two purpose designed, high-speed broadband satellites that will provide a long-term satellite solution as part of the National Broadband Network.

The planning and design of the NBN has been about finding the most appropriate service at the right price for all Australians. A project of this scale is simply not possible for a private sector provider. On this side of the House we recognise that markets are not perfect and need strong government policy to facilitate the best outcome for all Australians. We are joined in this understanding by the chief executive of Singapore Telecommunications, who said:

You do need some level of economic intervention if you want to get a network built ahead of when a business case would encourage (private) operators to build a network.

Furthermore, the UN Broadband Commission report for 2011 provides strong support for Australia's commitment in rolling out the NBN and promoting the benefits of the digital economy in relation to education, teleworking and smart energy management. Most importantly, the report states:

To optimize the benefits to society, broadband should be coordinated on a countrywide basis, promoting facilities-based competition and with policies encouraging service providers to offer access on fair market terms ... efforts should be coordinated across all sectors of industry, administration and the economy.

Further—

Developing isolated projects or piecemeal, duplicated networks is not only inefficient, it delays provision of infrastructure that is becoming as crucial in the modern world as roads or electricity supplies.

The Gillard Labor government and worldwide leaders in the telecommunications industry recognise the role of government investment in the rollout of broadband networks. We understand that a purely commercial perspective would not be able to take account of the service benefits which are to follow.

The Gillard Labor government recognises that the NBN is an investment in our nation's future. That investment in our nation's future is also an investment in our children's future and our grandchildren's future. The NBN network is important not only for the future of our economy but also for the lives of the people that are coming after us. The
corporate plan shows a return on investment of over seven per cent, and we know from the Greenhill Caliburn report that the assumptions underlying revenue and cost projections in the NBN Co. corporate plan are reasonable. The Greenhill Caliburn report concludes that NBN Co.'s corporate plan is what it would expect to see from an Australian blue-chip company with the corporate plan providing:

... the level of detail and analytical framework that would be expected from a large listed public entity.

As recognised by Greenhill Caliburn, and those opposite through their amendment to this bill, NBN Co.'s corporate plan shows the NBN will provide all Australians with world-class broadband on a financially viable basis at affordable prices. The corporate plan shows taxpayers will get their investment back with a return. The NBN will provide a rate of return significantly higher than the government bond rate, and all Australians will gain access to this world-class network.

The National Broadband Network is another reform in Labor's ever-building suite of successful reforms that are about making that better place for our children and grandchildren. This bill sees a continuation of the monotonous negativity from those opposite who seek to delay and destroy one of the most valuable infrastructure projects in this nation's history—for what?—because time and time again they seek to put their short-term political advantage ahead of the long-term interests of this nation.

The NBN, as I outlined earlier, is a very important structure in this country. For those people in Smithton—and I will go back to them again because I know them very well—the ability to access and have a fast broadband system is going to change their whole outlook on life. When you are faced with a closure, such as the factory where they worked, your prospects of employment in your particular region are very limited. That is what happened to the people at the factory—200 of them were made redundant. The NBN and its provision in Smithton has provided those people with some opportunities that if it were not there they would not have had. They have access to fast broadband, they have access to better medical provision through the use of the NBN and they have better opportunities for their children to access better education.

Those are the things that the NBN will deliver to not only the community of Smithton but also those other communities like Triabunna, a very isolated community on the east coast of Tasmania, which at this stage is going through some closure of industries. Again, the NBN will deliver the opportunities to those people in that community to access the outside world and get training, education, access to health care and a whole range of things that they would not have been able to have had the NBN not come to their town.

This is a very important reform. The NBN does need to be there. We need to get it up as quickly as possible for all those people in all those communities not just in my home state of Tasmania but in every regional area. Even in the cities we need it. But in the regional areas, because of the tyranny of distance and because of the lack of availability of services and access to those services, we need the NBN for people to be able to have the same opportunities that their cousins in the cities have today. Therefore, this is a very important process that the Gillard Labor government is going through, and to put up obstacles such as those opposite—(Time expired)

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (09:51): I rise to oppose
the National Broadband Network Financial Transparency Bill 2010 (No. 2) and want to speak to the reasons why I do not think it is appropriate for this place to pass this legislation. Having just heard Senator Urquhart's very persuasive arguments, particularly as they relate to your home state, Deputy President, I find myself in furious agreement with her on the issue.

The first point to make is that there is nothing particularly new in this legislation. It is very much the bill that Malcolm Turnbull introduced into the lower house last year. The fate of that bill was that it was defeated by the House of Representatives on 19 November last year. This is really the second attempt to get the bill up, starting in the Senate this time. The bill has been slightly amended. It does recognise that the government did release the NBN Co. corporate plan on 20 December last year. But all of the weaknesses that resulted in the bill's rejection by the House of Representatives last year are still there.

The bill requires the Productivity Commission to do a cost-benefit analysis of the NBN by 1 December this year. The timeframe is ridiculously short and really shows that the opposition cannot be serious about the bill. The reality is that it simply would not be possible to do a proper cost-benefit analysis in the 2½ months that is required by the bill. However, having said that, in relation to the merits of doing a cost-benefit analysis, we know that the NBN is an investment and not a cost. The corporate plan shows that the return on investment is a bit over seven per cent, a very good return. Particularly if you look at the share market at the moment, a seven per cent return would be a very good investment. As Senator Urquhart said, we also know from the Greenhill Caliburn report that the assumptions underlying revenue and cost projections in the NBN Co. corporate plan are reasonable.

On the benefits side, there is plenty of evidence already. The OECD, the UN and Access Economics say that investments in high-speed fibre platforms will generate billions of dollars in economy-wide benefits. Two Access Economics reports that we released show that the benefits of telehealth to Australia could be between $2 billion and $4 billion a year and that Australia could save between $1.4 billion and $1.9 billion a year if 10 per cent of the workforce tele-worked half of the time. The OECD says that 'effective use of high-speed broadband can provide significant improvements in productivity and efficiency across a number of sectors such as energy, health, education and transport'. The United Nations says: Broadband is the next tipping point, the next truly transformational technology. It can generate jobs, drive growth and productivity, and underpin long-term economic competitiveness.

An IBM study in 2009 also found that the fibre-to-the-node network, which is an inferior network to what we are building: … would conservatively boost GDP by between $8 and 23 billion over a ten year period and jobs by 33,000 by 2011 in an economy operating at less than full employment.

So this is not a bill we should support. It is just a half-hearted attempt to throw up what we now can see as simple roadblocks to the NBN rollout.

The NBN is critical infrastructure that will connect our rural and regional centres back to our main cities and the wider world with world-class broadband. The NBN will deliver affordable, high-speed broadband services to all Australian homes, businesses, schools and hospitals, no matter where they are located in Australia. As Australia's first national wholesale-only communications network, the NBN will also support genuine
competition in the telecommunications sector for the first time, which means better outcomes for consumers. The NBN will connect 93 per cent of the premises in Australia with optical fibre, delivering speeds of up to one gigabyte per second—many times faster than many people experience today. All remaining premises will receive next generation wireless and satellite technology. I know that Senator Edwards will have had some of that in the Clare Valley, because there is a great broadband and wireless system set up there already. NBN will improve upon all of that by dramatically improving Australia's communications environment, and Australians are already lining up to receive these services. There is an overwhelming level of support in some communities. For example, in the NBN mainland first release sites, an average of 75 per cent of households signed up for a fibre connection. In my home state of South Australia, more than 90 per cent of households signed up.

Senator Urquhart went through some of the great achievements of the NBN in Tasmania, but I particularly want to talk about some of those in South Australia. As I am sure Senator Conroy is aware, Willunga, which is in the federal seat of Kingston, held by that very talented and hardworking South Australian MP Amanda Rishworth, will be the first place in South Australia to get the NBN. The town has already been connected for customer trials and the NBN will soon be formally launched there, ahead of commercial services commencing in October this year. Every community in South Australia—metropolitan, regional, rural and remote—will have access to high-speed broadband services over the NBN.

Willunga's neighbours, Seaford and McLaren Vale, will get the NBN in the second release. Modbury, which is in the seat of Makin, held by Tony Zappia, and Prospect, which is in the electorate of Adelaide, held by that hardworking MP Kate Ellis—

Senator Birmingham: You can always tell who is in your faction, Don.

Senator FARRELL: I have mentioned Tony Zappia.

Senator Birmingham: He wasn't 'hardworking'.

Senator FARRELL: If I failed to mention how hardworking he is, I want to get that on the record. Like all of my Labor colleagues in South Australia, including Senator—

Senator Ronaldson: You've forgotten the name!

Senator FARRELL: No. Senator McEwen. She slightly distracted me for a moment. I hope you do not give that one to the Australian! Senator McEwen is like all my hardworking colleagues in the Senate and the lower house. They are all hardworking in South Australia if they are in the Labor Party. I cannot say the same for the other side.

Senator McEwen: They love the NBN.

Senator FARRELL: They do love the NBN. Senator McEwen is exactly right there.

Senator Ronaldson: Have you been asked to fill a gap?

Senator FARRELL: I find that quite offensive, to be perfectly honest with you, Senator Ronaldson. I am talking about a great project in South Australia and about all the places in South Australia where this project is being rolled out. Another hardworking person whom I have not mentioned is Nick Champion. He has been working very hard, lobbying on behalf of the good people of Wakefield—I see you are leaving the chamber, Senator Ronaldson—to ensure that they get the NBN sooner rather
than later. That is because Nick Champion and the people of Wakefield know how important the benefits of the NBN will be.

The NBN is critical for the future of education, small business, the health sector and our ability to work smarter and faster. It is a project of crucial national importance, and its impact on how Australians communicate with each other and with the world will be profound.

The opposition does not seem to get this, but fortunately most Australians do. We know they get it because of how quick they have been to sign up for the NBN. Willunga is one of five NBN mainland first-release sites. I mentioned that more than 90 per cent of households there had signed up for the connection, which I know is very pleasing to Senator Conroy. In some of the other mainland first-release sites, the take-up rates are 88 per cent of households in the site near Armidale and 78 per cent in Kiama Downs, both of which are in New South Wales.

In addition to the NBN fibre connections, the Gillard government has also committed to fast-tracking the introduction of fixed wireless and next generation satellite services so that regional Australia, including South Australia, can get access to better broadband as soon as possible. These next generation wireless and satellite systems will provide customers with significantly improved services, offering peak speeds of 12 megabits per second. For regional South Australia, the NBN provides opportunities for businesses to connect to distant markets through high-speed broadband.

A number of contractors are interested in the NBN construction work in South Australia and the Northern Territory. Further discussions are taking place between these contractors and NBN Co. NBN Co. is continuing internal planning and design in readiness for a future construction contract, when that is let.

The fine South Australian coastal town of Victor Harbor is a fibre backbone link in the Australian government's $250 million Regional Backbone Blackspots Program. This program is delivering 6,000 kilometres of fibre backbone across regional Australia, benefiting about 400,000 people. The NBN backbone infrastructure in South Australia was completed in March 2011, and new commercial broadband services in Victor Harbor were launched in May this year.

The delivery of new ADSL2+ broadband services for residents of Victor Harbor, Strathalbyn and Goolwa represents a substantial improvement to the ADSL1 services previously on offer. The new fibre infrastructure allows internet service providers to expand their services into many parts of regional areas in South Australia, including Victor Harbor. The investment in South Australia will be $34.1 million, as part of the overall program funding. This includes the $12.6 million allocated to provide a backbone link to Victor Harbor and part of the $70.7 million allocated to provide a backbone link from Broken Hill to Mildura and from Shepparton to Gawler.

As we know, particularly from what Senator Urquhart said in her speech, the opposition has taken every opportunity to prevent Australians from having this world-class, affordable broadband service. This bill is just another attempt to do that. I will oppose this bill when it comes to a vote.

Senator XENOPHON (South Australia) (10:07): I indicate that, when it comes to spending $43 billion on the nation's single biggest infrastructure project since the Snowy River hydro scheme, it is crucial that there be checks and balances and that they are conducted to ensure that the investment is worthwhile. So, in that sense, I support the
intention of what the opposition is trying to do through the National Broadband Network Financial Transparency Bill 2010 (No. 2), but it is the means by which it is trying to do it that I am concerned about.

Infrastructure of this sort can only be done once in a lifetime and it is crucial that it be done right. I accept that having the Productivity Commission look at the NBN project will shed light on this investment and on the most prudent use of taxpayers' funds. I supported the passage of the NBN legislation earlier this year, and in fact late last year in terms of the Telstra separation bill, following extensive negotiations. The public policy dilemma here is that Senator Conroy as the Minister for Broadband, Communications and the Digital Economy has had the unenviable task of effectively trying to unscramble an egg, given the privatisation of Telstra and its vertical integration and given that the OECD has said that we have one of the most constrained telco systems in the world in terms of a distinct lack of competition and lack of choice, something that is bad for consumers and bad for other entrants into the marketplace.

I made it clear that I do not want us to replace one monopoly, after it has been unravelled through some very complex pieces of legislation and some very complex deals with Telstra which are yet to be voted on by Telstra shareholders, with another. That is why I moved a number of amendments after significant negotiations with the government and after advice from my office and external advice from individuals such as Associate Professor Frank Zumbo, from the University of New South Wales, to ensure that there would be a level playing field for new entrants and for those accessing the NBN. I think it is important that Telstra does not further consolidate its market share in a way that fetters competition and, in turn, prejudices consumers.

As a result of the negotiations I had with the government, with the Prime Minister's office, late last year, an agreement was reached. I have tabled the letter of 23 November 2010 from the Prime Minister in the Senate previously. I will read the third paragraph of that letter. The context of the letter was that the government indicated there would be an accountability process:

... to establish a joint committee on the National Broadband Network, the JCNBN, to provide progress reports every six months to the parliament until the completion of the project ... The composition of this committee will mirror the Joint Committee of Public Accounts and Audit ... the committee will report on rollout progress, report against the final business plan, assess risk management processes and look at other matters the committee determines are relevant to its deliberations ... the committee would commence work on 1 July 2011—

in fact, it commenced before that time, as I understand it—

and will draw on any relevant material from the Standing Committee on Infrastructure and Communications, due to report back by August 2011. The committee would be able to call witnesses including MPs and senators about the performance of the NBN or any other matters of local interest.

The Prime Minister also confirmed on behalf of the government that government agencies and officials, including the Australian Competition and Consumer Commission, the Productivity Commission, the Australian Communications and Media Authority as well as the NBN Co., will if required be able to appear before or contribute advice to the JCNBN, and that the scope of the advice would be 'consistent with the purposes of the committee', as I have just outlined—namely, to consider the rollout and implementation of the NBN—and that the government will be writing to the Productivity Commission and the Australian Competition and Consumer Commission to advise these arrangements.
So we have a situation that, as a result of the Prime Minister's undertaking tabled in this parliament—effectively the position of the government—there will be a level of scrutiny and transparency in the process, which is welcome. That level of transparency and scrutiny will require the Productivity Commission to be involved in this process. My concern with the opposition's bill is that having a process of starting from scratch in terms of the cost-benefit analysis would not be a helpful exercise. What would be a more helpful exercise in the prudent and judicious use of taxpayers' funds would be to ensure that there is scrutiny of the process—for instance, testing matters that the shadow minister for communications and broadband, the member for Wentworth, the Hon. Mr Turnbull, has set out. I note from his address to the National Press Club on 3 August 2011 that he talked about an alternative approach to the NBN—that is, still having a national network but with an implementation and approach, whether it is fibre to the node or fibre to the home, that is somewhat different. I think Mr Turnbull's assertions are that that would save a considerable amount of money in terms of the rollout of the NBN and still substantially deliver to Australians what he says would be fast affordable broadband.

So I think it is not unreasonable for the Productivity Commission to look at that in the context of the joint committee looking into the NBN. In fact, that is what Mr Turnbull said on behalf of the coalition to the National Press Club just last month. He said: But remember the debate is not about fibre per se; rather it is about whether the enormous cost of running fibre into 93 per cent of homes and businesses is justified by the benefits. That is the core financial issue with respect to the NBN.

So that is the key issue here, and I think it can be dealt with by virtue of the government providing the Productivity Commission to give advice to the joint committee to look at these issues. That is the appropriate way to deal with it. If the committee decides not to go down that path, then I think that this bill needs to be revisited. I think it would be a mistake for the committee not to allow the Productivity Commission to give advice—to forensically look at these issues and give appropriate advice to the committee. But we have a mechanism in place, as we have an undertaking which has been communicated to the Productivity Commission, for an alternative way for the Productivity Commission to provide valuable input to this committee. Of course I should acknowledge that the minister, Senator Conroy, has outlined that Mr Turnbull's approach would not work and that this is the best way of going forward, so there is a contest of ideas as to what would be the most appropriate way of rolling out the NBN. But I do not consider it unreasonable—and I consider it to be within the terms of the Prime Minister's letter of 23 November 2010—for the Productivity Commission to look at these alternative approaches in terms of the policy objective of giving Australians fast, affordable broadband.

So I think that is what the debate should be about and that this particular bill—and I understand the intentions behind it—is not the appropriate vehicle to achieve that policy objective, to achieve that level of scrutiny. We already have a mechanism—that is, the joint committee. If the joint committee, in its wisdom, decides not to go down this path, then I think that this matter ought to be revisited. But at this stage, given that there is a process in place, I think the joint committee should make appropriate requests of the Productivity Commission for there to be a testing, if you like, of the two competing assertions—not of whether or not we should have a broadband network but of the best way of implementing it. I think that is
consistent with the terms of the Prime Minister's letter. So for those reasons I cannot support the opposition's bill. I think there are alternative mechanisms to have a robust level of scrutiny while having a forensic examination of the issues by the Productivity Commission via the Joint Committee on the National Broadband Network. So, again, for those reasons I cannot support this bill.

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) (10:16): I thank the members of the Senate who have contributed to this debate on the National Broadband Network Financial Transparency Bill 2010 (No. 2). Let us be clear about the motives of the coalition in reintroducing this private member's bill. It is not to task the Productivity Commission to do a cost-benefit analysis on the NBN by 1 February 2012; it is all about masking the fact that they have now cobbled together over 21 broadband policies, with their latest policy calling for the cross-subsidy to the bush to be abolished and replaced with vouchers, treating people in regional Australia as second-class citizens.

Let me make the government's position very clear. In summing up, I note our speakers have repeatedly demonstrated that there is a uniform, wholesale national price so that all Australians, no matter where they live, can enjoy fast and fairly priced broadband. The Gillard government is delivering world-class broadband infrastructure which will underpin Australia's productivity, prosperity and creativity into the future. There is considerable evidence available on the benefits of the NBN nationally and internationally. The NBN is a reality and work is well advanced across the country and this measure is really all about trying to delay the rollout.

Parliament looked at a cost-benefit analysis and its issues in detail during the debate into the NBN Co. bills and access bills. The opposition wants the Productivity Commission to conduct a cost-benefit analysis, but when you boil it down such a call is just another excuse for delay, another stunt to prevent the rollout of high-speed broadband in this country. The government has already examined the viability of the NBN, including through the 2010 McKinsey-KPMG implementation study, released on 6 May 2010, and the Greenhill Caliburn review of the NBN Co.'s corporate plan, an executive summary of which was released on 14 February 2011. Those opposite are not genuinely interested in what a cost-benefit analysis conducted by the Productivity Commission or any other cost-benefit analysis has to say. It is a purely political stunt designed to cover their lack of a credible broadband policy. I think it was Mr Graeme Samuel, as chairman of the ACCC, who summed up the erroneous claims for a cost-benefit analysis best when in an interview he said the following:

I don’t think there is anyone in the country or in the world that will be able to tell you the benefits flowing from a high-speed broadband network five or 10 years out, let alone 20 or 30 or 40 or 50 years out.

And therefore when people talk about social cost-benefit analyses or cost-benefit analyses, I think that their failure to understand that what we’re talking about here is a visionary project much like the Snowy Mountains Scheme, which I will venture to suggest to you was never the subject of a cost-benefit analysis as has been described, but was the subject of a range of different elements, not the least of which was a vision as to how it might benefit communities in general into the future.

The time frame set out under the amendment requiring the Productivity Commission to
prepare a cost-benefit analysis of the NBN proposal by 1 February 2012 is ridiculous and unrealistic. To do a formal cost-benefit analysis of the NBN would take at least 18 months but even then would require many heroic assumptions and would only tell us something that we already know, that Australia needs greater investment in high-speed broadband infrastructure.

NBN Co. is already subject to comprehensive scrutiny, more so than any publicly listed company and rightfully so given the amount of Commonwealth equity involved in the NBN rollout. NBN Co. is required to appear before the Senate Environment and Communications Committee as part of the Senate estimates process, where a significant number of questions on notice have been received and responded to. But let us be clear: in that forum the opposition continues to cry crocodile tears in claiming they are focused on and care about scrutiny and financial transparency. I say that because the evidence is to the contrary; it completely contradicts their claims. In the most recent Senate estimates hearing for NBN Co.—and, Senator Ludlam, I think you were forced to sit through it—in four hours of testimony, the opposition devoted over 3½ hours to their disgraceful smear campaign on Mr Michael Quigley, the CEO, and no more than 17 minutes to questions on issues to do with the NBN; 17 minutes in four hours.

Senator Birmingham: How is Mr Beaufret going?

Senator CONROY: He is retiring. Seventeen minutes in four hours.

Senator Birmingham interjecting—

Senator CONROY: Yes, to someone from another a country.

Senator Birmingham: Do you want to tell us why he’s going?

Senator CONROY: He is retiring. The National Broadband Network is Australia’s largest infrastructure project in our history. It is a nation-building project that all Australians both now and into the future will benefit from. It will deliver significant improvements in broadband services for all Australians at affordable prices. It will support a new wave of digital innovation that will change and improve the way Australians live their lives, receive services and connect to the world. It will help to drive Australia’s productivity. It will transform service delivery in key areas, such as health, education and energy. And it will connect Australia’s big cities, regional centres and rural communities.

The NBN will deliver affordable, high-speed broadband services to all Australian homes, businesses, schools and hospitals, no matter where they are located in Australia. The NBN will connect 93 per cent of premises to a high-speed fibre network, providing broadband speeds of up to 100 megabits per second with capability to provide higher speeds of up to one gigabit per second in the future. All remaining premises will be served by a combination of next-generation fixed-wireless and satellite technologies, providing peak speeds of 12 megabits per second.

While the Gillard government remains committed to uniform wholesale pricing, the National Party have walked away from not only their constituents in rural and regional
Australia but also their own policies—and, Senator Ludlam, I am sure you are going to be interested in some of the quotes I am going to read out in a moment. At their states conference in 2005, the Queensland Nationals passed a resolution for the implementation of their five-pillar telecommunications policy; however, that is now an inconvenient truth for them. This is what they said—this is what their own resolution said:

4. The maintenance of the price averaging basis for the cost of all new telecommunications and satellite Internet connections to ensure all Australians are charged the same basic price for maintenance and new connections …

And what are they supporting now? Vouchers; abolish their cross-subsidy—vouchers. But it gets better. In an interview with Laurie Oakes back in 2005, then Barnaby Joyce, now Senator Barnaby Joyce, was calling on his coalition colleagues to ensure that telecommunications policy, and I quote:

... we're going to give this—the 20 million people who live in such a vast country the ability to have parity of service, parity of price into the future.

He is now going to give them a voucher! It is clear that the Nationals are only interested in talking the talk, because the only walking they do is away from their rural and regional constituents.

The Gillard government remains committed to a high level of transparency and accountability regarding NBN Co. activity. The government recognises, accepts and welcomes that the NBN will touch the lives and homes of every Australian. It will transform and drive massive structural change in the Australian telecommunications market. It will involve the expenditure of billions of dollars of taxpayer funds and, understandably, generate demands for high levels of scrutiny, transparency, debate and parliamentary oversight both here and internationally.

The establishment of the joint committee on the rollout of the NBN, with very broad terms of reference and a balanced membership, demonstrates the government’s commitment to openness and transparency for the NBN. The terms of reference include the rollout, take-up targets, service levels, risk management processes and any other matter concerning the NBN rollout that the committee thinks is relevant. The work of that committee is well underway, and they have released and tabled an interim report.

The government supported amendments to the NBN bills, passed by parliament on 28 March, that added NBN as a prescribed authority under the FOI Act and the commencement of a review of NBN Co.’s approach to FOI matters within 12 months of their scheme commencing. There is also the House of Representatives Standing Committee on Infrastructure and Communications, which has examined the economic and social benefits of the National Broadband Network as it relates to health, education, regional economic growth and development, and business revenues and exports, amongst others. This committee held hearings all around the country and has recently tabled its report in the parliament.

There has been significant scrutiny of the viability of the NBN, including, as I have mentioned, the 2010 McKinsey and KPMG implementation study, the NBN Co. corporate plan and the 2011 Greenhill Caliburn review of the NBN Co. corporate plan. NBN Co.’s corporate plan, released on 20 December last year, confirms the NBN can be built on a financially viable basis with affordable prices for consumers. The plan also shows NBN Co. expects a rate of return of around seven per cent, which is significantly higher than the long-term bond
rate for the last 10 years of around 5.4 per cent. This means the government can recover all its investment in the NBN and make a return for taxpayers on that investment. The Greenhill Caliburn executive summary, released on 14 February 2011, validates the key assumptions made by NBN Co. and found that the corporate plan provides the government with a reasonable basis on which to make commercial decisions about the NBN Co.

Whilst the opposition continue in their quest to cover up their policy-free zone, business leaders at home and abroad continue to see the social and economic importance of the investment that we are making. Google's chairman and former CEO, Eric Schmidt, speaking earlier this year at the Mobile World Congress 2011 in Barcelona said:

... Australia is leading the world in understanding the importance of fibre. Your new Prime Minister as part of her campaign and now, you know, as part of her prime ministership, has announced that by roughly I think 2015 [or] 2016, 93 per cent of Australians, which I guess are all the folks in the cities, will have gigabit or equivalent service using fibre. And the other 7 per cent will be handled through wireless services of a nature of [Long Term Evolution].

This is leadership. And again, from Australia, which I think is wonderful.

That is the head of Google. But as we saw recently, when those opposite cannot get the experts to agree with them, they start attacking them. Just last week Mr Turnbull described Google as being involved in a conspiracy against the Australian taxpayer. That is what he actually said. He said they just want to use the network and their money is not in it. Ignore the fact that Google are investing their own money in the United States to build a fibre network providing a gigabit. No, here in Australia they are not prepared to put their own money up and they are engaged in a conspiracy against the Australian taxpayer!

Dodo and Exetel say, 'Actually, we are going to deliver services for $35 to $40 on the National Broadband Network.' They are attacked in the other chamber by Mr Fletcher on behalf of the opposition. If you are prepared to put your money where your mouth is—Google in the US, Exetel and Dodo here—completely disproving claims about the pricing of the NBN, you will be attacked by the opposition. It is a conspiracy to defraud the taxpayers of Australia!

What about Mr Craig Mundie, Microsoft's Chief Research and Strategy Officer? What did he have to say? Referring to the NBN he said: 'In the grand scheme of things going on in the world it probably ranks up there at the brilliant end of the scale, certainly in terms of what a government can do to prepare its citizens and businesses for an all-digital world of the future.' He went on to say: 'I think the leadership that has been provided here in Australia with this is far-sighted and one that I commend. It is a bit like ensuring that the population has water, roads and electricity. To some extent I think that broadband is going to become recognised as an essential service.'

But no, Microsoft are one of the conspirators as well according to Mr Turnbull. Google and Microsoft: it is a conspiracy. It is certainly a conspiracy against the policy-free zone of those opposite; that is true.

Mr Patrick Lo, founder and Chief Executive Officer of Netgear, said, 'We have a saying in the US, "If we build it, they will come." I think that applies in the case of the NBN.' Earlier this year another conspirator, Dr Tim Williams, the author of a report commissioned by Huawei titled Connecting Communities that looked into the benefits of the NBN, said, 'It is Australia's chance to not just catch up but get ahead decisively. It will
more than pay for itself,’—another conspirator against the Australian taxpayer.

In conclusion, the government's National Broadband Network will deliver cheaper and faster broadband services and is overwhelmingly supported by the Australian people. Detailed financial analysis has been undertaken in a $25 million implementation study. That study has provided a detailed analysis of the cost of delivering the NBN. It found that a $43 billion total capital cost is a conservative estimate and there are many opportunities to significant reduce the build cost. The Gillard government has revised that figure down through the NBN's own internal calculations in its business plan to $35.9 billion.

Importantly, our investment in the NBN is about future proofing Australia's economic prosperity, international competitiveness and social wellbeing, as well as laying the platform for the health, education and energy efficient solutions of the future. The Greenhill Caliburn report found the key assumptions underlying the revenue and cost projections of the NBN Co. corporate plan to be reasonable. Based on conservative assumptions, the NBN corporate plan shows the NBN will support uniform national wholesale prices that will support affordable retail prices. Do not be fooled by Mr Turnbull, Senator Birmingham and Mr Fletcher. Dodo and Exetel have put prices out there. Dodo is saying less than $40 and Exetel, for the base entry price to the National Broadband Network, is saying $34.95. There is no line rental. Always remember that, when it comes to the National Broadband Network, you do not need the copper anymore. The $29 a month that you pay currently is gone.

Senator Ludlam: That is outrageous; it's a scandal!

Senator CONROY: Outrageous I know! $34.95 for the base product from Exetel in the marketplace today. So the bill that Senator Birmingham is putting forward today should be seen for what it is: just another delaying tactic by those opposite to cover up their lack of policy when it comes to broadband in this country. I urge all senators to reject this bill.

Senator BIRMINGHAM (South Australia) (10:36): I thank all senators for their contribution to the debate on the National Broadband Network Financial Transparency Bill 2010 (No. 2). I even thank Senator Conroy for his contribution, no matter how misguided it was, no matter how wrong it was and no matter how misleading it was. I thank him, nonetheless, for that contribution. I want to knock on the head a few of the points that Senator Conroy has made in his contribution, and look at some of the other comments from speakers during the course of this debate.

Senator Conroy extensively argued that we have moved this bill to try and mask issues around coalition policies. This bill is not about coalition policies. It is quite transparently about the government's policy on the $50-plus billion National Broadband Network, and it is about accountability and transparency of whether that network is justified, whether it is a wise expenditure of taxpayers' money and whether it is the most efficient way of delivering fast and affordable broadband services to all Australians. That is the crux of it. That is the underlying question that gets asked again and again in this place by the opposition and that we ask ourselves when we develop our policies. Whether or not it is the most cost-efficient way of providing fast and affordable broadband services to all Australians is not the question, it seems, that the government asks in developing their policies or asked themselves in developing
this National Broadband Network—far from it being the question, because transparently this policy is not the most cost-efficient way for this National Broadband Network to deliver fast, efficient broadband services to all Australians.

Senator Conroy said again and again that this bill is somehow a delaying tactic around the NBN, a tactic or a technique to delay the construction and build of the NBN. What a load of codswallop. Honestly, if Senator Conroy actually just looked at the bill he would see that there is nothing in the bill that causes the current build, the current program, to be delayed. The only thing delaying the build of the NBN at present is the inefficiency of this government and the ineffectiveness of NBN Co. They are the only things delaying the build of the NBN to date. They are already running behind schedule, but not because of anything the opposition has done. They are running behind schedule because they could not manage to organise their way out of a wet paper bag.

That is the reality of this government. They cannot deliver any program on budget or on time in an effective manner and now they want to go down the path of building the single largest public infrastructure project in Australia's history. Senator Conroy likened it to the Snowy Mountains scheme. He likes to proclaim it as being bigger than that. That is the scale we are talking about for the Australian public to understand. It is $50-plus billion of build and payments to Telstra and Optus, all of it funded by debt either incurred by the government on behalf of taxpayers or incurred by the government owned NBN Co. monopoly on behalf of taxpayers and all of it funded by debt that taxpayers will have to fork out. Yet, this government wants us to believe that they can be trusted to deliver it. It is their fault that there are delays in their NBN to date.

Of course there are delays because they have their costings wrong. Each time they go out to the market to get a tender to build the NBN, the tender fails and they have to go back and try again because they cannot manage to find people to build it to the costs and specifications necessary for it to come in on budget. The only unfortunate thing about it is that, because the build happens over such a long period of time, it will probably be a very long period of time before the true cost of the budget blowouts and the true cost of the delays are actually clear for all to see.

Senator Conroy argued that the opposition would not be interested in what a Productivity Commission cost-benefit analysis of the NBN said. Why doesn't he test us? Why doesn't he have the courage of his own convictions and faith in his own policy? If Senator Conroy genuinely believes, and the Labor Party genuinely believes, that this NBN is good value for money then put it to the Productivity Commission. Let us see what they have to say on the matter. Let us actually see whether they come back and say, 'It stacks up.' Do you know what, Senator Conroy—if you are listening, wherever you are—if they came back and said that, you would be able to lord it over us if we did not accept it. You would be able to use it against us and say, 'Senator Birmingham and Mr Turnbull brought into the parliament legislation to force this cost-benefit analysis of the NBN. And guess what? This cost-benefit analysis has demonstrated that the NBN economics do stack up. So Senator Birmingham and Mr Turnbull, why don't you accept the findings of the Productivity Commission analysis that you yourselves initiated and asked for?'

Why wouldn't Senator Conroy call our bluff? Because he knows that, if you actually put this to the Productivity Commission, if you did have a thorough cost-benefit analysis of the $50-plus billion National Broadband
Network, it would not stack up and they would not come back and find that the NBN was the most cost-efficient way of delivering fast and affordable broadband to all Australians. He knows that because every time a respected economist, every time a respected analyst, actually looks at this matter they come out and find serious flaws in the government's case, serious flaws in what the government has done. That is why he is afraid of it going to the Productivity Commission because he is afraid that once again they will find such flaws. Even just today it has been revealed that economists looking at this policy of the government think it utter, utter madness. The government is scared of having thorough economic scrutiny of its NBN because they know that thorough economic scrutiny will find that it is a bad policy.

Let us have a look at what Professor Joshua Gans and his colleagues said in their submission to the ACCC's pricing inquiry on the NBN. Professor Gans was hand-picked by no less than Prime Minister Rudd to attend the great 2020 Summit that was had at the beginning of the life of this hapless government opposite. Some may remember the 2020 Summit, where the best and brightest minds of Australia got together in a wonderful talkfest to thrash out the direction for Australia's future. If only the government had vacated the stage and left the best and brightest minds to work it out we would be in a much better position than we are today. However, let us look at what Professor Gans, hand-picked by Prime Minister Rudd for the 2020 Summit, said about Labor's NBN policy. He said:

No one at the bargaining table appears to have represented consumer interests.

No one has represented consumer interests because we face:

… a return to monopoly network provision in telecommunications in Australia.

He is dead right. We certainly face a return to monopoly telecommunications provision. Every bill that Senator Conroy has put through this place on the NBN to date has been about further strengthening and enhancing the monopoly provisions that NBN Co. enjoys.

This paper in particular warns what the agreements with Telstra and Optus mean, the agreements that are so anticompetitive that they prevent Telstra and Optus from using their wireless networks to compete with the NBN Co. They said that those agreements are 'likely to be massively anti-competitive'. Professor Gans said:

Microeconomic reform had moved us away from this type of inefficient financing of government objectives. This proposal would move Australia back.

That is right: this proposal does move Australia back. It moves Australia back to a government owned, government financed, taxpayer underwritten monopoly enterprise for delivering telecommunications services in this country. We will not see the innovation that a competitive market would deliver. We will not see the type of price efficiency that a competitive market would deliver. It will be Australian consumers, Australian businesses, Australian industry and the Australian economy who are damaged because of this.

The submission by Professor Gans and his colleagues went on to say:

We can conceive of no greater anti-competitive action than the largest mobile service provider agreeing not to compete against the monopoly fixed line provider.

It is a pretty clear statement, and it is a pretty accurate statement at that. I can conceive of no greater anti-competitive action than that which the government has done. There is a multibillion deal valued somewhere—depending on who you listen to—between
$11 billion and $13 billion that NBN Co. and the Australian taxpayer are going to give to Telstra to shut down their network so that NBN Co. does not have to compete with that network. You have a situation where, as if it is not bad enough that we are paying $11 billion to $13 billion or so of taxpayer money to Telstra to shut down existing networks, NBN Co. has also forced Telstra to include in the contract of agreement to receive these billions of dollars of taxpayer money anti-competitive clauses that will restrict Telstra from using or promoting their wireless services in competition with NBN Co.'s fixed line services.

Once again, you have to ask what this government is afraid of. What is NBN Co. afraid of? Of course, it is afraid that the private providers of these services will be able to compete far more efficiently with the government and far more efficiently against NBN Co. and therefore it will damage their business model which relies so much on NBN Co. being a monopoly.

Professor Gans went on to state that, because of this anti-competitive arrangement, 'The result will be less innovation, higher prices and less choice for Australian consumers.' That is what Senator Conroy's grand visions are going to deliver. That is what NBN Co. eventually will deliver. Yes, it might put faster broadband out there up and down the streets of Australia at some time over the next decade, but in the long term the way they are going about this will see less innovation, higher prices and less choice for Australian consumers. As they say in this submission, this just future proofs NBN Co. against future competition. Everything Senator Conroy has done has been in the interests of NBN Co. not having to face competition.

Senator Conroy remarkably highlighted the fact that Google are investing in building privately owned fibre networks in the United States, laying out the fibre themselves and deploying it down the streets of the US at their own private cost, using the money of their shareholders and the money they earn through their business activities. They are not looking for taxpayer handouts to do it. They are using private investment in fibre. There used to be private investment in fibre in Australia as well until this government came along and stifled that investment. We have the remarkable situation where Senator Conroy stands in this chamber and highlights the fact that a major company like Google invests in building fibre in a country like the United States. What he fails to mention is the legislation that he had passed through this place on Tuesday night, less than two days ago, that would ban such activities happening in Australia. It would prevent Google from coming to Australia and building and operating a privately owned fibre network in this country. He lauds as an example of why the government should be doing this Google's investment in the United States, yet he forbids it under the laws that he passes through this parliament. Such is the inconsistency of the arguments of the government.

But let me look at some of the other contributions to this debate from the other side. Senator Stephens said the government welcomes transparency and scrutiny. Indeed, Senator Conroy said that the government was committed to a high level of transparency and accountability. If the government believes in transparency, scrutiny and accountability, you have to ask why they are scared of having independent analysis by the Productivity Commission into the NBN. I have heard nobody from the government side suggest that the Productivity Commission is anything less than qualified to do this job. I have heard nobody from the opposite side suggest that the Productivity Commission is
anything less than independent and impartial in the way it conducts such work. Nobody has been able to argue that it would not be the best equipped body to undertake such a cost-benefit analysis. Yet the government rejects it, for no apparent reason other than that it is scared of what it might say. Contrary to everything that Senator Stephens, Senator Conroy or others in this debate have said about transparency, scrutiny or accountability, they are the last things that this government wants for the NBN Co.

Senator Xenophon optimistically held out hope that the Joint Committee on the NBN will be able to provide a level of accountability and a level of scrutiny to the NBN Co. build, but the evidence of that to date is not promising. I am afraid that Senator Xenophon has potentially been sold a pup in this regard—that Senator Xenophon was convinced at an earlier stage, when he still held the balance of power in this place, to accept the government’s word that there would be decent oversight through that parliamentary committee in return for his support and in return for his not supporting things such as a cost-benefit analysis undertaken by the Productivity Commission of the NBN. But since that committee has been established the government has been less than cooperative with it, less than cooperative about seeing the Productivity Commission work with the committee and provide the information necessary for the committee to do its job and less than cooperative about even NBN Co. providing the committee with benchmark standards and key performance indicators as to how NBN Co. is progressing. So the government is already undermining the work of that parliamentary committee, which is meant to be there to oversee the build. The government is doing everything in its power to ensure that it is unable to do so. I admire Senator Xenophon’s hopefulness and optimism that maybe—maybe—we will get something through that committee and maybe we will see some substantial work undertaken by the Productivity Commission for that committee, but every sign to date is that we will not and that unfortunately Senator Xenophon was sold a policy, at the time when he had a vote that really held influence in this place, which is not going to be delivered now that he has a little less influence in the votes of this parliament.

Senator Bilyk made the remarkable claim that consumers understand the value of the NBN and are voting with their feet. That is a remarkable claim because of course the handful of consumers that NBN Co. has to date—and it is a veritable handful—overwhelmingly are not paying a cent. They are not paying anything. It has a very small number of consumers who are not paying anything. It is more likely that consumers are going to be shackled, tied and given no choice because the government is structuring such an anticompetitive arrangement. Most Australians will ultimately have little choice because Telstra will not be able to promote wireless services in competition with the NBN, nobody else will be able to build fixed-line services in competition with the NBN and the old phone service will even be decommissioned under the NBN, so where are consumers going to go? Yes, I fully expect that the NBN will get some consumers because consumers, under the laws of this government, are not going to be given any choice in the matter; they are just going to face higher prices as we go on.

Lastly, Senator Urquhart made the wonderful comment that it would take many years and heroic assumptions to do a cost-benefit analysis on the NBN. Well, nothing-
short-of-heroic assumptions underpin the NBN's business model—heroic assumptions that need to be underpinned by government laws that stifle competition, stifle innovation, stifle creativity and will see Australians consumers simply face higher prices and less choice in the marketplace in future. This government proclaims it is a great policy. The truth is that it is just a great con.

If the government has confidence in its policy, if the Greens have confidence that they are right to back this policy, if Senator Xenophon and Senator Madigan have confidence in this policy or believe that this policy of the government's could work, they should all support this bill, because if they are right then the Productivity Commission cost-benefit analysis would prove the government correct. They will not support it because a decent independent analysis will simply show that the government is misleading all Australians.

That this bill be now read a second time.

The Senate divided. [11:01]

Question put:

That this bill be now read a second time.

The Senate divide[d]. [11:01]

(The President—Senator the Hon. JJ Hogg)

AYES
Abetz, E
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Heffernan, W
Johnston, D
Macdonald, ID
McKenzie, B
Parry, S
Ryan, SM
Williams, JR

Back, CJ
Birmingham, SJ
Boyce, SK
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Humphries, G
Kroger, H (teller)
Mason, B
Nash, F
Ronaldson, M
Scullion, NG

NOES
Arbib, MV
Bishop, TM
Brown, RJ
Carr, KJ
Conroy, SM
Di Natale, R
Faulkner, J
Furner, ML
Hanson-Young, SC
Ludlam, S
Marshall, GM
McLucas, J
Moore, CM
Rhiannon, L
Siewert, R
Sterle, G
Urquhart, AE
Wright, PL

Bilyk, CL
Brown, CL
Cameron, DN
Collins, JMA
Crossin, P
Farrell, D
Feeney, D
Gallacher, AM
Hogg, JJ
Ludwig, JW
McEwen, A (teller)
Milne, C
Pratt, LC
Sherry, NJ
Singh, LM
Thistlethwaite, M
Waters, LJ
Xenophon, N

PAIRS
Adams, J
Fisher, M
Joyce, B
Payne, MA

Wong, P
Pooley, H
Stephens, U

Evans, C

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

Question negatived.

Carbon Tax Plebiscite Bill 2011 [No. 2]

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator THISTLETHWAITE (New South Wales) (11:03): I speak in opposition to the Carbon Tax Plebiscite Bill and I do so because the bill is nothing more than a political stunt, a waste of taxpayers' dollars and a refusal by the opposition to accept the results of two elections and the willingness of the people for the government to take action on climate change. It is a significant waste of the parliament's and the Senate's time at a period when the government is undertaking significant reform—significant
economic reform, significant social reform and reform that will modernise our economy, transform our society and protect our environment. This bill seeks to have a plebiscite regarding the government's plan to price carbon. But despite that wish to have a plebiscite the Leader of the Opposition, Tony Abbott, has said to all Australians that he will not accept the outcome of that plebiscite if it does not go the way that he wants. This is nothing more than an irresponsible, cheap political stunt that does not deserve the time and extensive consideration of the Senate.

We have been elected to this place to represent the people of our states, to debate issues, to represent interests and to work together to resolve issues and to map out a future for our nation. With each of our individual mandates to sit in this great chamber comes a responsibility to show leadership and a responsibility to act in the interests of the people of Australia. Yet through this bill those opposite seek to abrogate that responsibility. They abrogate that responsibility that each and every one of us has as senators. Under our democracy the people elect parliamentarians to represent their communities, to debate issues and to make laws. This is a point that was well made by the former Prime Minister John Howard when he told ABC radio in Perth on 17 September 1998:

Unless you resort to a method of having plebiscites or referendums on each individual issue. And I think the Australian public would get very angry and tired about that. They would say: what’s wrong with youfellas, we elected you for three years, you go away and take all the decisions you want to on individual issues and then when those decisions have been taken at the end of your three year period if we don’t like you we’ll vote you out. I don’t think you can run it any other way.

Well said by the former Prime Minister. This bill is nothing more than a waste of taxpayers' money. It is estimated by the Australian Electoral Commission that the cost of running such a plebiscite will be in the vicinity of $80 million—$80 million for a plebiscite which the Leader of the Opposition says he will not accept if the decision does not go in his favour; $80 million despite the fact that in two elections the people of Australia voted for action on climate change; $80 million despite the fact that no less than 37 inquiries regarding action on climate change have recommended that this parliament take action to price carbon and that the most effective measure for taking action on climate change is through a market based mechanism; $80 million despite the fact that the Multi-Party Climate Change Committee recommended the measures that are currently being debated in the House of Representatives. The opposition were invited to participate in this multiparty committee to debate the issues associated with climate change and to work with the government and the Independents in a responsible manner to map out a plan to deal with this important economic and social issue.

It will be an $80 million waste of taxpayers' money—an abrogation of our responsibility as senators. It shows a complete lack of leadership from the opposition, because of their denial of the advice of experts on this important economic and social challenge. They refuse to accept the result of the 2010 election and refuse to accept that the majority of representatives in this parliament want action on climate change. It will be an $80 million waste of taxpayers' money—$80 million of fiscal recklessness. On top of this, the opposition refuse to come clean with the Australian people about how they will cost their policy for action on climate change.

The government and the opposition agree that there needs to be action on climate change. In fact, we have the same target for
emissions reductions—five per cent by 2020 on 2000 levels. Yet the opposition have a different policy, a direct action policy—a policy of subsidising companies who pollute our atmosphere, a policy that the Liberal Party website says will cost $11 billion over the next four years but which the Department of Climate Change and Energy Efficiency has costed at closer to $30 billion to 2020. Yet the party that claims the moral ground on fiscal responsibility are acting with complete contempt for the Australian people by refusing to say how they will fund their policies—how they will fund this $30 billion subsidy to polluters.

They claim that they will produce a surplus in government. How will they do that? How will they do that without the revenue from the minerals resource rent tax? How will they do that without the revenue from pricing carbon? They will do it one way: through cutting services. They will cut services to deliver on their commitments. It has been leaked from the opposition party room that those cuts to services will be in the vicinity of $70 billion—$70 billion of political karate chops to many schemes, policies and services that the Australian people rely on.

It is time for the opposition to come clean with the Australian public. It is time for those senators opposite to tell the Australian people how they are going to fund this $70 billion of cuts. What is on the line? Is it Medicare? Is it the childcare rebate? Is it the increase in pensions? Indeed, is it a reduction in the company tax rate? It is time for those opposite to come clean with the Australian people and tell them how they are going to fund $70 billion of cuts and how they are going to fund their direct action policy—the $30 billion to 2020 that the department of climate change estimates it will cost.

Labor's plan will ensure that we act responsibly on this issue of climate change. It is agreed by all the parties that human activity is causing damage to our environment, that increasing pollution is warming our planet and that this will lead to changes in weather patterns—severe weather consequences, increases in sea levels, possible extreme drought periods and other extreme weather events. We need to take action to reduce and mitigate the effects of global emissions on our environment. All the experts say that the longer we wait to take action the greater the cost. As a parent of two young children, I do not want to saddle them with the burden of unbearable costs to deal with this important economic and social issue. That is why all the parties agreed to a five per cent reduction in carbon emissions by 2020. It is a commitment that our nation has signed up to in international forums.

Why are we going down this path of pricing carbon rather than the opposition's plan of direct action? As all good governments do, we engaged the advice of experts. We said to the best economists and the best scientists in our nation, ‘How can we achieve a reduction in emissions in the least-cost manner, in the most efficient manner for our economy and in the most efficient manner for households, for workers and for businesses?’ Overwhelmingly, all of those economists and all of those scientists say that the most efficient and most effective method of reducing emissions and ensuring that our economy transforms itself and transitions to a clean energy future is through a market based mechanism. Putting a cost on carbon emissions will ensure that consumers, businesses, households and communities can make their own decisions in a market based economy about how they reduce their emissions and how they respond to pricing that externality of carbon. It is a plan that, over time, will lead to a change in behaviour.
The scheme will work by ensuring that we tax the 500 biggest polluters—initially, during the early days of the scheme, they will be asked to pay $23 per tonne of carbon pollution. We will then move towards a market based mechanism which will kick in in 2015. This will send a clear signal to polluters that they can no longer get away with pumping carbon emissions into our atmosphere for free. And then companies will do what companies do: they will find a way to reduce this cost. They will find a way to invest in cleaner technology. They will find a way to invest in new industries based on renewable energy. This will lead to a boost in jobs, in investment and in new renewable energy sources. Most importantly, it will also improve our environment, because over time it will reduce the level of emissions that would have otherwise occurred had we not taken action.

There will be costs associated with this scheme. Nobody is denying that. But the Australian Treasury modelling indicates that the increase in costs will be 0.7 per cent on the consumer price index—a 0.7 per cent effect on inflation. I think this needs to put in context. When the GST was introduced back in 1998, the effect on the consumer price index was modelled by the Treasury at 2.49 per cent. Treasury said that the increase in costs associated with the GST would be 2.49 per cent. What was the outcome? It was 2.5 per cent; that was the eventual increase in costs associated with the GST. So Treasury have a history of getting it right when it comes to this modelling, and their estimates are that the cost effect of pricing carbon in our economy will be 0.7 per cent on the consumer price index.

How will this affect households and how will households meet this extra cost? Half of the revenue that will be raised from pricing carbon will go directly to households. It will go to assisting low- to middle-income households to make the transition to the new carbon-constrained economy. The other half will go to assisting businesses and to ensuring that our nation is promoting and investing in renewable energy sources. Six million households will benefit from the assistance package. As for pensioners, sole pensioners will get an increase of $338 a year and couple pensioners will get an extra $510 a year. Students will get an extra $177 a year. Job seekers will get an extra $218 a year. Furthermore, there are tax cuts associated with the plan that are targeted to provide an average tax cut of $300 per year for those on an annual income of less than $80,000. The tax-free threshold will be increased from $6,000 to $18,000. And this assistance will be permanent, and it will increase as the carbon price rises during the move to a market based mechanism. There is $9.2 billion worth of assistance for trade-exposed industries, those that are trading in the global marketplace—most notably, steel and aluminium, and the coal industry, for which there is a $1.3 billion assistance package. Assistance to community organisations will be provided through funding from the scheme to ensure that they can put in place and invest in technology that will reduce their carbon footprint and reduce, above all, their electricity costs.

Some have said that we are taking action ahead of the rest of the world. Some have said that Australia will be leading the pack when it comes to pricing carbon. But, when we look at what is happening throughout the world, we can see that this is a complete lie and misstatement by those opposite. The Productivity Commission studied what was occurring in key economies, and nine of our trading partners were taking action on climate change. In the words of the Productivity Commission's report:

… the estimates for Australia … appear to lie in the middle of the range of countries.
Thirty-five nations or states throughout the world have an emissions trading scheme. They include the nations of the European Union; a major trading partner of ours, New Zealand; and parts of Canada. In China at the moment, in three of their major provinces—Beijing, Shanghai and Guangdong—they are trialling an emissions trading scheme, and the Chinese government has a five-year plan for moving to an economy-wide trading scheme. It is a complete fallacy that Australia is acting irresponsibly, ahead of the rest of the world and in a manner that will harm our competitive advantage and many of our businesses.

Many of the Liberals have, in the past, supported what the Gillard government is doing in attempting to price carbon and transform our economy as we move into a clean energy future. I draw the Senate's attention to the first speech of none other than Senator Cormann, one of the opposition's chief combatants when it comes to the issue of pricing carbon. In his first speech to this place on 15 August 2007, Senator Cormann said:

The government's recent announcement of a national emissions trading scheme, including offsets for trade exposed industries, is a positive and sensible approach to addressing global warming.

I could not have said it better myself. I find it hard, but I actually agree with what Senator Cormann said. It was a very eloquent statement of what the government is trying to do.

So from those opposite there was support in the past for what the government is trying to do. The change is that the Leader of the Opposition sees it now as an opportunity to win government, a cynical exercise in vote buying. That is despite the fact that all of the experts say that the Labor approach is the least-cost approach for our economy and the best option for our nation. No credible economist will back their plan. And their opposition is despite the fact that we have had 37 inquiries, all of them recommending that we take action on climate change and that the form of action should be to price carbon through a market based mechanism. This is a waste of time, a waste of taxpayers' dollars, and I urge the Senate not to support this bill.

Senator CASH (Western Australia) (11:23): I rise to speak on the Carbon Tax Plebiscite Bill 2011 [No. 2]. I listened quite carefully to Senator Thistlethwaite's speech and I noted that he referred to the $80 million in fiscal wastefulness that would be brought upon the taxpayer in the event that the Carbon Tax Plebiscite Bill were actually passed. Senator Thistlethwaite, if you want to talk about waste be very, very careful—or at least go and look in the mirror—because when it comes to waste the current Labor Party exceeds even the Whitlam government.

If you want to talk about waste, let's talk about the billions of dollars that this government wasted on the pink batts scheme. Let's talk about the billions of dollars that the Labor government wasted on mismanaging the school hall program. Let's talk about the billions of dollars that the Rudd-Gillard Labor government has wasted because of its failed border protection policies.

But let us not stop there. When the Rudd-Gillard government came to office, what was the debt ceiling? What was the amount that they were able to spend? Was it $75 billion? Yes, it was. Did they reach that amount? Yes, they did. So what did the Labor government do? They had to go to the parliament and say: ‘We've spent all the money in the bank. We want to spend some more because that's what we are very, very good at doing.’ They had to ask the parliament to raise the debt ceiling. And what did the parliament do? It raised the debt
ceiling to no less than $200 billion of taxpayers' money.

By any standard that was a huge amount of money, but guess what? Guess what they did, in typical Labor Party form? They spent the additional money and they had to come back to the parliament yet again. But no shame! There was no shame associated with this request because 'Hey! What we're good at is spending taxpayers' money'. They came back again to the parliament and what did they do? Lo and behold, they had to tell the parliament, in typical socialist style—chardonnay socialist style of course; nothing but the best for the representatives of the workers—that $200 billion of taxpayers' money was not enough. They had to ask the parliament yet again to raise the debt ceiling, to raise the amount of money that the Labor government could spend on behalf of taxpayers. What is the current credit card limit? Two hundred and fifty billion dollars. It started at $75 billion but that was not enough. It went to $200 billion but that was not enough. It is now at $250 billion and—guess what?—that is still not enough. So when Senator Thistlethwaite comes into this chamber and talks about waste I suggest he has a look at his own party's performance first.

This week was a very important week for the Australian public. This was the week in which the Prime Minister officially broke her promise to the Australian people. This was the week when the Australian public were able to reflect upon the fact that each and every Labor member and senator who was elected at the 2010 federal election was elected on the basis of a lie. And that lie is one of the greatest frauds ever perpetrated upon the people of Australia. We all know what that lie is. That lie is the statement made by the now Prime Minister of Australia the day before the election that 'there will be no carbon tax under the government that I lead'.

This lie was made despite another statement by the Prime Minister, on 7 September 2010, after the election, in which she said to the people of Australia: 'Let the sun shine in. My government will open the doors and it will let the sun shine in.' The article in the *Sydney Morning Herald* said:

The Prime Minister, Julia Gillard, says her minority government will be held to higher standards of accountability as a result of the deal struck with the independents. ‘We will be held to higher standards of transparency and reform and it’s in that spirit I approach the task of forming government.’

But did the Prime Minister stop there? No. She wanted to confirm yet again with the Australian people that her government, Ms Gillard's government, would be held to higher levels of transparency. Again, on 7 September 2010, the Prime Minister said:

Let's draw back the curtains and let the sun shine in. Let our parliament be more open than it ever was before.

It did not take the Labor Prime Minister of Australia very long to break not only her pre-election commitment to the Australian people but also her post-election commitment to the Australian people. Despite the promise that the government made the day before the election that it would not impose a carbon tax, the Australian people now have that government. The Australian people are now lumped with a government that believes the only way to tackle what it says is catastrophic climate change is by imposing a carbon tax across the economy. The Australian government, in refusing to support this bill currently before the Senate, is also saying to the people of Australia: 'We made a promise the day before the election; many voters who voted for the Labor Party relied upon the promise that the Prime Minister made but those same voters are now
apparently fully supportive of the government’s position.’

I say to the government: if you are so sure that the people of Australia support your backflip, despite the fact that you have no mandate whatsoever to introduce a carbon tax to Australia, then let the people of Australia have their say. It is very simple. If you are so sure—and you keep standing up in this place and telling us on this side that that is what the Australian people want, despite the promise that you made to them the day before the election—then put your money where your mouth is. Support the coalition’s bill and take this question to the people of Australia. Ask the people of Australia, by way of a plebiscite, whether or not they support the position put into the parliament of Australia by the government this week to put a price on carbon to tackle climate change. Take it to the people and give them their say.

We all know that that is exactly what the government will not do. It will not, despite the fact that it continues to tell us on this side and the people of Australia that it knows it has their support, despite what it said the day before the election that there would be no carbon tax under a Labor government, despite the fact that it went to the polls and relied on that statement. Now it says, ‘We know that you support the fact that we are going to put a price on carbon’. If you are so sure, take it to an election. But we all know why you won’t. Because each and every one of those on the other side—the 150 who went to the election supporting no carbon tax—knows that if the Australian people were given their chance to vote by way of a plebiscite on whether or not they support a carbon tax, they would vote ‘no’. They would confirm what every backbencher in a marginal seat in Labor electorates knows. They would confirm that this government has no mandate whatsoever to implement the legislation that it brought into the parliament this week.

Why would they confirm that? I state it again for the record, just in case those on the other side have forgotten what the Prime Minister said the day before the election. It is very simple. When asked the question: ‘Will you impose a carbon tax if you are elected by the Australian people?’ the Prime Minister of Australia said: ‘There will be no carbon tax under a government I lead.’ Those clear, concise and unambiguous words will haunt this Prime Minister for the rest of her life. They will haunt her until she goes to her political grave, which, let us face it—if you walk around the corridors of Parliament House at the moment—is being dug. It is well and truly being dug and she could be in it a lot sooner than later.

You have to remember the reason Ms Gillard assumed the position of Prime Minister. That is right, it was because the former Prime Minister, Kevin Rudd, had lost his way on none other than the emissions trading scheme. That policy was such a mess and such a disgrace that the Australian Labor Party threw democracy as Australians know it out the window and politically executed the former Prime Minister of Australia. Why? Because he had got it wrong when it came to tackling climate change. Those on the other side must all shake their heads and think, ‘How did we get into the mess that we are in now?’

When Australians are given a guarantee by a political leader in the run-up to an election about something so important as not introducing a carbon tax they put their trust and their faith in that political leader to abide by that guarantee. They cast their vote in confidence, relying upon that expectation. If for some reason the Prime Minister decides that she wants to reverse her earlier mandated position of not introducing a
carbon tax, it is very clear that, because the voters in Australia cast their vote relying on the Prime Minister's earlier political guarantee, she should have the guts to take this change in policy to an election. After all, that is what the Howard government did when it introduced the GST. That was a fundamental change to the Australian economy, and the Howard government had the guts to take it to the people of Australia and ask them: 'Should this government introduce a GST?' And what did the people say? They returned the Howard government and they gave it the mandate to introduce the GST—and that is exactly the situation that we are now in with the carbon tax legislation. The Australian people should be given the opportunity to tell the current Labor government whether or not they want them to introduce a carbon tax. But they will not. And we all know why they won't—because Australia is now in the situation where it has a Prime Minister who is so unsure of herself, who is so unsure of her support within her own caucus, who is so unsure of how long she will actually remain in the position of Prime Minister and is so unsure of what she is about to impose upon the people of Australia that she refuses to take this policy to an election, to a plebiscite, and allow the people of Australia to cast a vote and tell the government what they actually did.

They are acting on a blatant lie that they told to the people of Australia. But we all know why they do not want to give the people of Australia a say on this legislation. Why not? Because there is escalating opposition in what used to be safe Labor seats—not marginal Labor seats; safe Labor seats. Come to my home state of Western Australia, to what used to be safe Labor seats—come to Gary Gray's seat of Brand. These are safe Labor seats that the government knows, if they went to an election tomorrow, would fall to the coalition—because people in those seats are going to be detrimentally affected by this legislation and they want the opportunity to tell the government that.

A Deloitte Access Economics report, commissioned by Labor Premier Anna Bligh, predicts that Queensland's gross state product will be slashed by 2.76 per cent by 2020 and by 4.11 per cent come 2050 if the federal government introduces its carbon tax. Deloitte goes on to predict a loss of 21,000 jobs in Queensland, while separate Labor Queensland Treasury modelling predicts 12,000 jobs will be gone. Say goodbye to marginal Labor seats in Queensland. The Victorian government has also commissioned a Deloitte report, which found that there would be at least 23,000 fewer jobs created across Victoria by 2015 as a result of the carbon tax, with La Trobe Valley, Geelong, Port Phillip, Monash and Whitehorse the worst hit areas. Say goodbye to marginal Labor seats in Victoria. New South Wales Treasury modelling predicts 31,000 jobs will be lost New South Wales by 2030 under the Gillard Labor government's carbon tax, with 18,500 jobs gone in the Hunter Valley alone. If I were a marginal seat holder in New South Wales under this Labor government, I would be very scared. On top of that is electricity prices. Electricity prices, if and when this government introduces its carbon tax, will leap $498. That is right: electricity prices in Australia will rise by $498 when the government introduces this tax.

In Western Australia, the Western Australian Treasury has done modelling which shows that over half of WA households—over half of WA households—will be worse off under the carbon tax. And it goes further. It clearly shows that the Gillard Labor government's supposed compensation will not fully compensate
households for the increases in the cost of living. If I were a Labor member in Western Australia, in a marginal seat—Gary Gray, where are you?—I would be very worried about the vote that I am about to cast when this comes before the parliament. Labor membership is in steel electorates, coal-mining electorates, motor and other manufacturing electorates. They know that jobs are going to disappear—and we know that they are telling the Labor leadership team this. We know what they are saying in caucus; they are going directly to the Labor leadership and saying, 'Do you know I am in a marginal seat? Do you know that, in my marginal Labor seat, because of Labor government policy, I am going to have people who are going to lose their jobs? And do you know what that means to me? It means that I will lose my seat at the next election.'

But they are weak, the Labor members of parliament, and they will not stand up to the Gillard Labor government and tell them what they need to hear: that this is bad legislation, it is all economic pain for no environmental gain. But, worse than that, average Australians, the average mum and dad, who just work hard to pay their bills, to put their kids through school, to put food on the table, are the ones who are going to be most badly affected by this tax. They are the ones that are going to have to say to their kids, 'No, you can't afford that. We could afford it last year but this year we can't afford it because the Labor government has introduced a tax that has had a negative impact on it. If the Prime Minister was honourable, if the Prime Minister cared about democracy, she would allow the Labor Party to support this bill and take the carbon tax to an election. (Time expired)

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (11:43): I rise today to oppose the proposed plebiscite, although, Mr Deputy President, you would be hard pressed to know from the last contribution that we are actually debating a bill to impose a plebiscite. The interesting thing is that the Leader of the Opposition, Mr Abbott, destroyed any credibility the plebiscite might have had within minutes of announcing it by saying that he would impose the cost of a plebiscite on the Australian people, ask them the question and then, if their reply was not what he wanted—that is, opposition to imposing a carbon price regime in Australia—he would take no notice of it. So we are debating here a proposal to use taxpayers' money to go out and force the community to take a vote and then say, 'If it doesn't suit me because I do not like the answer, well, in that case I'm not going to take any notice of it.' So this plebiscite was dead in the water within minutes and if I were the coalition I would never have brought this bill on for debate because it is terribly embarrassing. It just highlights again how, unless he actually writes it all down, things come out of the mouth of the Leader of the Opposition, Mr Abbott, that you simply cannot believe and how, within hours of him saying something, it gets completely discredited. This is yet another opportunity for Australians to see what a load of nonsense is going on here: a debate for a plebiscite where there is no undertaking to take any notice at all of the result.

But, having said that, I look forward to the sitting in August next year when we come back after the winter session and power bills have not gone up by $498, as Senator Cash has just outlined—I look forward to the apology that she will be called on to make to the Senate for spreading such a ridiculous claim and for failing to note that electricity prices have gone up, as they have right now, because the level of uncertainty is such that
nobody is investing in electricity. That is leading to the mess that we have in the national electricity system across the country. There has, over a long period of time, been a failure to invest in upgrading infrastructure as required, because people do not know the direction the country is going to take in terms of electricity generation.

I also note that if I were the coalition I would be really embarrassed about getting this on today because of the statement by the Australian Industry Greenhouse Network. Let me read out who they are: the Minerals Council of Australia, the Australian Industry Group, the Australian Coal Association, BlueScope Steel, Woodside, Rio Tinto, Exxon Mobil and BP Australia. As I expected would occur, they have all come out today saying that Mr Abbott's plan of achieving a five per cent emission reduction domestically would at least double the cost, whether done through his carbon price or through his proposed direct action. So now you have, as I also expected would happen, this situation. When the climate legislation passes this parliament, business will understand the inevitability that this is going to happen. They know that this will not be repealed. As I said in the Senate yesterday, the great big new lie out there—and the coalition is digging a bigger and bigger hole for itself on this—is that the coalition, if it wins government under Mr Abbott, will repeal the bills. Of course they will not. That is the great big new lie. There is no way that an Abbott government would repeal all of the climate bills. The rot has already set in—we heard Mr Hunt say, in the lower house, that the coalition would not repeal the Carbon Farming Initiative. Having opposed it for hours and hours, saying that it was the worst possible thing and that it was going to destroy rural and regional Australia, they then said, on the third reading, 'We're not going to repeal it'. They are not going to repeal these bills and business is rapidly coming online and on-stream in relation to this.

Let me go to the question of these claims today about overseas permits and pricing. One of the reasons the Greens opposed the Carbon Pollution Reduction Scheme was that it allowed for 100 per cent buying of permits overseas. At that time the coalition had no problem with that and they were going to vote for it. The coalition were going to support the CPRS, which was about 100 per cent purchase of permits overseas. Then the leadership changed and they abandoned that position. What we have in this scheme is a 50 per cent rule, so 50 per cent of the abatement has to be purchased in Australia and the other 50 per cent can be purchased on the international carbon market providing it meets certain standards, and they are the highest possible standards.

Through that initiative we are now seeing that we are making sure we are integrated with the international carbon market. As I indicated, California goes to emissions trading on 1 January next year, and you can take China, the eighth largest economy in the world. You have the European Union, you have New Zealand, you have Australia and you have four provinces in China moving towards it. We are starting to build a global carbon market and that will allow an integration of that market.

We heard Senator Boswell talking yesterday about people in poverty. The people who will benefit from an international trade in permits are the people in developing countries which can develop offsets that meet international standards—and that is going to be a big problem because they have got to reach a level of integrity and rigour that would allow Australia to even consider it and that is clearly in the conditions as they pertain to this. So if you are serious about
addressing global emissions, you would get on board with a market mechanism which can be increased over time and which leads to business opportunities and interaction with a number of countries around the world.

I want to put on the record, in the last 40 seconds that I have for this contribution, that, firstly, Mr Abbott, the Leader of the Opposition, says he will take no notice of a plebiscite. It had no merit from the day that it was announced, the day that it was blown up by their own side—so a big shot in the foot on that one. Secondly, what we are hearing from the coalition is the big new lie that they will repeal all of the bills. That will not happen and it is time that Mr Abbott went and told the people who came here in the convoy, Alan Jones and everybody else, that he has no intention of repealing all of those bills. Otherwise he is in the category of using the great big new lie. Thirdly, Senator Cash, I just want to tell you that come August next year I will be calling for an apology from you as $498 will not occur.

The DEPUTY PRESIDENT: Order!

The time for the debate has expired.

PETITIONS

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

Children

To the honourable President and members of the Senate in Parliament assembled 12 September 2011 or there abouts.

We, the undersigned, care deeply about the children of Australia and their rights. We care about children's rights above parent's rights. We strongly support the Family Law Legislation Amendment (Family Violence and Other Measures) Bill 2011 and call on the Senate to implement it as soon as possible.

by Senator Siewert (from 1,148 citizens).

Petition 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 1 March 2012:

All aspects of higher education and skills training to support future demand in agriculture and agribusiness in Australia be examined, including:

(a) the adequacy and priority given to funding in the agriculture and agribusiness higher education and vocational education and training (VET) sectors by federal, state and territory governments;

(b) the significant decline in agricultural and related educational facilities in the past decade, including reasons and impacts;

(c) solutions to address the widening gap between demand and supply for higher education and VET sector graduates in agriculture and agribusiness in Australia;

(d) the impact of this shortage in terms of agriculture research, bio-security and food security;

(e) the economic impact on Australia's terms of trade and reputation as a trusted supplier of high quality foodstuffs to world markets; and

(f) any related matters.

Senator WRIGHT: To move:

That the Senate—

(a) notes a recent report put out by the Climate Institute, A climate of suffering: the real costs of living with inaction on climate change, which concludes that the mental health of Australians, particularly rural Australians, is being adversely affected by climate change;

(b) recognises that:

(i) rural Australia is already experiencing increased levels of suicide and mental health issues compared to the rest of Australia, and climate change will increase stress and trigger more suicide in some of our most vulnerable communities,
(ii) reported figures of a suicide-per-week in rural Australia are of great concern and likely to be under reported,
(iii) suicide in a rural community affects everyone in the community, and
(iv) rural Australians are very resourceful and taking positive action can counteract mental health problems; and
(c) calls on the Government to:
(i) ensure adequate funding for rural mental health services, and
(ii) investigate ways to assist rural Australia in adapting to climate change.

Senator FIFIELD: To move—
That the time for the presentation of the report of the Standing Committee for the Scrutiny of Bills on the future direction and role of the committee be extended to 30 November 2011.

Senator FIERRAVANTI-WELLS: To move—
That—
(a) the Senate:
(i) notes that:
(A) more than 680,000 Australians have received treatment for dental care under the Medicare Chronic Disease Dental Scheme (the scheme),
(B) more than 11 million dental services have been provided under the scheme,
(C) on 10 June 2010 the Minister for Human Services (Ms Plibersek) announced a Medicare Australia taskforce (the taskforce) had been established to investigate dentists’ compliance with the scheme, and
(D) initial audits had been carried out on 49 dentists with a further 250 dentists to be audited,
(ii) recognises that most dentists act in good faith in providing much needed services under the scheme, and
(iii) calls on the Government to desist from pursuing onerous financial restitution from dentists that have made inadvertent, minor or other administrative errors in providing appropriate clinical services to eligible patients; and
(b) there be laid on the table by the Minister representing the Minister for Health and Ageing (Senator Ludwig), by 5 pm on Monday, 31 October 2011, the following:
(i) the number of dentists audited by the taskforce to 31 October 2011 and as a result the number of dentists required to:
(A) repay Medicare benefits,
(B) repay Medicare benefits where the services claimed have not been provided, and
(C) repay Medicare benefits where the audit process found services claimed had not been provided, and
(ii) copies of all documentation provided to dentists about the scheme since it commenced.

Senator MILNE: and Senator HANSON-YOUNG: To move—
That the Senate—
(a) recalls, with regret, that on 19 November 2001, the SIEV X carrying approximately 400 asylum seekers sank on its way to Australia, resulting in the drowning of 146 children, 142 women and 65 men and only 41 people survived; and
(b) notes that:
(i) in interviews with the United Nations High Commission for Refugees, survivors told of the involvement of the Indonesian military in the boarding and organising of the voyage,
(ii) survivors reported that they saw two military vessels appear, shine lights on the water and sail away,
(iii) HMAS Arunta stood 4 hours away,
(iv) Australia maintained a People Smuggling Disruption Program in the region at the time,
(v) the Australian listening station at Shoal Bay was operational at the time, and
(vi) many outstanding serious questions remain about the failure to rescue desperate people in the water and must be answered in the interest of justice and humanity; and
(c) calls on the Government to establish a judicial inquiry into the SIEV X, subsequent
investigations in the SIEV X tragedy and all circumstances pertaining to its voyage, loss and rescue of survivors.

Withdrawal

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (11:52): I withdraw notice of motion No. 335.

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. 12 OF 2011

1. The committee met in private session on Wednesday, 14 September 2011 at 7.10 pm.

2. The committee resolved to recommend—That—

(a) the Constitutional Corporations (Farm Gate to Plate) Bill 2011 be referred immediately to the Economics Legislation Committee for inquiry and report by 24 November 2011 (see appendix 1 for a statement of reasons for referral).

(b) the Qantas Sale Amendment (Still Call Australia Home) Bill 2011 be referred immediately to the Rural Affairs and Transport Legislation Committee for inquiry and report by 2 November 2011 (see appendix 2 for a statement of reasons for referral); and

(c) the Quarantine Amendment (Disallowing Permits) Bill 2011 be referred immediately to the Rural Affairs and Transport Legislation Committee for inquiry and report by 2 November 2011 (see appendix 3 for a statement of reasons for referral).

3. The committee resolved to recommend—that the following bills not be referred to committees:

- Corporations (Fees) Amendment Bill 2011
- National Vocational Education and Training Regulator Amendment Bill 2011
- Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011
- Protection of the Sea (Prevention of Pollution from Ships) Amendment (Oils in the Antarctic Area) Bill 2011.

The committee recommends accordingly.

4. The committee deferred consideration of the following bills to its next meeting:

- Clean Energy Bill 2011 and 18 related bills
- Landholders’ Right to Refuse (Coal Seam Gas) Bill 2011
- Migration Amendment (Declared Countries) Bill (No. 2) 2011
- Steel Transformation Plan Bill 2011
- Telecommunications (Mobile Phone Towers) Bill 2011.

(Anne McEwen)

Chair

15 September 2011

Appendix 1

SELECTION OF BILLS COMMITTEE

Proposal to refer a bill to a committee

Name of Bill:

Constitutional Corporations (Farm Gate to Plate) Bill 2011

Reasons for referral/principal issues for consideration:

In undertaking the inquiry, the Committee should consider:

1. The need for greater consumer information on supermarket pricing
2. The low farm gate prices offered to Australian producers
3. The large mark-ups on fresh produce
4. The impact of the Coles/Woolworths duopoly on farm gate prices and mark-ups

CHAMBER
Possible submissions or evidence from:
Coles
Woolworths
Foodland
IGA
National Farmers' Federation
South Australian Farmers' Federation
Horticulture Industry Network (and partnership associations)
Choice

Committee to which the bill is to be referred:
Senate Standing Committee on Economics (Legislation)

Possible hearing date(s):
October 2011

Possible reporting date:
24 November 2011
(Signed)
Senator Siewert

Whip/Selection of Bills Committee Member

Appendix 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of Bill:
Qantas Sale Amendment (Still Call Australia Home) Bill 2011

Possible submissions or evidence from:
Qantas Airways Limited
Qantas CEO, Alan Joyce
Australian and International Pilots Association
Transport Workers Union
Flight Attendants Association of Australia
Australian Council of Trade Unions
Australian Licensed Aircraft Engineers Association
Australian Services Union
Australian Workers' Union
Australian Manufacturing Workers' Union
Department of Finance and Deregulation

Committee to which Bill is to be referred:
Senate Rural Affairs and Transport Legislation Committee
... to be heard jointly with the Inquiry into the Air Navigation and Civil Aviation Amendment (Aircraft Crew) Bill 2011.

Possible hearing date(s):
September / October 2011

Possible reporting date:
02 November 2011
(Signed)
Senator Siewert

Whip/Selection of Bills Committee member

Appendix 3
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of Bill:
Quarantine Amendment (Disallowing Permits) Bill 2011

Possible submissions or evidence from:
Department of Agriculture, Fisheries and Forestry
Biosecurity Australia
Department of Foreign Affairs, Defence and Trade
AUSVEG
Apple and Pear Association Ltd
South Australian Fresh Fruit Growers Association
Charles Sturt University lecturer in constitutional law, Mr Bede Harris
FoodLegal, Australian food law expert, Mr Joe Lederman
Department of Primary Industries and Resources SA
Tasmanian Primary Industries Minister Bryan. Green
Committee to which Bill is to be referred:
Senate Rural Affairs and Transport Legislation Committee

Possible hearing date(s):
September / October 2011

Possible reporting date:
02 November 2011

Whip/Selection of Bills Committee member
Senator Siewert

NOTICES
Withdrawal
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 withdraw government business notice of motion No. 1 relating to the variation of hours of, meeting and routine of business.

BUSINESS
Rearrangement
Senator Ludwig: I move:
That government business be interrupted at 1 pm to allow consideration of the following government business orders of the day till not later than 2 pm today:
No. 3 Education Services for Overseas Students (Registration Charges) Amendment Bill 2011
Education Services for Overseas Students Amendment (Registration Charges Consequentials) Bill 2011
No. 4 Horse Disease Response Levy Bill 2011
Horse Disease Response Levy Collection Bill 2011
Horse Disease Response Levy (Consequential Amendments) Bill 2011
No. 5 Industrial Chemicals (Notification and Assessment) Amendment (Inventory) Bill 2011
No. 6 Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011

Question agreed to.

Senator Ludwig: I move:
That the order of general business for consideration today be as follows:
(a) general business notice of motion no. 415 standing in the name of Senator Fifield relating to the economy; and
(b) orders of the day relating to government documents.

Question agreed to.

Senate Temporary Orders
Senator Ludwig: I move:
That the following general business orders of the day be considered under the temporary order relating to the consideration of private senators' bills on Thursday, 22 September 2011:
Commonwealth Commissioner for Children and Young People Bill 2010
Landholders' Right to Refuse (Coal Seam Gas) Bill 2011
Environment Protection and Biodiversity Conservation Amendment (Prohibition of Support for Whaling) Bill 2010

Question agreed to.

Leave of Absence
Senator McEwen: by leave—I move:
That leave of absence be granted to Senator Polley for today, for personal reasons.

Question agreed to.

COMMITTEES
Clean Energy Future Legislation Committee
Meeting
Senator McEwen: by leave—I move:
That the Joint Select Committee on Australia’s Clean Energy Future Legislation be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today.

Question agreed to.
Cyber-Safety Committee
Reporting Date

Senator McEWEN: At the request of the Chair of the Joint Select Committee on Cyber-Safety, I move:

That paragraph (17) of the resolution of appointment of the Joint Select Committee on Cyber Safety be amended to read:

(17) That the committee may report from time to time but that it present its final report no later than 30 April 2013.

Question agreed to.

Electoral Matters Committee
Meeting

Senator McEWEN: At the request of the Chair of the Joint Standing Committee on Electoral Matters, I move:

That the Joint Standing Committee on Electoral Matters be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 21 September 2011, from 9.30 am to 11 am, to take evidence for the committee's inquiry into the funding of political parties and election campaigns.

Question agreed to.

Community Affairs Legislation Committee
Reporting Date

Senator McEWEN: At the request of the Chair of the Community Affairs Legislation Committee, I move:

That the time for the presentation of the report of the Community Affairs Legislation Committee on the provisions of Schedule 3 of the Social Security and Other Legislation Amendment Bill 2011 be extended to 19 September 2011.

Question agreed to.

Community Affairs References Committee
Meeting

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:56): I move:

That the Community Affairs References Committee be authorised to hold a public meeting during the sitting of the Senate on Thursday, 22 September 2011, from 4.30 pm, to take evidence for the committee's inquiries into the Commonwealth contribution to former forced adoption policies and the Professional Services Review Scheme.

Question agreed to.

MOTIONS

South Australian National Football League

Senator HANSON-YOUNG (South Australia) (11:57): I, and also on behalf of Senators Wright, McEwen, Birmingham and Xenophon, move:

That the Senate—

(a) notes:

(i) the future of the South Australian National Football League (SANFL) broadcast on the Australian Broadcasting Corporation (ABC) is in doubt, and

(ii) the South Australian Football Association was established in 1877 (later to become the SANFL) making it the oldest football league of any code in Australia and one of the oldest sporting codes in the world;

(b) recognises the coverage:

(i) is enjoyed by thousands of South Australians and football is intrinsic to the culture of this state and the nation as a whole, and

(ii) is consistent with the ABC's charter which refers to broadcasts that contribute to national identity and cultural diversity; and

(c) calls on the ABC to maintain its broadcasts of SANFL games.

Question agreed to.

Kurdish Society of Victoria

Senator DI NATALE (Victoria) (11:58): I move:

That the Senate—

(a) acknowledges the positive contribution made to Australian society by the Kurdish community;
(b) condemns the recent attacks on the Kurdish Society of Victoria, including an arson attack and shooting of their community centre; and

calls on local and federal authorities:
(i) to investigate these attacks as a matter of urgency, and

(ii) to determine whether these attacks constitute a coordinated campaign of intimidation against the Victorian Kurdish community.

Question agreed to.

Environment

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:07): I move:

That the Senate—

(a) notes that:

(i) the Japanese Government annually issues permits for the capture and killing of more than 20,000 dolphins and porpoises, and

(ii) the hunting of smaller cetaceans is a deliberate circumvention of any bans on the commercial killing of whales; and

(b) urges the Australian Government to:

(i) condemn the slaughter of dolphins and porpoises by Japan, and

(ii) recognise that the killing of dolphins and porpoises is coastal whaling.

Question put.

The Senate divided. [12:03]

(12:06)

AYES

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

NOES

Abetz, E
Brown, CL

Ayes....................9
Noes....................32
Majority................23

Given the level of noise and interjections that occurred in question time yesterday—behaviour that reflects very poorly on the Senate as a whole—I can readily understand that Senator Carr believed he was referring to opposition policy. I can equally understand that the remarks were taken as being a reflection on opposition members and senators in a personal capacity. Such personal reflections are contrary to standing order 193(3). In the past, where senators
have taken offence at such reflections, presidents have required their withdrawal. I therefore ask Senator Carr to withdraw the remarks. I also urge all senators to consider how this type of behaviour during question time affects the standing of parliament as an institution, and the respect with which members of parliament are held in the community. The good work that is done by you as senators is unnecessarily tarnished by the outbursts of bad behaviour during question time.


COMMITTEES

Regulations and Ordinances Committee

Report

Senator McEwen (South Australia—Government Whip in the Senate) (12:08): At the request of the Chair of the Standing Committee on Regulations and Ordinances, I present a volume of correspondence relating to the scrutiny of delegated legislation for the period January to July 2011.

Treaties Committee

Report

Senator Kroger (Victoria—Chief Opposition Whip in the Senate) (12:08): I present the 119th report of the Joint Standing Committee on Treaties, Treaty tabled on 5 July 2011. I move:

That the Senate take note of the report.

Question agreed to.

Senator Kroger: I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

Mr President, today I present the Joint Standing Committee on Treaties’ Report 119, which contains the Committee’s views on the Instrument Amending the Constitution of the International Telecommunication Union; and the Instrument Amending the Convention of the International Telecommunication Union which were tabled in the Commonwealth Parliament on 5 July 2011.

The work of the International Telecommunications Union (ITU) is technically complicated and not widely understood. However, its work does materially improve telecommunication services for the general public. Probably the best known example of this is the 2000 agreement establishing an international standard for third generation mobile telephony. The 2000 agreement replaced a diversity of country based mobile telephony standards with a single international standard, enabling third generation mobile devices to operate anywhere in the world, laying the framework for international mobile roaming.

The ITU funds its activities through contributions from Member States. Unlike other United Nations agencies, Member States decide their own level of contribution. Although Australia’s contribution to the ITU is 4.725 million Swiss Francs (approximately A$5.1 million), this sum is entirely recouped through industry contributions. Consequently, the Australian Government has no net costs.

Mr President, the proposed treaty action amends the ITU’s Constitution and Convention in relation to the class of contribution Member States may make to the ITU. Both of the amending instruments will enter into force generally on 1 January 2012.

The amendments comprise:

- a provision which allows Member States to reduce their contribution at any one time by not more than 15 per cent of their prior level of contribution; and
- a provision which increases the number of levels of contributory units from which Member States can choose their class of contribution.

The greatest impact of the amendment will be to reduce the amount by which the largest financial contributors to the ITU can decrease their level of contribution at any one time. Although the ITU is not financially unstable, the
adoption of this amendment would contribute towards improving the ITU’s financial stability.

Aside from the above provisions, the obligations of ITU Member States will not change.

The Treaties Committee supports the adoption of the proposed amendments as they will provide stability to ITU funding. The Committee understands that the telecommunications industry supports the changes and there will be no net cost to the Australian Government. For these reasons the Committee concludes that these amendments should be supported with binding treaty action.

Mr President, I commend the report to the Senate.

BILLS
Defence Legislation Amendment Bill 2011
Protection of the Sea (Prevention of Pollution from Ships) Amendment (Oils in the Antarctic Area) Bill 2011
First Reading
Bills received from the House of Representatives.

Senator JACINTA COLLINS: 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 will be moving a motion to have the bills listed separately on the Notice Paper. I move:

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

Question agreed to.

Bills read a first time.

Second Reading
Senator JACINTA COLLINS (Victoria—Parliamentary Secretary for School Education and Workplace Relations) (12:10): 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—
DEFENCE LEGISLATION AMENDMENT BILL 2011
The Defence Legislation Amendment Bill 2011 (the bill) amends the Defence Act 1903, the Naval Defence Act 1910 and the Air Force Act 1923 to provide the Chief of the Defence Force (CDF) with the authority to issue directions to the Service Chiefs in relation to the administration of their respective Cadet schemes.

The Australian Defence Force Cadets is a nationwide youth development scheme delivered in partnership by Defence and the community. The Australian Defence Force Cadets comprises the Australian Navy Cadets, Australian Army Cadets and Australian Air Force Cadets. There are approximately 22,000 Australian Defence Force Cadets and 2,500 Cadet Staff in some 500 Cadet units and headquarters across Australia.

Currently, the Chief of Army, Chief of Navy and the Chief of Air Force are responsible for the administration of their respective Cadet organisations subject to the direction of the Minister.

This means that for Cadet-related policy to be enforceable, consistent and binding on each of the cadet organisations, the three Service Chiefs, the Secretary and the Chief of the Defence Force must agree and endorse the policy.

This can result in delays in development of policy and misinterpretation of policy leading to duplicated efforts and inhibiting the development of a concerted and consistent youth development scheme. Indeed, the current arrangements have resulted in disparate policies and procedures being applied by each cadet organisation. For example there are no common selection and training standards for Cadets staff, which inhibits the transfer of qualified cadet staff between the cadet organisations.

In 2008 the Government commissioned an independent review of the Cadet scheme, known as the Hickling Review, to consider how Cadets could be improved to ensure it reflected
community expectations for a youth development program.

The bill implements part of the Government's response to the recommendations of the Hickling Review. In essence, the bill's measures will:

- allow the Chief of the Defence Force, as well as the Minister, to issue directions to the Service Chiefs in relation to the administration of their respective Cadet schemes; and
- allow the CDF to delegate his power to direct the Service Chiefs in relation to Cadet administration to the Vice Chief of the Defence Force, and;
- for consistency align the three cadet provisions.

Cadets are not members of the Australian Defence Force and are not subject to the command and control regime of the ADF under the Defence Act 1903.

This bill will ensure that coherent tri-Service policy can be consistently developed and implemented by each Cadet organisation, and will assist with consolidating and reducing duplicated efforts across the Cadets programs.

Allowing the CDF, in addition to the Minister, to issue directions in relation to the administration of the Cadet scheme will strengthen the accountability of the management of the Cadets, and will facilitate the establishment of a common and concerted youth engagement and development strategy within Defence.

I commend the bill to the House.

PROTECTION OF THE SEA (PREVENTION OF POLLUTION FROM SHIPS) AMENDMENT (OILS IN THE ANTARCTIC AREA) BILL 2011

Although it is one of the harshest environments on the planet, Antarctica is also one of the most vulnerable.

Australia continues to take a leading role to secure protection of this fragile environment including through participation in Antarctic Treaty Consultative Meetings, which are the annual meetings of countries which have an interest in Antarctica.

The 2005 Antarctic Treaty Consultative Meeting requested the International Maritime Organization (IMO) to examine ways to restrict the use of heavy grade oils in Antarctic waters.

Consequently, the IMO's Marine Environment Protection Committee adopted, on 26 March 2010, amendments to Annex I of the International Convention for the Prevention of Pollution from Ships (MARPOL) to ban the use or carriage of heavy grade oils in the Antarctic Area except where it is necessary to secure the safety of a ship or in a search and rescue operation.

The amendments to Annex I of MARPOL entered into force internationally on 1 August 2011.

The purpose of the Protection of the Sea (Prevention of Pollution from Ships) Amendment (Oils in the Antarctic Area) Bill 2011 is to amend the Protection of the Sea (Prevention of Pollution from Ships) Act 1983 to implement these amendments.

This bill will apply the ban on the carriage or use of heavy grade oils to all ships in the Australian Antarctic Territory and to Australian ships elsewhere in the Antarctic Area.

The possibility of an oil spill in the Antarctic Area is relatively high.

Ships navigating in these waters face a number of risks including icebergs, sea ice and uncharted waters.

The rationale for banning the use and carriage of heavy grade oils in the Antarctic Area is that they are more environmentally hazardous than other marine oils because they are slow to break down in the marine environment, particularly in cold polar waters.

It is likely that a spill of heavy grade oils in Antarctic waters would persist for many years and could have a major impact on any wildlife populations in the vicinity, particularly on penguins and other seabirds.

The bill imposes a maximum penalty of $220,000 on both the master and owner of a ship in the event of a breach of this ban.

As a government, we are committed to preventing and reducing marine pollution where possible.
This bill will help to ensure that the Antarctic Area remains free of significant pollution damage.

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.

Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011

Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendment made by the Senate to the bill.

COMMITTEES

Education, Employment and Workplace Relations Legislation Committee

Report

Senator MARSHALL (Victoria) (12:11): On behalf of the Education, Employment and Workplace Relations Legislation Committee, I present the report of the committee on the provisions of the Safety, Rehabilitation and Compensation Amendment (Fair Protection for Firefighters) Bill 2011, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator MARSHALL: by leave—I move:

That the Senate take note of the report.

I rise to make some remarks on the report of the Senate Education, Employment and Workplace Relations Legislation Committee on its inquiry into the provisions of the Safety, Rehabilitation and Compensation Amendment (Fair Protection for Firefighters) Bill. The bill seeks to amend provisions in the Safety, Rehabilitation and Compensation Act 1988 relating to injuries sustained by firefighters. The bill would provide rebuttable presumption that a number of cancers developed by firefighters will be presumed to be work related under the Commonwealth law. Subject to threshold tests set out in the bill, the burden of proof would be removed from firefighters with cancer.

The committee had the opportunity to assess a large quantity of primary evidence demonstrating the scientific link between firefighting as an occupation and a number of cancers. Study after study points to an elevated risk of cancer in firefighters. The research is robust and the committee unanimously accepts its conclusions, even though there are some additional comments made by coalition senators, which I will address shortly. The committee also recognises the simple truth that, when a person spends their professional career serving the public and over the course of their working life inhales and absorbs a cocktail of known carcinogens, society has a moral obligation to enable them to access compensation should they fall ill as a result. Yet, this is currently not the case.

The SRC Act as it stands certainly allows firefighters the technical means to seek compensation. However, the committee heard that the evidentiary burden of doing so is currently prohibitively onerous. Firefighters have to demonstrate exposure to a particular chemical and then demonstrate that the chemical in question is the cause of their cancer. This, for anyone who knows anything about the uncontrolled and unpredictable environment firefighters operate in, is virtually impossible. It amounts to picking a single fire incident over many years and identifying it as the root cause of a cancer when cancers we are talking about in fact
develop as a result of cumulative exposure over time. They develop as a result of cumulative exposure to a cocktail of toxic chemicals released by combusting materials in houses, cars, businesses, hospitals, schools, manufacturing plants and any other number of sites a firefighter will attend over the course of his or her career. The exact chemical composition of this toxic soup is not known to the firefighter who goes in to extinguish a fire, nor is it possible to determine or record accurately after each incident. The committee heard that it is also difficult as sick firefighters are routinely advised against even attempting to seek compensation so that they might at least avoid the added emotional and financial stresses of litigation.

After thorough consultation with stakeholders, the committee has established that the proposed legislation does not create any new right or entitlement. It merely eases the access to compensation for the small number of firefighters who will be unfortunate enough to develop cancer as a result of their professional duties. Under the proposed rebuttable presumption, employers and insurers would still have every right to reject claims for compensation which are unfounded, but those that are legitimate would finally, for Commonwealth firefighters at least, result in compensation.

The committee heard from the widow of a firefighter who was diagnosed with kidney cancer and died in 2009. Her husband, Robert Reed, had to return to work for financial reasons after having his kidney removed. He and his family did not have ready access to compensation, and could not face the added stresses of having to go through lengthy and expensive litigation to obtain it. Like other sick firefighters the committee heard from, Robert Reed and his family decided against pursuing difficult and expensive litigation.

The committee also heard from a number of firefighters with personal experience of cancer. I will not relate each of their stories here, but on behalf the committee I would like to thank Dean Symmans, Scott Morrison, Paul Henderson and Ross Lindley for taking the time to put their experiences on the record and sharing their personal stories with the committee. They did this for future generations of firefighters, knowing that this bill would not help them personally.

To give you a mere glimpse of the situation sick firefighters can find themselves in, the committee heard how Mr Morrison's colleagues put up their own annual leave for him to use when he exhausted his leave allowance fighting non-Hodgkin's lymphoma. This should not have to happen. These are people who risk their own health and safety to save our lives and property. They tackle dangerous environments to protect the community, going into burning buildings while the rest of us flee. It is the least we can do to help them when they are sick.

By passing this legislation Australia would by no means be in uncharted waters. Presumptive legislation has been in place across North America for the best part of a decade. It has been introduced in province after province in Canada, starting with Manitoba in 2002, and in state after state in America. The committee heard that this model of legislation has received unanimous support from all sides of politics overseas and has never been voted against. It is an issue that goes above and beyond politics.

Having said that, I acknowledge that the coalition senators are not completely convinced that presumptive legislation is the way to go. I am convinced and the majority of the committee are absolutely convinced. The committee certainly considered other avenues and believe that non-rebuttable presumption is the logical, most efficient and
effective means of protecting firefighters and compensating them when they unfortunately get cancer as a result of exposure to the soup of toxic chemicals which I talked about earlier.

While I personally believe that Australia has one of the best parliamentary systems in the world, and the Senate in particular has a very robust and important Senate committee process, we also can learn from experiences from Canada and North America. Canada is a democracy similar to ours and functions in many ways like ours and is also considered one of the best parliamentary democracies in the world. They have considered this sort of legislation for many years. Every province went through an exhaustive investigation and a robust process to come up with the same conclusion—that is, non-rebuttable legislation was the only way to properly and efficiently protect firefighters and properly compensate them when they get cancers as a consequence of their occupation. If there had been another way, I am sure they would have found it. Half of the states in the United States also have this style of legislation. I believe that, without trying to reinvent the wheel, we can look to those other parliamentary democracies and learn from them. If there was another way, it would be somewhere else for us to look at. Our committee looked and could not find another way. The committee certainly supports non-rebuttable presumptive legislation as the best course of action.

The committee took evidence from an eminent fire chief from Alberta in Canada. He told the committee that presumptive legislation has had a negligible cost impact. It has helped raised awareness of the benefits of early detection of cancers. On the weight of scientific evidence, the number of listed cancers has grown from the five originally covered to 14. The model for this legislation is so accepted in Canada today that all jurisdictions either cover or are looking to cover the full 14 occupational cancers for firefighters.

Having carefully considered all the evidence, the committee was concerned that, if passed, the legislation would only bring Australian Commonwealth law into line with outdated jurisprudence. Given the body of scientific evidence and the benefit of being able to learn from evolving jurisprudence overseas, the committee has recommended expanding the number of cancers covered by the proposed legislation.

On behalf of the committee, I wish to thank all who made submissions and appeared before the committee and gave evidence for this inquiry. I am confident that their efforts have contributed towards the development of a more robust legislation framework which should be improved with the incorporation of the committee's carefully considered proposed amendments. The committee hopes that the state governments will look to this legislation with a view to introducing similar bills into their own jurisdictions and that, in the near future, we will see harmonised workers' compensation laws which give our firefighters the protections that they deserve.

Senator BACK (Western Australia) (12:22): On behalf of the coalition I join the spirit of the comments made by the Chair of the Education, Employment and Workplace Relations Legislation Committee and the inquiry, Senator Marshall, relating to the protection of firefighters as it relates to cancers. The committee heard evidence and was particularly impressed by the balance with which those presenting to the committee conducted themselves and presented their evidence.

Early in the inquiry, as Senator Marshall has indicated, the committee was concerned to address itself to the cost impacts on
employers in the event that we were able to move to a circumstance in which easier and better availability of and access to workers compensation would be afforded. That led to the Fire Chief of Edmonton Fire Rescue Services, in Alberta, with the goodwill of his minister, addressing the committee at its hearing in Perth.

Some interesting points came out of Mr Block's evidence to the committee. The first was that there had been no significant or discernible increase in workers compensation costs to the service as a result of the inclusion of the cancers that were mentioned in his evidence. I think more important was his report on the advice that, as a result of wellness and health awareness programs, there is generally an increase in awareness by firefighters of the importance of their work and their need to protect themselves, their work colleagues who do not go to fires and are not exposed to the chemicals and, equally, their families. We saw in the past, for example, instances in which contaminated clothing came back to fire stations and was laundered in domestic laundries along with household laundry, only for people to learn that the carcinogens that they had picked up in those incidents were quite often still on the clothing.

It is necessary to explain why firemen, be they career or volunteer firefighters—and I do want to come back to volunteer firefighters—are placed in this position. Firefighters are amongst the very small group of employees who are required to go into highly dangerous circumstances. The question might be asked: why can't they be put in clothing that would protect them against the chemicals that are carcinogens or that will lead to cancer? The reason is that the first responsibility for the service, for the employer and for the employees themselves is to ensure that they are in clothing that can breathe so that they can lose body heat in the event of fire. Body heat is the most immediate cause of death of firefighters. So the nature of the clothing—and an enormous amount of research work has gone into this—that firefighters wear in the event of a fire incident is such that, whilst on the one hand it allows the body to lose heat and therefore not succumb to hyperthermia, on the other it allows the absorption or in some cases the ingestion of the carcinogens to which we are referring. In other events, such as a chemical spill, we saw evidence of the firefighters being placed into plastic clothing with forced ventilation capacity so that they could go into a chemical area and not succumb. But, by the very nature of plastic clothing, naturally we cannot see that in a fire circumstance.

So what are we looking at? We are looking at a situation in which these people, particularly going into vehicle fires, residential fires and industrial fires, find themselves subjected to burning chemicals as a result of their activity. In fact, even this chamber, if it were the subject of examination, would probably have a number of products—the carpet, the laminating in the wood, the glue, the nature of the seating and cetera; the products upon which we are seated and around us—with a very significant number, potentially, of carcinogens in the event that they burned. Basically, that circumstance exists, as it was presented, and the coalition joins Senator Marshall in the majority report in saying that it is patently obvious that if a person is a firefighter, if a person has been subjected to the sorts of incidents I have described, if they are subjected to those sorts of carcinogens as a result of burning plastic, they are likely over time to absorb or ingest those carcinogens.

At the moment it would appear that the workers compensation legislation is deficient. It is deficient because of the understanding of the difficulty that the fireman has
in having to prove the actual incident that they may have been at to have caused the ingestion or absorption of that carcinogen, which of course is patently ridiculous. We understand that there are qualifying periods. We understand that a fireman would have to go through rigorous assessment et cetera. However, to give recognition to this—and the wider community would no doubt expect it—we need to simplify the process such that a person, be they career or volunteer firefighter, is able to show, firstly, that they are a firefighter; secondly, that they have been at incidents of the type that are likely to cause the absorption or ingestion of carcinogens; and, thirdly, that they now have one of those cancers. That should be all that is necessary for them to be able to proceed forward and be entitled to a claim under workers compensation as easily and as quickly as possible so that they do not have over their heads and those of their family the fear that they might not get that.

Where the coalition are at variance from the majority report is that we do not believe that presumptive legislation is necessary to give effect to what is a fair and reasonable request from firefighters. We say that existing workers compensation legislation should be able to be amended and that a mechanism should be found so that, under existing legislation, we can give effect to what are the most reasonable claims of the firefighters. That is the position taken in the comments by the coalition in this report, which I am very, very pleased to lend my name to. Why do we believe that we do not need presumptive legislation? Because workers compensation legislation in its present form should be adequate. I give you as an example the legislation associated with the regrettable and horrific diseases related to asbestos exposure. We now know in this country that it is only necessary for a person to be able to demonstrate that they are employed or were employed in the asbestos industry, secondly that their workplace did expose them to asbestos and thirdly that they now have one of those diseases—asbestosis, mesothelioma or whatever—hopefully in its earlier stages. Having proved those three legs of the trifecta, they are then entitled to their workers compensation. I believe that is the model and the direction in which we should be moving in this instance.

Whilst the legislation before the committee related only to Commonwealth employees, as Senator Marshall quite rightly said, if state or other jurisdictional legislation is deficient then we would hope that the successful model would find its way into those other jurisdictions. I remind the chamber that, whilst the majority of firefighters in this country, be they career or volunteers, report to, respond to or are paid by state authorities, there are also local governments that, for example, run regional airports around Australia and their firefighters would be employed by local government. We also know that the private sector—the offshore oil and gas industry, mining industry and others—employ or have as volunteers firefighters who may be exposed to the same conditions.

I will conclude my comments relating to volunteers. Whilst it is true that their qualifying period and their time of exposure to the carcinogens in question would be more limited, I am very pleased to support the fact that we are including and not excluding volunteers in this. As I say, the coalition supports the general thrust of the outcome of this inquiry and congratulates and thanks those who participated but urges that we do not need presumptive legislation to give it effect.

Senator WRIGHT (South Australia) (12:32): I am pleased to rise to acknowledge the tabling of this final report of the Senate
Education, Employment and Workplace Relations Legislation Committee into my Greens colleague Adam Bandt's Safety, Rehabilitation and Compensation Amendment (Fair Protection for Firefighters) Bill 2011, which was co-sponsored by Russell Broadbent MP and Maria Vamvakinou MP. The report is the culmination of a great deal of hard work by the committee and it was a very positive experience to participate as a full member of the committee, being relatively new to the Senate. I have been impressed with the thorough process I have observed, overseen by the staff of the secretariat. I thank them for their work.

I would also acknowledge the extensive work of the United Firefighters Union of Australia, which enabled site visits so that the committee could experience some of the work conditions of firefighters firsthand. I say 'some' advisedly because of course there is no real way we can experience the work conditions that firefighters face on a daily basis in protecting life and property on behalf of the Australian community, but it did give us some insight into what some of those conditions would be like.

The process involved obtaining detailed information from local and international witnesses who have particular areas of expertise, such as in relation to personal protective equipment, the chemicals in the environment to which firefighters are exposed on a regular basis, international legal trends and the extensive studies that have demonstrated conclusively that there is a direct causal link between exposure to toxins and carcinogens in their work environment and the contraction by firefighters of certain cancers.

When the committee had the opportunity to experience firsthand some of the hazards encountered by firefighters in the form of flames and smoke, it brought home to me the degree to which firefighters, by the very nature of their job, are exposed to conditions over which they have almost no control and about which they have very little information before they enter the premises to deal with the fire or the hazard. One of the things that I think the committee members all learnt was the degree of speed required and the lack of time that is available to assess the risks of a situation, which in the normal course of occupational health and safety would be one of the first steps taken by any responsible employer. But the nature of the beast in firefighting, I very clearly came to understand, is that time is of the essence. If the reaction is not speedy enough, it is difficult to get the fire under control and the point of no return is reached. So firefighters do not have the luxury that many other employees might have of assessing the risks of the situation and doing what is necessary before they enter. In a sense, they are totally vulnerable to what the situation affords them.

A final aspect of the inquiry which I felt was equally valuable—and I think it has already been acknowledged by my colleagues—was the personal eyewitness accounts, from those firefighters and their families who have contracted cancer, of the devastating impact of their illnesses on their health, obviously, but also on their sense of wellbeing. It became very clear to me in the last committee hearing, when we heard from firefighters and their families, that contracting cancer had affected their sense of identity as strong, healthy, independent providers for their families. As we know, the level of health and fitness that is required of people entering into firefighting service is higher than you would expect in the ordinary population. It was brought home to me the degree to which those people take pride in that part of their identity and who they are. Contracting an illness like a cancer fundamentally erodes that sense of who they
are and what it is that makes them individual and unique. I think it is only through hearing about the lived experience of people who face this that we can really gain some insight into what it means, and I am grateful to those individuals who were prepared to share very personal experiences with people who were attentive but definitely strangers.

In my view, the three most surprising and disturbing aspects of the evidence that I heard in the course of the inquiry were as follows. First of all, the greatest hazards faced by firefighters are not necessarily or not only those hazards that members of the public would expect if asked—and they would be the flames, the fire and the risk of collapsing structures. In fact, they are the often unseen hazards in the form of toxins and carcinogens within the environment. The second surprising aspect to me was that despite the best efforts of employers, despite our best efforts with innovation and modern technology and all that is available—and my understanding is that Australia has some of the world's best personal protective equipment, the suits issued to firefighters—the personal protective equipment can never adequately protect firefighters from these chemicals and hazards that they confront daily in their working environment. That is because the fabrics need to be able to breathe so that firefighters do not overheat internally. So the fabrics have to be permeable to the atmosphere and, of course, the atmosphere is where the unseen chemicals and carcinogens are carried and then ingested through firefighters' skin. Every time they go into a fire, they know that they are vulnerable to these chemicals.

Finally, the most confronting aspect for me was to understand that most firefighters who contract these cancers as a result of their work—and the evidence indicates that many of the cancers that we know firefighters contract are work related—are not able to receive adequate compensation or financial support when they do contract a work related illness because of the current legal impediment of having to prove causation. Causation means proving that it was exposure during their occupation to these chemicals that actually caused their particular cancer, even though the probability is that it was that exposure.

As a lawyer in a previous life who worked with people in relation to workers compensation and litigation, I am acutely aware of that onerous impediment to proving a legal case: causation, where it is imperative that to succeed one has to prove the risk that was encountered and that there is a direct causal link between that and the consequence—and that is almost impossible, as we heard from the witnesses. There was one person who had actually attempted a claim initially and was advised, probably wisely by their lawyer, that it would be too hard, and there were others who had not even been able to go down that track. Essentially, they were left without protection. It is that long-standing injustice that this bill seeks to remedy. I can best sum up my views about that situation by going to the final paragraph of the committee report—and I am happy to endorse the entire report on behalf of the Australian Greens. The report states:

The committee recognises that when a person spends their professional career inhaling and absorbing known—and probably some as yet unknown—carcinogens in the course of public service, it is the moral duty of the community to enable them to seek compensation should they fall ill as a consequence.

I was really heartened by the collaboration involved in the genesis of this bill and the fact that it was co-sponsored by three of the parties in the parliament. I think that it is a challenge for us to see the parliament doing what we are really here for and doing our job properly—that is, to acknowledge that there
is a problem that needs to be fixed, to inform ourselves on the best evidence available and then to take the action that we know is needed to achieve a just and a very long overdue result. What a good thing it would be if we were able to, in the end, pass this legislation on a collaborative non-partisan basis. What a matter of pride it would be to tell the Australian public that we have done this thing on behalf of firefighters, who risk their lives and health on behalf of the community every day.

Question agreed to.

BILLs

**National Health Reform Amendment (Independent Hospital Pricing Authority) Bill 2010**

**Report of Legislation Committee**

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (12:41): At the request of the Chair of the Finance and Public Administration Legislation Committee, Senator Polley, I present the report on the National Health Reform Amendment (Independent Hospital Pricing Authority) Bill 2010 with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**National Health Reform Amendment (National Health Performance Authority) Bill 2011**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Senator DI NATALE** (Victoria) (12:42): There are few things more important to a nation than the health of its people and it is no surprise that Australians consistently rate health care as one of the issues that remains most important to them. Reform of the nation’s health system should therefore be high on the agenda of any government. The National Health Reform Amendment (National Health Performance Authority) Bill 2011 is part of this government’s health reform package. It is important, though, that we put this bill in its proper context. This is hospital finance reform, not genuine health reform. It is certainly an improvement in the way that hospitals are currently funded, but real health reform is something far greater than what we will be debating today.

Genuine health reform means, firstly, serious action on the issue of illness prevention. We are one of the most hospitalised countries on earth. We have an epidemic of non-communicable disease—cancer, heart disease and diabetes are all on the rise. By preventing illness, we improve people’s quality of life but there are also enormous savings to be made. To their credit the government has done some good work in this area. The establishment of the Preventative Health Taskforce and now the Australian National Preventive Health Agency are important first steps. It does however remain to be seen what the specific mandate for the agency will be and what role they will have in determining government policy.

The government are also to be congratulated for their work on tobacco control. Plain packaging is a bold initiative and they deserve credit for taking this issue on. One of the reasons I am here in this place is that through my medical practice I have seen people die from the effects of smoking and to have the opportunity to challenge big tobacco’s campaign on this issue through Senate committees has been a vindication of the role of politics in effecting the health of ordinary people. Of course, there is much, much more that we need to see happen. The Greens would like to see action on alcohol, with better warning labels and a much more rational taxation and pricing system. More
needs to be done on the issue of obesity, from better planning of our cities and towns to improved food labelling, such as the adoption of traffic-light labelling. Primary care is a major area of potential reform, and the government's health reform package addresses this but only peripherally, through Medicare Locals. Now, Medicare Locals do offer some promise, but many of the details in this area remain clear.

We have also just begun the journey towards a more comprehensive public dental health system, and the Greens are proud to be taking a central role in the development of a public health system for this nation. Of course, this is a work in progress and there is more to be done in this area.

Finally, health reform also means tackling those things that lie outside of the health system, such as housing, education and employment. We know that differences in health are a marker of inequalities right across society, so achieving good health is a marker of a much fairer society.

I will now move onto the details of the National Health Reform Amendment (National Health Performance Authority) Bill 2011. The bill establishes the National Health Performance Authority, one of three agencies being created as part of the government's reform agenda. The health reform agenda is driven by several problems that Australian governments have long known about. The first is escalating costs. State spending on health and hospitals has been growing by almost 10 per cent per year and is taking up an increasing proportion of our state budgets. As a result, the Commonwealth share of hospital funding has declined over time. Health care is certainly a worthy use of taxpayers' money, and few Australians would begrudge money being spent on providing better hospitals. But, without reform, the states would have an increasingly difficult time in keeping up with these rising costs. These reforms go some way towards addressing that problem. State governments now know that, by 2014-15, 45 per cent of the growth in hospital costs will be met by the Commonwealth, rising to 50 per cent by 2017-18. However, in our view, these measures do not go far enough.

A second problem is that of transparency. The rising costs of health care, within the hospital system in particular, mean that every dollar is critical. There will never be enough beds, and emergency waiting times will never be short enough. This is made worse if our health dollars are not being spent as efficiently as they possibly can be. This bill and these reforms attempt to increase efficiency by creating a national funding pool and by moving towards a system of activity based funding nationwide. With funding based on a national efficient price and provided directly to local hospital networks, we will have much better insight into where each health dollar is being spent. But we also need to be cautious, because some hospitals, particularly those in regional communities, may not be able to complete: this is not a level playing field.

Cost-shifting is a further problem. A complexity of funding and delivery arrangements in the national hospital network means that there are numerous opportunities to move treatment between state and federal jurisdictions. Hospitals are of course under pressure—they have got finite budgets—so there are incentives to do things such as discharge patients early so medicines can be subsidised federally through the PBS or have Medicare funds cover outpatients' specialist appointments.

So will these reforms do what it was initially touted they would do—that is, end the so-called blame game between Canberra and the states? I think that is highly unlikely.
Much bolder reforms are necessary for that to happen. Nevertheless, they are generally sensible reforms, and the Greens will see them through the parliament.

As I said, this bill establishes the National Health Performance Authority. The authority is to monitor and report on the performance of the health system and, in particular, all hospitals and local hospital networks. The authority will itself formulate performance indicators, collect and analyse information, and make public the reports it prepares so that all Australians will have more insight into the functioning of their healthcare system. It is hard to argue against the need for better and nationally consistent performance data. With better data, we can measure the impacts of other reforms. We can know if they are working. We can identify problems and inefficiencies that are otherwise hidden. A standard for nationally consistent performance indicators will also help us to spot where things are being done correctly. In conjunction with the Australian Commission on Safety and Quality in Health Care, this will mean that best practices can be shared, and it will increase the efficiency of the system as a whole.

The authority itself will consist of a chair appointed by the Commonwealth, a deputy chair agreed to by the states and five members agreed to by both levels of government. The bill stipulates that one member of the performance authority must have experience and/or knowledge of the healthcare needs of people living in regional or rural areas. This is to be especially welcomed. Australians in the regions have been long underserved by our healthcare system. It is a huge challenge, because those with fewer options struggle—they have longer distances and longer waits to access services, particularly when compared to city dwellers and the sorts of services that they take for granted. The Greens hope that this member of the authority will work to ensure that the data the authority collects and reports on can be used to improve the services offered to rural and regional Australians. The Health Performance Authority is also to be welcomed if it empowers Australian citizens to make more informed choices about their own health care. The government's MyHospitals website, as it stands, leaves much to be desired. It has not sparked a revolution in consumer choice, because knowing that a hospital is underperforming is only useful if you do have a choice. Nonetheless, it is to be expected that the advent of the authority will improve the amount and quality of information that can be offered to Australian consumers who are facing choices that have an enormous impact on their lives. We are also optimistic that the data collected and published will help researchers and help inform the work of the Commission on Safety and Quality in Health Care.

We do have some reservations with this bill. The performance authority faces some rather large challenges. The data that it is to gather, analyse and report will not collect itself. It must be done at the coalface—in our nation's clinics and hospitals. The burden of collecting more data and new metrics to measure performance may be significant. Who will do this work? Will they be resourced or otherwise assisted in this task? These are important questions that need to be answered. There are also questions around the flow of data. It appears the authority will be relying on the states to collect and forward the data. How can we be sure the data will be timely, complete and accurate? We cannot yet anticipate all the incentives that there will be for delay or obfuscation.

The authority itself is obliged to report to the minister and the parliament. The bill does not specify the contents of these reports or the time lines for their delivery. Clause 111
states that the report is to be made available 'as soon as practicable'. One trusts that health professionals and staff of the authority will take their mandate seriously and deliver in a timely fashion; however, trust may not be good enough, because nobody likes to be the bearer of bad news.

As I said previously, it is a positive thing that the authority is to have a representative with expertise in rural medicine who will be able to advocate and advise on the specific challenges of that field. Through the authority, no other field of expertise is so honoured. The bill does not ensure, for instance, that the authority will have expertise in primary or acute care. Of course, from a practical point of view, there are many important areas of knowledge that would be valuable to the authority and we cannot amend the bill to accommodate all of them. Five members are not enough to cover the broad range of expertise, and we do not want to turn away any qualified and dedicated health experts who might thereby become ineligible. All we can rely on is clause 62(7) of the bill, which allows the authority to 'consult such persons and bodies as it considers appropriate'.

The bill makes some specific provisions for the case where adverse findings are reported about a particular hospital or local hospital network. Clause 62(4) of the bill gives state health ministers 30 days in which to provide written comments. However, it is not clear what the end result of this consultation is to be, apart from keeping the relevant stakeholders in the loop. The authority, according to clause 62(4)(e), must have 'regard to any comments' so offered. This is vague enough to cover all imaginable responses, from a hasty rewrite of the report in question to no response whatsoever. We would have liked more assurance that the performance indicators that are developed by the authority will not be created in a vacuum. For instance, there would appear to be some overlap between these performance indicators and those developed by the Commission on Safety and Quality in Health Care.

Ultimately, resourcing these changes will be critical. We are confident that the authority will be well funded, with $118.6 million in funding over four years to address all of these problems. The Greens are therefore cautiously optimistic about the authority's role. We are satisfied that it represents a modest improvement, and so we will vote for this bill today. But we will also be watching very closely how the hospital authority performs in the years ahead. Most importantly, we hope that this bill will serve as the impetus for further reform—reform that is much wider ranging and that addresses those issues within the health system that are in urgent need of attention—a much greater focus on illness prevention and a much greater focus on the primary health care sector. This is reform that will genuinely improve Australia's healthcare system, and we hope that this is one small step on that journey.

**Senator EGGLESTON** (Western Australia) (12:58): The National Health Reform Amendment (National Health Performance Authority) Bill 2011 proposes to establish a new statutory authority, the National Health Performance Authority. It is in fact the fourth of a number of new bureaucracies which the Labor government has set up in the so-called pursuit of providing a better health service for Australia. While Labor has promised to do a lot in the field of health, in fact when one examines the record one finds that really very little has been achieved. Although I have only very limited time, I would like to remind the Senate of some of Labor's health record, which is not really one of success.
We recall that Labor promised to fix hospitals by 2009. Labor's claim of federally funded and locally managed hospitals was in fact specifically repudiated in the National Health and Hospitals Network Agreement signed by the states and was formally dropped by the government at the COAG meeting in February 2011.

As for ending the blame game, as Labor promised, the Australian Medical Association told an inquiry by the Senate Finance and Public Administration References Committee into the COAG agreement on health and hospitals that the intergovernmental agreement would not 'end the blame game, but instead merely provide different opportunities to undermine and "game" the system.' So much for Labor's health reforms. As far as waiting lists go, in 2007 Labor promised to:

... dramatically reduce waiting times for elective surgery such as hip and knee replacements in Australia's public hospitals.

The COAG Reform Council has confirmed what many had in fact suspected, that elective surgery waiting lists have not improved.

Debate interrupted.

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

**Education Services for Overseas Students Amendment (Registration Charges Consequentials) Bill 2011**

Debate resumed on the motion:

That these bills be now read a second time.

**Senator MASON** (Queensland) (13:00): While the Education Services for Overseas Students (Registration Charges) Amendment Bill 2011 and the Education Services for Overseas Students Amendment (Registration Charges Consequentials) Bill 2011 are noncontroversial, the policy settings for the regulation of the provision of educational services for overseas students is, of course, anything but noncontroversial. Honourable senators would be well aware that international education is one of Australia's major export industries.

This is not a widely known fact and, sadly, it does not attract the attention from parliament and from the community that it deserves. While we in this place constantly debate the carbon tax, the mining super profits tax, boat people and so forth, and debate rages about those matters, there is very little debate about education and international education. The fate of education exports seems to be something that only a few insiders are excited about. I am excited about it, Senator Rhiannon is excited by it, but not enough people are excited by it. But what is at stake is the international competitiveness of industries which contribute tens of billions of dollars to our economy, create hundreds of thousands of jobs and provide for innumerable other direct and indirect benefits for our country, among them being a great diplomatic effect that international education has for this country and its relations particularly with East Asia.

I was saddened to read yesterday the latest ABS figures, which showed that in the 2010-11 financial year international education dropped by almost 10 per cent in value from $18 billion in 2009-10 to only $16.4 billion last financial year. That drop—over $1½ billion in export industries—is a big drop and a lot of money. Sadly, it was not surprising. Our education sector has been sounding the alarm for quite some time as it has been battered by a perfect storm of the high Australian dollar and by some damage to our reputation both in safety and standards in some of our higher education facilities. Yet for all this, Australia still hosts and educates the third-largest number of
international tertiary students in the world, after the United States and the United Kingdom. Per capita, we educate more international students than any nation on earth and we do it very, very well.

With the proportion of international to domestic tertiary students at more than three times the OECD average, Australia clearly remains a destination of choice for international students. It remains so today, but we cannot take that for granted. With that in mind, the opposition eagerly awaits the outcome of the Knight review into student visas, as well as the government's response to the Knight review. This will, hopefully, allow for fine tuning of policy parameters to strike the right balance between the integrity of our migration system and the openness of our education sector. In the meantime, the coalition will support the bills before the parliament as they seek to address the issue of standards and quality in Australia's international education services.

These bills will create a new fee structure for higher education providers who wish to be registered on the Commonwealth Register of Institutions and Courses for Overseas Students. Registration on CRICOS allows higher education providers to offer courses to overseas students. If they are not on the list then they cannot offer courses to overseas students. This implements recommendations arising from the review of the education services for overseas students legislative framework, titled Stronger, simpler, smarter ESOS: supporting international students—the ESOS review—conducted by the Hon. Bruce Baird, a former Liberal Party minister.

The new base fee, the compliance history fee, charge per student enrolment and charge per registered course are designed to cover the administrative costs of the registration process and reflect the size of any associated supervision, compliance or enforcement activity needed to ensure that only reputable providers are permitted to operate. I commend these bills to the Senate and hope and wish that honourable senators pay much attention to overseas education.

Senator RHIANNON (New South Wales) (13:05): I rise to speak on the Education Services for Overseas Students (Registration Charges) Amendment Bill 2011 and the Education Services for Overseas Students Amendment (Registration Charges Consequentials) Bill 2011. In 2010 overseas full-fee paying students contributed $18.5 billion in export income to the Australian economy. That is certainly an impressive number and, to listen to Senator Mason, it sounds like he gets excited by these figures.

Senator Mason: I do.

Senator RHIANNON: I acknowledge that. Education services is our largest services export industry and every sector of education, from secondary schools to English language intensive courses for overseas students, from VET to the higher education sector, benefits from the enrichment and diversity international students bring. They provide an important social capital for Australia, whether they stay to keep directly contributing to our country's prosperity and wellbeing or whether they return home, providing a bridge for us to connect with our region and with the rest of the world. As Professor Glyn Davis, Vice Chancellor of the University of Melbourne, noted in a 2009 article in the Campus Review, education is a:

… barometer of our relationship with Asia…and an indirect measure of Australia's reputation internationally.

and

… strong education flows reflect wider flows in ideas, people and trade.
PricewaterhouseCoopers Melbourne Institute Asialink Index 2009—a multi indicator measure of engagement between Australia and Asia—confirms that:

International education and conference attendance correlates with tourism and migration in the short term and investment and trade statistics in the years to come.

With the violent attacks on Indian students during 2009, and the many tragedies that occurred there, Australia’s reputation as a safe and inclusive country for overseas students was severely damaged, as we know. Claims of disregard for the quality of education available in Australia for international students quickly followed. Evidence of education agents misleading students about their courses and work opportunities surfaced. And unethical providers linking education with migration outcomes led to a growth in students willing or misled into looking for a smooth pathway to permanent residency.

It is important to make clear that these series of events were not indicative of the excellent quality of experience provided by the large majority of our education providers, with Australian Education International’s International Student Survey 2010 Overview Report confirming generally high levels of satisfaction with their Australian education experience. However, as we know, there was a series of events that revealed a certain neglect by Australian governments to properly oversee the care of those young people outlaying substantial costs to receive a quality education by Australian providers.

This bill before us, and its consequential bill, implements some of the recommendations of the 2010 education services for overseas students review by adopting a risk assessment and management approach to the registration and monitoring of education providers who deliver courses to international students. It also seeks to improve processes, ensuring the accountability of international education and payable by all Commonwealth Register of Institutions and Courses for Overseas Students, registered providers of courses to overseas students, with a new fee structure: the annual registration charge. This is made up of a base fee, a charge per student enrolment, a charge per registered course and the risk profile of the providers. Providers routinely offering courses of less than 13 weeks may count those enrolments as a quarter of an enrolment charge, where currently they count as half a charge for courses less than 26 weeks.

Low-risk providers, such as those with an established history of quality provision, will pay less, with the majority of our education providers to pay less than the existing charges. Higher risk providers or those with a history of non-compliance will pay more—with fairness provisions allowing the opportunity for those providers to appeal prior to being charged higher charges. The charge is designed to recoup the administrative costs of the registration process and the extent of supervision, compliance or enforcement activity needed to ensure that only reputable providers are permitted to operate.

The entry to market charge replaces the current initial registration charge payable by education providers seeking their first CRICOS registration and those whose registration has been cancelled or expired. It is higher than the previous charges and is payable for each of the first three years of CRICOS registration, diminishing in cost over those three years. Exemptions from these charges are allowed through regulation for certain providers with low-risk profiles and quality controlled processes, such as established universities and TAFEs. Overall there will be a reduction of about $81 million in costs to the sector as a whole, with most
existing international providers seeing their annual registration charge reduced.

There are still issues that need to be addressed, however, to ensure international students in Australia receive the education and training for which they have paid and a quality experience in all aspects of their time here. Lower quality services relating to standards of accommodation and careers advice still need to be addressed, and, as for most Australian students, the cost of living for students is a struggle. Their housing, their cost of living and their transport needs have to be addressed.

The Greens support these bills, as part of a suite of legislation that provides greater care and responsibility in looking after students, by adopting a risk assessment of providers in the registration process.

Senator XENOPHON (South Australia) (13:12): As Senator Rhiannon has just indicated, the hundreds and thousands of international students that study in Australia—from India, from China, from Thailand, from Korea, from the United States and from Indonesia, to name just a few—come to Australia on study visas and have a huge beneficial impact on our economy. They are here to learn and they also make a huge difference in terms of the number of jobs they create. I think there is unanimity in this chamber about the beneficial effects of the overseas student sector on this nation's economy. I know that, in my home state of South Australia—in Adelaide in particular—overseas students are a critical part of the fabric of our tertiary education sector. Whether it is for higher education, vocational education and training, secondary school or English language sectors, these individuals pay tens of thousands in tuition fees, in visas, in travel costs and in rent, and in other costs associated with their studies.

The ESOS is designed to ensure financial and tuition assurance to overseas for course for which they paid, to protect and enhance Australia's reputation for quality education and training services and to complement Australia's migration laws by ensuring the collection and reporting of information relevant to the administration of the law relating to student visas. However, a number of closures of international education schools—12 schools in 2009—has resulted in a loss of confidence amongst some international students in Australia as a destination of choice, and that is something that we must reverse; it is something that we must address. We all read stories about schools closing without notice—in some cases it was literally open one day and closed the next. Students had no idea what had happened. They were ready to turn up to learn, only to find the doors locked and the school shut. That is what spurred the Baird Review of the Education Services for Overseas Students Act 2000, which recommended stronger regulations to better protect Australia's reputation as a provider of quality education. I moved an amendment to the 2009 ESOS bill, supported by the Australian Greens. I foreshadow that, although I will not seek to divide on it, I will be moving a similar amendment today, because it needs to be acknowledged that when an overseas student moves to Australia to study they incur significant costs, such as travel costs, rent and fees associated with organising visas.

Under the amendment that has been circulated in my name, the minister will have the power to regulate for certain consequential costs to be accounted for by the provider and thereby the ESOS Assurance Fund in the same way as tuition fees currently are. I must emphasise that this is about giving the minister the power to regulate. I find it extraordinary, going on
what has occurred previously, that the government and the opposition have not seen fit to support this approach. The ESOS Assurance Fund was established in 2000 to protect the interests of current and intending overseas students. I believe this amendment will help those international students who spend or plan to spend tens of thousands of dollars to come to Australia to feel assured that, in the unlikely event that their provider closes, they will not be disadvantaged.

I will speak to the amendment during the committee stage, when I will have more to say about it. I think it is absolutely critical that we acknowledge that international student numbers are down. Of course, there are a number of factors in this: the fallout from the GFC and the all-too-high Australian dollar. But this risk of provider collapses is also a factor, and it is a factor that we in this parliament have the power to address. That is why it is important that this amendment be seriously considered. I support the measures under the bill, but I think we need to think seriously about how we plan to rebuild our international student market. The amendment I will be moving is one way of strengthening the bill and of strengthening our international student market in this nation.

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (13:16): Firstly, I thank those senators who have contributed cooperatively to this debate in the non-controversial session of the consideration of the Education Services for Overseas Students legislation. I commend the legislation to the Senate, and I understand Senator Xenophon will move an amendment. I think the debate has been well canvassed. I do not intend to add to the second reading debate in terms of the legislation, but I will make a few confined remarks in the committee stage. Thank you.

Question agreed to.
Bills read a second time.

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

Senator XENOPHON (South Australia) (13:18): I move amendment (1) on sheet 7145 standing in my name:

(1) Schedule 1, page 6 (after line 2), after item 11, insert:

11A Paragraph 29(1)(aa)
Omit "less", substitute "plus
(aa) the total of the prescribed amounts relating to expenses incurred by the student in connection with the course; less".

11B Subsection 29(2)
Omit "paragraph (1)(b)", substitute "paragraphs (1)(aa) and (b)".

11C Section 46
After "course money", insert "and certain consequential costs".

In my contribution to the second reading debate, I set out in part the reasons this amendment should be supported. At the nub of this issue is the fact that currently, under section 48 of the act, tuition fees can be refunded to students who miss out in the event that a school collapses. This amendment seeks to give the minister the discretion to go further than that so that students can cover out-of-pocket expenses—visa fees, rental bonds due to rental agreements that might have been broken if a student had to go back home, and other consequential losses in respect of a school collapse.

I think it is important to put this in context. This is about giving confidence to those international students who study here and to their families, many of whom make enormous sacrifices to send their children here to Australia. I have seen reports in relation to many families in India, for
instance, who saved everything and borrowed money so their kids could get a quality education here in Australia to give them the opportunity to have the best of what we have to offer. In those circumstances, a refunding of the student tuition fees is just not good enough. We should give these families the confidence that in the rare event of the collapse of a college or school they can get something more than that. This amendment is not radical, in that it gives the minister discretion as to the extent of the compensation payable. If we want to encourage and expand confidence in our international student education sector in this country, this would send a very strong message. Those parents in India, in Indonesia, in China or wherever they are from will be able to say, 'At least if something does go wrong we will not be left with long-term debt or suffer great financial hardship.'

It is important to note that in 2009 the then education minister, now the Prime Minister, said in her second reading speech to the Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill:

We want our international visitors who come here to study to know that the Government is looking after their interests.

If that is the case, then repaying international students the costs associated with their education in the unlikely event that their school closes down is the right thing to do. I should add that the strengthened regulations, in theory, reduce the likelihood of there being a shonky operator.

Why would there be a problem with supporting this measure? This measure is sensible, will strengthen confidence in the sector and will encourage more students to come and study in this nation. Because of the regulations proposed in this bill, the need for the ESOS Assurance Fund to step in should be unlikely. This amendment will send a message to potential international students that, as the Prime Minister said, we are looking after their interests. It will help rebuild and strengthen our reputation and attract international students back to Australia. Let's face it: the number of international students is down—389,601 enrolments as of March this year by full-fee-paying international students in Australia on a student visa. This represents an 8.7 per cent decline on the same period in 2010. That is a significant drop. In June 2009 there were almost 500,000 enrolments. It is important that we support this. I cannot understand why, given that there will be a stronger regulatory framework, the government does not even want the power to set regulations to provide a greater degree of certainty for international students. The government could have it capped, for instance. The government could say that there could be a lump sum cap on payments. It might be $2,000, $5,000 or whatever. It would at least give more assurance to our international students. I cannot understand why, given the context of this bill and a strengthened regulatory environment, which I commend the government for, the government does not even want the minister to have some regulatory powers to give greater levels of compensation than merely tuition fees, which is just not good enough for those parents of international students who give their all, take out loans and make considerable sacrifices to send their children here to Australia.

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (13:23): As I foreshadowed, I will be brief in my remarks. The government thanks Senator Xenophon for moving his amendment and expressing his views, but the government on this occasion does not
believe the changes that he is presenting can be supported. The government believes that the changes made in April 2011 through the first phase of legislative changes to ESOS address the core issues as proposed by Senator Xenophon.

Recommendation 18 of the Baird review addressed the issue of the refund of non-course costs. In responding to that recommendation, changes were made so that those providers assessed by regulators as having a higher level of risk may have conditions put on their registration. These conditions would allow regulators to prevent providers from collecting non-course moneys from international students—for example, prepaid homestay fees. For these reasons, we do not support Senator Xenophon’s amendment.

Senator MASON (Queensland) (13:24): Senator Xenophon was good enough to inform me that he would be raising this issue and wanted, quickly, the opposition’s response. I endorse what the minister has said. Clearly, it is a matter of balance. The government would not want to put too great a burden on providers, the vast majority of which are responsible and legitimate. Certainly section 14B of the act gives regulators powers sufficient, we think, to cover the mischief described by Senator Xenophon.

Senator RHIANNON (New South Wales) (13:25): The Greens do support this amendment. Senator Xenophon has set out the clear reasons why it is needed. It would enhance the provisions and take forward the important work of making conditions here for overseas students more attractive.

Senator XENOPHON (South Australia) (13:25): In response, very briefly, it defies logic that the government and the opposition’s approach is to say, ‘We don’t want the government to have a regulatory power to deal with these issues.’ That is, in effect, what they are saying. What the minister said—and I know that this is the position of the minister having responsibility for this—is that they have strengthened the regulations in terms of non-course costs so that you cannot get prepaid homestay fees in advance or whatever. Fair enough. But that is not the issue. In many cases, students have all sorts of other fees and expenses they incur. If they were capped, it would give a lot of confidence to those parents overseas who are sending their children here. Just refunding tuition fees is not enough.

I do not think we have done enough to look after the overseas student sector in this country. We need to encourage it. We need to encourage it in every way possible. It has been declining. This is a major contributor to our economy and this is where the future is for Australia as a nation in the provision of quality education services. My prediction is that this issue will not go away and that the government will inevitably have to revisit this. My prediction, for what it is worth, is that in years to come the government will need to revisit this and give itself the power to provide reassurance to overseas students with additional levels of compensation in the rare cases when a college or school collapses.

Question negatived.

Bills agreed to.

Bills reported without amendments or requests; report adopted.

Third Reading

Senator SHERRY: I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.
Senator COLBECK (Tasmania) (13:29):
The coalition is pleased to be supporting the Horse Disease Response Levy Bill 2011, the Horse Disease Response Levy Collection Bill 2011 and the Horse Disease Response Levy (Consequential Amendments) Bill 2011. At the outset, I would like in particular to pay tribute to my colleague Senator Back, who played a fairly significant role in finally bringing this process back into a situation where we have a mechanism and a piece of legislation that will actually work.

The history of this process is that back in 2008 a very average piece of legislation was presented to this parliament. At that point in time the opposition was not in a position to support it because it effectively was not a fair piece of legislation. The intent we supported: we saw the need for a capacity to collect a levy to effectively recompense government for its outlays in the event of an exotic disease outbreak. Of course, this whole process followed on from the EI outbreak that occurred in 2007, with significant economic impact. The Rudd government did not respond effectively to that and industry, government and the opposition then had to spend a lot of time to develop a reasonable proposal. So the effect of this piece of legislation is to enable horse disease response levies to be appropriated to the Australian Animal Health Council and provide that any excess levies be used for research and development activities or the promotion or maintenance of horse health.

This piece of legislation imposes a levy on manufactured horse feed and worm treatments, which by consensus—although there are some I know who still are not completely happy—seems to be the fairest way to recoup the cost that might occur in the circumstance where the government was forced to deal with a major disease outbreak. It is important to note at this point in the process that the levy is set at zero until there is a circumstance where there is a need to recoup some funding, so we are not applying any costs at this point in time. We are putting in place a mechanism where government can recoup the cost of dealing with a major outbreak—such as the one that occurred in August 2007—and return the cost to the taxpayer for dealing with that, but also mitigate the circumstances that have occurred.

In terms of the inequity that occurred through the previous incarnation of the bill, here are some simple statistics: it is estimated that there are 1.2 million horses in Australia—the total number of horse registrations in a year though is only 50,000 to 60,000—of which only 20 per cent are thoroughbreds and 80 per cent are breed associations or pleasure and performance horses. It is quite evident from these simple numbers that the liability was going to sit not where the greatest risk lay—which was particularly with stallions moving in and out of the country and with thoroughbred racing horses—or where the bulk of the money was in respect of the major racehorseing industry where a lot of the expense was being applied. This is a much better response. Obviously, nothing is ever perfect but I commend the work that is been done by industry and by my colleague Senator Back, and I indicate that the opposition is happy to support this
piece of legislation and, at last, put this particular saga to bed.

Senator BACK (Western Australia) (13:33): I join with my colleague Senator Colbeck in giving support to the Horse Disease Response Levy Bill 2011 and related bills. Undoubtedly, the winner in this whole exercise is the horse—its wellbeing and its welfare. For me, it marks an important milestone in a journey that started some 35 years ago when I commenced the first ever course of equine management at university level in 1976. This course was run for two purposes: firstly, to bring to the industry a level of integrity in the management and performance of horses—both breeding and racing—and, secondly, to supply trained and competent leaders for the industry into the future. It was the result of that course coming into existence that we first started to identify the value of the horse industry in this country—the multibillion-dollar industry that it is in prize money and activity—in returns to state and territory governments from gambling, from which they invest nothing but make hundreds of millions of dollars, and in employment throughout Australia, especially in regional Australia and very often for people who would not otherwise easily find employment.

These bills bring together the Australian capacity at federal level to deal with the emergency animal disease response agreement in the event of an outbreak—we have seen equine influenza, but it was only one. Under the Constitution, animal disease mitigation is the responsibility of the states and territories and what EADRA does, for all of the animal species, is allow the Commonwealth to step in in the event of an exotic disease outbreak. It might be of interest to know that there are some 32 horse diseases in Australia on the EADRA exotic disease list. In other words, there are 32 diseases we regard as dangerous and which we would move to eliminate and eradicate if we could. Incidentally, it includes rabies and it obviously includes equine influenza, but I draw the Senate's attention to another disease, African horse sickness, which occurred in the United States some years ago where they lost 80,000 horses before they got on top of it.

It was put to me with regard to equine influenza: 'Well it's like human flu, it doesn't kill anyone. Why did we get excited about it? Why are we worrying about this?' African horse sickness exists at the moment in Bahrain, in the Middle East, which is about a 15-hour flight from Australia. It would be totally possible for somebody to unwittingly or illegally bring into Australia a piece of equipment, such as a bit from a bridle, and bring that disease into our country. We would not be looking at a disease that causes a few illnesses and a few abortions in mares; we would be looking at a disease that would kill tens of thousands of horses—not just thoroughbreds but every level of horse. People need to understand that.

I will not go over the excellent contribution of Senator Colbeck with regard to the levy, except to say that the levy is set at zero until or unless we get—and hopefully we never do—one of these exotic diseases which has to be eradicated. Yes, it was eventually decided after a lot of consultation that such a levy would go on concentrated feeds and wormers. In the few moments available to me, I want to recognise, firstly, the excellent work undertaken by Animal Health Australia, particularly its chief executive, Dr Michael Bond. It is that organisation that has responsibility for emergency animal disease responses in all of the other animal species, and the work done by Dr Mike Bond is complementary and should be recognised. I also want to recognise—I think almost for the first time in my 35 or 40 years of involvement with the
horse industry—the goodwill that actually did come out of the whole exercise eventually. The Australian racing thoroughbred industry was represented by the Australian Racing Board. The harness racing industry, both the breeding and the racing sides, was represented by Harness Racing Australia. I particularly give credit to the work undertaken by the officials of that organisation. Equestrian Australia was a signatory to the EADRA on behalf of the performance horse industry, and it fell to the Australian Horse Industry Council to represent all of the other horse breeds.

I hosted a dinner here in Parliament House when this process was going on and, amazingly enough, they all got on particularly well. I hope that this actually marks a change in the attitude. You must understand that when it came to equine influenza there was a very strong move by the thoroughbred industry if we could not sign up to EADRA that, through the Primary Industries Ministerial Council, there would have been an allowance for that particular breed group to actually move to vaccination against equine influenza. That would have fractured the industry deeply. For example, it would have stopped the free movement of standard bred horses, trotters and pacers between New Zealand and Australia and it really would have said across the board, ‘We as an industry cannot get together.’ I am delighted to be able to record that all of that is behind us. It has created a link in which I hope the horse industry goes forward. I hope the horse industry realises that the real competition is not with each other; the real competition, especially on the racing and pacing side, is with other forms of betting, wagering and competition.

I will conclude my comments by saying that the horse industry has been deficient in Australia because it has never come to this place in Canberra with a united voice to represent the interests and concerns of the wider horse industry. I would hope that the signing of this EADRA and everything that flows from it will actually encourage the horse industry executives and representatives to understand that they have a voice and that the voice is heard most strongly when they are a body united. EADRA has done that. I am very proud and pleased to have been part of the process, along with my colleagues Senator Sterle, Senator Colbeck and others, to give effect to the position we find ourselves in today.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (13:40): I thank senators for their contribution to the debate and I commend the bills to the chamber.

Question agreed to.

Bills read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Boyce): No amendments to the bill have been circulated. Before I call the minister to move the third reading, does any senator wish to have a committee stage on the bill to ask further questions or clarify further issues? If not, I call the minister.

Senator CARR: I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

BUSINESS

Rearrangement

Senator CARR: I move:

That intervening business be postponed till after consideration of government business order of the day no. 6 (Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011).

Question agreed to.
BILL

Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011

Second Reading

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

Senator CORMANN (Western Australia) (13:42):
The coalition supports the Superannuation Legislation Amendment (Early Release of Superannuation) Bill 2011. This bill deals with the administration of the early release of superannuation on compassionate grounds. It transfers the responsibility for administration of the early release of superannuation on compassionate grounds from APRA and the ATO to the Chief Executive Officer of Medicare, and it also effectively transfers the relevant component of fees currently collected from APRA regulated funds to cover the cost of administering the early release of superannuation by Medicare. The rationale for the transfer from APRA and the ATO to Medicare that is given in the explanatory memorandum is that this scheme is best administered by an agency that has other elements of income support and efficient customer support infrastructure. The Department of Human Services is best placed to perform this role, and APRA and Medicare came to an agreement by delegation on 3 February 2011 to do this.

I stress that there is no change to the rules around early release of superannuation on compassionate grounds in this legislation. The bill does enable recovery of the fees for administering early release from funds. This fee already exists and is levied from superannuation funds for APRA's management of early release. In future these fees will be collected on behalf of Medicare. All of this makes sense because of course the taxpayer should not have to pay the costs of this scheme. As I have mentioned, the coalition supports this bill.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (13:44): I thank senators for their contribution to the debate.

Question agreed to.
Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Boyce): No amendments to the bill have been circulated. Before I call the minister to move the third reading, does any senator wish to have a committee stage on the bill to ask further questions or clarify further issues? If not, I call the minister.

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

Question agreed to.

Bill read a third time.

Industrial Chemicals (Notification and Assessment) Amendment (Inventory) Bill 2011

Second Reading

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

Senator FIERRAVANTI-WELLS (New South Wales) (13:45): My comments will be brief. I understand that the Industrial Chemicals (Notification and Assessment) Amendment (Inventory) Bill 2011 will decrease regulatory burden on business and industry. That has certainly been a rare feature as far as this government is concerned. The coalition will not be opposing the bill.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (13:45): I thank the opposition for their support.
Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Boyce): No amendments to the bills have been circulated. Before I call the minister to move the third reading, does any senator wish to have a committee stage on the bills to ask further questions or clarify further issues? If not, I call the minister.

Senator CARR: I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

National Health Reform Amendment (National Health Performance Authority) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator FIERRAVANTI-WELLS (New South Wales) (13:48): For the information of the chamber, there will be some amendments. There is a coalition amendment and there is a government amendment. The government will be supporting the coalition amendment and the coalition will be supporting the government amendment. I hope that helps the minister.

Debate adjourned.

Sitting suspended from 13:48 to 14:00

QUESTIONS WITHOUT NOTICE

Trade Unions

Senator RONALDSON (Victoria) (14:00): My question is addressed to the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Evans. I refer the minister to the flood of allegations about financial irregularities involving certain trade unions, including the HSU and the AWU. Does the minister approve, as a matter of principle, of union officials engaging in lucrative related party transactions with their trade union?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:00): Mr President, I did not quite get the import of the second part of the question but I think it went to some allegations that have obviously been made about some trade union matters.

Senator Ronaldson: Mr President, I do relate it particularly to a company called United Edge, which is a printing company, so that might help the minister in relation to the matter.

Senator CHRIS EVANS: Unfortunately, it does not help me because I am not aware of the company. But in terms of my portfolio responsibilities, I am responsible for Fair Work Australia and they have obligations under the act to inquire into matters that relate to trade unions and may impact on their registration or operations. Those are set out in the act. They pursue those obligations assiduously. They are matters that they inquire into independently of any sort of ministerial direction. I am not aware of what inquiries or investigations they have other than that obviously there is one in relation to the HSU, which the senator who asked the question is very well aware of and asked questions about at a series of estimates hearings. I am not in receipt of any particular information on or knowledge of the matters to which he alludes but I am not all that clear what he is referring to other than, obviously, the HSU matter, where there is an ongoing investigation. It has been indicated by Fair Work Australia that they expect to conclude that investigation in the second half of this year and, obviously, they will complete those inquiries and then recommend whatever
action they think is appropriate in accordance with their obligations under the act.

Senator RONALDSON (Victoria) (14:02): Mr President, I ask a supplementary question. Minister, do you agree as a matter of principle that unions should pay the private legal costs of trade union officials in, for example, proceedings which do not relate to the affairs of the union? Can I remind you of your comments in this chamber on 17 August, in relation to a question regarding the use of union funds for escort services, when you said you did not think it was an appropriate use of union funds. So are you saying there are different forms of embezzlement in relation to your views on this matter?

Government senators interjecting—

Senator Brandis: It is your side that should be embarrassed about this, senators.

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:03): Mr President, I do not know whether that question is in order. It certainly does Senator Ronaldson no credit to make some allegation and then suggest that I was supporting some sort of behaviour when I had not even given an answer to the question. It does him no credit at all. I think Senator Birmingham gave you good advice as a general opposition yesterday when he made the observation that members of parliament should not set themselves up as court and jury. I do not have the direct quote, but it was a very well made observation, one with which I agree. It is the advice I myself gave to Senator Brandis the day before and it is advice I give to Senator Ronaldson.

Senator Brandis: Why should we turn a blind eye to breaches of the law?

Senator CHRIS EVANS: We do not prosecute them in this chamber, senator.

Honourable senators interjecting—

The PRESIDENT: Order!

Senator Ronaldson: Mr President, I rise on a point of order. It is hard to disagree with the comment made by Senator Cormann. My point of order is in relation to relevance. The minister has not in any way attempted to answer what was a very specific question in relation to—

Senator CHRIS EVANS: It was a slur.

Senator Ronaldson: As for the minister, I am quite happy for him, while he is answering this question, to also say whether or not there are different types of embezzlement. It is a quite simple question.

Senator Ludwig: On the point of order, Mr President: it is inappropriate to now try to reword the question to bring it back within a sensible position, because what the question was was an utter slur and it should have been ruled out of order. I was not going to take a point of order on that because the minister can answer that part of the question which falls within his portfolio. But for the senator to then try to take a point of order to indicate that somehow it is a reasonable question that requires an answer and that it requires an answer that is directly relevant to the question is, I think, beyond the pale. There is no point of order.

The PRESIDENT: I consider the minister is answering the question.

Senator CHRIS EVANS: Mr President, this is again an instance where the opposition just seek to slur people. If people have allegations of misbehaviour they ought to take them to the police or to other relevant authorities.

Senator Brandis interjecting—

Senator CHRIS EVANS: No, Senator Brandis, it is not the role of the Senate to
raise allegations and prosecute individuals. That has always been my view. I thought it would be yours. (Time expired)

Senator RONALDSON (Victoria) (14:06): Mr President, I ask a further supplementary question. In view of the serious allegations against Mr Williamson, the former national president and current vice-president of the Labor Party, does the minister believe that Mr Williamson should stand down from his position within the HSU and also within the Labor Party?

The PRESIDENT: The minister can only answer that part that relates to his portfolio.

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:06): Mr President, I am sure none of it relates to my portfolio but I am happy to say to Senator Ronaldson, as I have consistently said, that any allegations of wrongdoing by any private citizen ought to be taken to the appropriate authorities, be they police or other appropriate authorities. If he has any information of wrongdoing then he ought to provide that to the police or other authorities without trying to put in the political fix beforehand.

Senator Ronaldson: Mr President, I refer to your letter to senators dated 25—

The PRESIDENT: This is now debating the issue.

Senator Ronaldson: No, this is a point of order.

The PRESIDENT: If you wish to take the point of order, take the point of order.

Government senators interjecting—

Senator Ronaldson: If the other presidents in the chamber will let me continue with my point of order, then I am happy to do so.

The PRESIDENT: The point of order, Senator Ronaldson!

Senator Ronaldson: Mr President, in your letter to senators dated 25 August, you said in the third dot point that:

Questions may be put to a minister … or to any matter of administration for which the minister is responsible in a personal or representative capacity.

I put to you that he, as a member of the Labor Party, is forced and required to answer a question in relation to Mr Williamson.

The PRESIDENT: That is a reflection on the chair. If I heard you correctly, I think you should withdraw. Are you reflecting on my position?

Senator Brandis interjecting—

The PRESIDENT: Excuse me, I am talking to him!

Senator Brandis: I am talking to myself.

The PRESIDENT: Well, you talk to yourself. Senator Ronaldson, are you talking about my position as the President of the Senate?

Senator Ronaldson: No, Mr President, I am quoting from your letter—

The PRESIDENT: No, I understand that.

Senator RONALDSON: I have quoted from your letter—

The PRESIDENT: No, you cannot argue.

Senator Ronaldson: Mr President, your letter indicates that questions can be asked of ministers on any matter of administration which the minister is responsible for in a personal or representative capacity.

The PRESIDENT: That is correct.

Senator Ronaldson: Thank you. I was not reflecting on you at all. I am asking you to rule that this is a question on a matter for which the minister is responsible in a
personal capacity and that he should be answering the question.

The PRESIDENT: I will rule that there is no point of order. I have asked the minister in addressing the second supplementary question to address that part of the question which goes to his portfolio. The minister has already outlined in the first 25 seconds of his answer his response to part of the question. If the minister has anything else to continue with, he may now do so.

Senator CHRIS EVANS: Well, Mr President, on the basis of that I will have to answer questions on the poor form of the Fremantle Football Club, which will put me under enormous pressure. If the opposition have allegations to make, they ought to take them to the police or other authorities. I have no responsibility for these matters and have no personal knowledge of them. So clearly I am not able to assist in terms of reporting to the Senate. But I do think that all senators ought to think carefully about whether trying to prosecute allegations of criminal behaviour in the Senate is appropriate (Time expired)

Small Business

Senator THISTLETHWAITE (New South Wales) (14:10): My question is to the Minister for Small Business, Senator Sherry. Can the minister outline to the Senate how the government's tax reform package will improve the cash flow of small businesses? What other initiatives has the government launched to reduce the compliance costs of small businesses?

Senator Ian Macdonald: A big new tax has been provided!

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:11): I thank Senator Thistlethwaite for his question. And, no, Senator Macdonald, tax cuts. Australia's two million small businesses will benefit from a package of effective tax cuts that will improve cash flow and also reduce red-tape compliance costs.

This week the Assistant Treasurer and I released for public consultation the details of these tax changes. From the 2012-13 income year the package will allow small businesses to firstly immediately write off assets valued at under $6,500—that is for each item—and that is an increase in the write-off on those assets from $1,000. It is a very significant increase in write-off. There will be an immediate write-off of up to $5,000 for motor vehicles acquired from the 2012-13 income year, with the remainder to be written off at the rate of 15 per cent in the first year and 30 per cent in following years. There will be a write-off of other assets in a single depreciation pool at a rate of 30 per cent, after 15 per cent in the first year.

The increase in the instant asset write-off threshold from $1,000 to $6,500 is very significant. It allows for small business to claim an immediate deduction for assets costing less than $6,500, rather than having to depreciate them over time. The simplified depreciation pool arrangements will also allow small business to depreciate some assets more quickly, at a rate of 30 per cent instead of five per cent, and help reduce compliance costs. The measures will have a significant impact on improving the cash flow position of small businesses. The total cost of this assistance package in 2013-14 will be over $1 billion. It is a very, very significant improvement in the tax treatment for small business and it builds on this government's commitment to cut the company tax rate for small business from 30 per cent to 29 per cent from the 2012-13 income year. (Time expired)
Senator THISTLETHWAITE (New South Wales) (14:13): Mr President, I ask a supplementary question. Can the minister outline how the government will fund its policies to boost cash flow for small businesses and how they will affect the budget?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:13): The tax reforms that I have outlined specifically in this case for small business will assistant small business and therefore strengthen an otherwise strong economy, in marked contrast to the state of small business and economies in most other developed economies. This $1 billion tax package will be paid for by the mining tax. I noted with interest that the Liberal Party, after having done very little for small business except delivering the GST in their almost 12 years in government, has decided to support the tax package that I have just outlined. At long last they are supporting tax cuts for small business, but they have no way of paying for it if they are ever elected to government, because these measures are paid for by the mining tax. As has been admitted by the shadow Treasurer, Mr Hockey, the consequence of these measures together with a whole range of other promises they have made—they promise anything to everyone; that is the Liberal Party's approach—and of their position of repealing the mining tax but supporting our $1 billion in tax cuts to small business is that they have a $70 billion black hole. They have to find $70 billion in savings. Mr Hockey has admitted that $70 billion needs to be found to pay for this measure and others. (Time expired)

Media Inquiry

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:16): Mr President, my question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. I refer to the minister's announcement yesterday of an inquiry into the media. Do the terms of reference permit the inquiry to look at the concentration of newspaper ownership?

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): I thank Senator Abetz for his question. The media industry is facing significant challenges as a result of technological change. The impact of new communications technologies is eroding the business models of traditional print media organisations, threatening their ability to continue investing the necessary resources to support news gathering and the production of quality journalism. This is a worldwide
phenomenon. A healthy and robust media is essential to the democratic process.

In response to these changes, the government yesterday announced an independent media inquiry. The inquiry will focus on print media regulation, including online publications and the operation of the Press Council. The inquiry will also examine the effectiveness of print media related codes of practice, particularly in light of technological change that is leading to the migration of print media to digital and online platforms. The inquiry will be conducted by former Federal Court judge Ray Finkelstein QC, who will be assisted—

Senator Abetz: Mr President, a point of order in relation to relevance: sessional orders require the minister to be directly relevant. My question was very specific: whether or not the terms of reference permit the inquiry to look at the concentration of newspaper ownership.

The PRESIDENT: I draw the minister's attention to the question. The minister has 42 seconds remaining.

Senator CONROY: The convergence review, a separate review that we commenced almost 12 months ago, is looking at the questions around media concentration. In fact, I understand they will be releasing a paper next week on that particular matter—the structure of the media. In the terms of reference that we have put forward we talk about diversity, but I have made it absolutely clear on a number of occasions that this is an inquiry that is not targeted at and is not about the level of media ownership. I do not need an inquiry to know that Rupert Murdoch owns 70 per cent of newspapers in this country. (Time expired)

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:19): Mr President, I ask a supplementary question. I refer the minister to his interview with Fran Kelly this morning in which he gave an answer that could be interpreted as equivocal on the issue of requiring newspapers to be licensed. Will the minister state unequivocally that the government of which he is a member will never require newspapers to be licensed?

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) (14:19): Thank you for your interpretation of my interview. The inquiry and the convergence review are looking at what the appropriate regulatory system in the converged media world is. Traditionally we have had broadcasting and print. Today there is this new grey area online, which is a merger between these two. Increasingly they are coming together. One of the issues that I am sure will be canvassed under the terms of reference that we issued yesterday is the question of whether there should be a converged media regulator. That is certainly an issue that may—

Senator Abetz: Mr President, a point of order in relation to the requirement to be directly relevant: I was willing to give the minister the benefit of the doubt in my question. I was seeking an assurance that the government will never require newspapers to be licensed.

Senator Chris Evans: Mr President, on that point of order: I do not know whether the Liberal tactics committee have run out of questions, but clearly they are seeking to waste time. You could get no greater example of a minister directly answering the question put to him. The question went to the issue of regulation of media. Senator Conroy is directly on topic in explaining to Senator Abetz what he has already explained publicly. I have heard it a number of times
but Senator Abetz clearly missed him explaining publicly what the roles of those inquiries are. It is directly relevant to the question asked and I suggest, rather than taking frivolous points of order, we allow the minister to get on with answering the question.

The PRESIDENT: The minister has 14 seconds remaining to answer the question.

Senator CONROY: As I have indicated, it could be that a possible suggestion or recommendation for the converged world, where technology is running over the top of existing regulations, could be—I am not seeking to pre-empt it in any way—that there be a converged regulator. (Time expired)

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:22): We will try again. Mr President, I ask a further supplementary question. I refer the minister to the media inquiry's first term of reference which requires it to inquire into:

The effectiveness of the current media codes of practice in Australia …

Are you ready? Will the inquiry be required to examine the ABC's and SBS's codes of practice? Will it also be inquiring into the ABC's and SBS's online publications and, if not, why not?

Honourable senators interjecting—

The PRESIDENT: Senator Conroy, you will get the call when there is silence.

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) (14:23): Thank you, Mr President. As the ABC do have some online content and the inquiry is looking at the grey area around online, I am sure that the ABC's online content may be considered among all the online content issues. The ABC are mainly a radio and television network and are not specifically covered. But they are being covered by the broader Convergence Review which is examining all of the Broadcasting Services Act obligations and codes of conduct.

There are two inquiries: one that absolutely, definitely would cover the ABC and one that, as far as the online component is concerned, could capture the ABC's online content. It is a grey area and no-one actually knows more at this stage. Senator Richard Alston ruled many years ago that online was not broadcasting. That has created this gap. (Time expired)

Parliament House: Energy Use

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:24): My question is to you, Mr President. I refer to the motion of the Senate three months ago that called on the parliament to join the Do Something! energy efficiency campaign, 'The 10% Challenge', and reduce energy use in Parliament House by 10 per cent. I ask, Mr President: could you tell the Senate what action has been taken to carry through with that motion?

The PRESIDENT (14:24): Thank you, Senator Brown. I can tell you that that has been considered at a number of presiding officers' meetings. Firstly, there are already steps in place to reduce the energy usage in this place arising out of a review—I think we showed representatives from the Greens the solar panels that we have put in as a trial at the north-west end of the building. Secondly, there are major reviews of the air-conditioning system which will see the system reviewed over a period of time to ensure that we can reduce the energy being consumed through the massive amount of air conditioning that keeps this place afloat throughout the week. There are other initiatives, and I can get you a range of the
initiatives from the Department of Parliamentary Services and give them to you later today.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:25): Thank you, Mr President, I am sure the Senate would be very happy to receive those initiatives. I ask a supplementary question. The last figures available show that the cost of powering Parliament House went from $2.5 million to $3.2 million. That is an increase of $700,000. Is the parliament on track to reduce energy consumption by 10 per cent this year, thus saving taxpayers in excess of $300,000 in addition to the greenhouse gas dividend?

The PRESIDENT (14:26): I would have to get accurate figures before I would be prepared to cite exactly what the savings are going to be this year. The increased costs are a result of a negotiated electricity contract for these premises. That contract did increase prices significantly, and they have been increasing over a period of time, hence our initiative this year to run the trial of the solar panels. We believe that trial is having an impact on our electricity account costs. When we can confirm that the trial has been successful we will look to expand that and make it much larger so that we can reduce the costs there, alone, on energy spent in this place.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:27): Mr President, I ask a further supplementary question.

Honourable senators interjecting—

The PRESIDENT: Order! I have to listen to Senator Brown's questions. Order, on both sides. Senator Brown you should ignore the interjections that on both sides of the chamber are disorderly.

Senator BOB BROWN: Mr President, it is not difficult to ignore both sides.

Honourable senators interjecting—

Senator BOB BROWN: The Cameron government, in pursuing a 10 per cent reduction in greenhouse gas emissions across its properties, achieved a 13.8 per cent reduction last year and is now aiming for a 25 per cent reduction by 2015. Mr President, I ask: beyond the 10 per cent, will the parliament and you consider emulating the Cameron government's aim of a 25 per cent reduction in power consumption by 2015 in this parliamentary building?

The PRESIDENT (14:29): Senator Brown, we are constantly looking at and reviewing ways that we can improve the energy efficiency use in this building and we will continue to do that. We are quite happy to report gains that are being made to the Joint House Committee, and I can take that to the Staffing and Appropriations Committee as well if that assists you. I have no accurate figures at this stage, and I will try to get you some figures as to what savings are likely to be made, if any.

Asylum Seekers

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:30): My question is to the Minister representing the Minister for Immigration and Citizenship, Senator Carr. I refer the minister to the Prime Minister's statement in the House of Representatives yesterday about the Malaysian solution: The arrangement remains for the transfer of 800 people. We have the clearest possible advice from the experts that advise government that it is the plan with the maximum deterrence effect. Is the minister aware that at the briefing given to the opposition in Brisbane last Wednesday, the Secretary of the Department of Immigration and Citizenship, Mr Andrew Metcalfe, told Mr Abbott, Mr Morrison and me that the government's estimate that the removal of 800 asylum seekers to Malaysia
was the number it would take to break the people-smugglers' business model was 'just conjecture'? Does that not mean that the government's entire border protection policy is based on nothing more than a guess?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:31): I thank the senator for his question. I can reaffirm that this government remains committed to breaking the people-smuggling syndicates. We are committed to stopping people from getting onto boats to make what I trust everyone in this chamber acknowledges is a very dangerous journey to Australia. We are committed to an orderly migration program. That is why the government remains fully committed to the Malaysian arrangement which provides a genuinely effective plan to remove the product that people smugglers are selling—that is, a ticket to Australia.

The alternative policy is that of turning back the boats. The government's policy is a way of showing that we do not want people to undertake this journey because of the enormous dangers there are to human life. That is precisely what the expert advice has provided to the government and that is precisely what the expert advice has provided to the opposition. Now we have the Leader of the Opposition claiming that the expert advice of 800 transfers is just conjecture. The arrangement that has been publicly available is clear: Australia will transfer up to 800 people to Malaysia. The advice that the government has is that should the arrangement work, as the government expects it will, the deterrent effect of transferring people will be very strong and it would mean that the number may not be reached at all. That is the advice that has been provided to the opposition and, if the opposition do not want to follow that advice, that is a matter for them.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:32): Mr President, I have a supplementary question. If the government is so confident of its policy, why does it continue to refuse to release the departmental advice, including the legal advice, upon which the policy was based?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:33): I do not know what the government can realistically or reasonably do, other than provide the very best advice that we have—that is, the same advice that we have—to the opposition, and it has been provided. And what is more, I understand that the Leader of the Opposition has accepted further legal advice, which will take place tomorrow. What else can the opposition realistically expect in those circumstances? Why don't they actually listen to the advice? Why don't they actually take notice of the advice, instead of treating this the way they treat scientists, the way they treat economists, the way they treat public servants—that is, ignore their advice when it does not suit them. In fact, those opposite are more than happy to verbal them when it suits them as well.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:34): Mr President, I have a further supplementary question. How can the public have any confidence in border protection measures based on policy advice which its own departmental secretary concedes was conjecture and legal advice which the High Court found was wrong?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:34): I can only reiterate that the government have provided the best advice that we have available to us—that is, through the department of immigration. We have
provided the best advice we have from the Solicitor-General. We have seen a similar attitude expressed by the opposition in regard to scientific advice when it comes to climate change. We have seen it in regard to economic advice when it comes to the question of managing carbon pricing. What we have is an opposition that has already determined its position, an opposition that has already asserted that it knows better in these things, and it chooses to ignore that advice.

Honourable senators interjecting—

The PRESIDENT: Order! I have not stopped the minister answering the question. I have asked him to resume his seat because of the noise going across the chamber, which we know is disorderly. Minister, you have 19 seconds.

Senator CARR: The government has publicly released the advice of the Solicitor-General. The immigration department officials have been made available to the opposition and, as I understand it, further legal expertise is being made available.

(Time expired)

Climate Change

Senator MARSHALL (Victoria) (14:36): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Can the minister outline to the Senate the importance of formulating climate change policy based on objective evidence and facts? How does this compare with other methods of policy formulation and what is the government's response?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:36): I thank Senator Marshall for his question. When debating matters of national importance—matters such as the budget and climate change—the government believes it is important that these matters proceed on the basis of the discussion of the facts. The facts matter; the facts should be the basis of the policy arguments between political parties. But unfortunately that is not the opinion of those opposite. The government has methodically undertaken analysis and modelling, presented evidence, prepared reports and consulted with stakeholders, all of which has shown that a carbon price is the most economically efficient and environmentally effective way of cutting pollution. It is a fact that you used to—

Senator Brandis interjecting—

Senator WONG: Senator Brandis, I am happy to take that interjection.

Opposition senators interjecting—

The PRESIDENT: Senator Wong, just resume your seat for a moment. There are some people wanting to be disorderly. It is completely disorderly to shout across the chamber. I am waiting to listen to the minister when there is silence.

Senator WONG: It is a fact—through you, Mr President—that all the experts agree on.

Senator Brandis: That's an opinion!

Senator WONG: In fact, I will just take you to this quote, Senator Brandis: … you can’t reduce greenhouse gas emissions unless you have a price on carbon.

We will play guess who, shall we? It was Mr Howard in May 2007. We on this side believe that the facts are important to this debate, but what we have on the other side, aided and abetted by their state colleagues, is a campaign of deceit and misinformation. We saw earlier this week the 34-page document, the talking points of the coalition: page after page, Mr President, of lies, lies and more lies, misinformation and misrepresentation. This set of lies is on top of a campaign of months of negativity from the Leader of the Opposition, who has
nothing of any value, of any truth, to say in this debate.

Senator MARSHALL (Victoria) (14:39): I thank the minister for that answer. Mr President, I ask a supplementary question. Has the minister seen any alternative approaches to using objective evidence and facts when formulating climate change policy, and will the government consider following such approaches?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:40): Yes, there have been some alternative approaches on display and no, the government will not be following them. One of them has been the approach of the Premier of New South Wales, who claimed that public transport fares in New South Wales could rise by 3.6 per cent. That is what he said. That is what the Premier of New South Wales publicly said. And now we know that modelling provided by the New South Wales Treasury showed that the rises would be likely to be less than half a per cent. The Premier of New South Wales falsely claimed that the cost impact would be seven times higher than that which the New South Wales Treasury actually modelled. It also became clear—and I am not surprised that they are very quiet now on that side—that this intervention in the debate was made following an exchange of emails between the office of Mr Abbott and Mr O'Farrell, from Mr Abbott's policy director, a bit of geeing up of a bit—(Time expired)

Senator MARSHALL (Victoria) (14:41): Mr President, I ask a further supplementary question. Again I thank the minister for that answer. I ask: can the minister outline the importance of clarity and accuracy in the costing of policies, especially in areas as important as climate change policy?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:41): Clarity and accuracy in the costing of policies is important across the board and in relation to climate change policy. In fact, the approach the coalition take on this, where they clearly have not costed their so-called climate change policy properly, is just a subset of the reckless way in which they approach policy costings across the board. The party that brought in the Charter of Budget Honesty is now the party of budget dishonesty—budget dishonesty: a $70 billion black hole that has been confirmed. Despite all the things that they are trying to say to get out of it now, it has been confirmed by the shadow finance minister on national television—a $70 billion black hole on top of the $11 billion black hole that they had at the election. They are an opposition without any economic credibility, without any fiscal policy whatsoever.

Asylum Seekers

Senator CASH (Western Australia) (14:42): My question is to the Minister representing the Minister for Immigration and Citizenship, Senator Carr. Is it not true that the Minister for Immigration and Citizenship advised caucus that four per cent of asylum seekers who get on a boat die at sea? Given that there have been over 11,000 asylum seekers lured to Australia in the last three years, since the government dismantled the tough border protection policies of the Howard government, what responsibility do members of the government take for the approximately 440 men, women and children who were encouraged to get onto a boat and who subsequently drowned?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:43): I thank the senator for her question. She would be asking too much of me to reveal the details of caucus discussions. I would, however, make the following observation.
Opposition senators interjecting—

Senator CARR: You might play a very neat hand when it comes to stabbing people in the back, Senator, but listen: this is not—

The PRESIDENT: Senator Carr, just address your comments to me as the chair. Ignore the interjections. If they persist, I will call the chamber to order and give you the opportunity to speak in silence.

Senator CARR: The proposition that should surely go without question is that travelling on the voyage to Australia by way of refugee boats as a result of people-smuggling activity is incredibly dangerous, and we have far too many examples of people losing their lives on those journeys. No-one, surely, could argue with that proposition. Hence I say it is morally reprehensible to argue that we should be turning boats around at sea. It is morally reprehensible to suggest that people should be turned back in these unseaworthy vessels when we know what the incredible risks are, when we know what the extraordinary dangers are and we have the historic experience of the children overboard affair. For that policy to be pursued by those opposite is morally reprehensible. I think it is beyond belief that we have a question like this that suggests anything other than the facts. It is incredibly dangerous. It is a policy position we reject and we want to stop it. We want to stop people getting on those boats, we want to stop people risking their lives and we will do all we can to see that that happens.

Senator CASH (Western Australia) (14:46): Mr President, I ask a supplementary question. Can the minister explain why both yesterday and in his answer just given today he condemned the coalition for a policy of turning the boats back by towing them out to sea while he supported the very same policy when it was announced by Mr Kevin Rudd in November 2007? Is there no limit to this minister's hypocrisy and moral ambivalence?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:47): What I can assure the Senate is that the government accepts the advice of the Australian Navy about how incredibly dangerous such a policy position is. Furthermore, this government acts on the advice of the inquiry that this Senate ran into a certain maritime incident. I further draw the attention of the Senate to the suggestion that somehow or another this government is not concerned about human rights, coming from senators who support the policy of the previous government—

Senator Fifield: Which worked!

Senator CARR: Did it work? So the Mohamed Haneef affair worked, did it? Perhaps we could get some advice on how the Cornelia Rau affair worked or how the Vivian Alvarez Solon affair worked. Your treatment of human rights was a disgrace. Your attitude to the treatment of people in detention centres was a disgrace. (Time expired)

Senator Brandis: I don't think they were boat arrivals.

Senator Chris Evans: On a point of order, Mr President: as I said yesterday, I am not opposed to robust debate, but I think Senator Brandis ought to withdraw that remark—and I think he knows he should.

The PRESIDENT: Senator Brandis—

Senator Brandis: Under your direction, I withdraw.

Senator CASH (Western Australia) (14:49): I refer the minister to the statement by the former Prime Minister, Mr Rudd, on 23 November 2007, when he said: Labor would take asylum-seekers who had been rescued from leaky boats to Christmas Island,
would turn back seaworthy vessels containing such people on the high seas …
"You'd turn them back," he said of boats approaching Australia, emphasising that Labor believed in an "orderly immigration system" …
Again I ask the minister: are you a hypocrite or are you not, by your answer both yesterday—

The PRESIDENT: No, that has to be withdrawn.

Senator CASH: Mr President, is the statement that the minister made to the Senate hypocritical?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:49): The proposition that this government is anything other than committed to the upholding of our international human rights obligations is one that I would reject. This is a government committed to ensuring that we meet our obligations to human rights under our international treaty obligations. We are in the business of stopping the people smuggling syndicates. We are in the business of ensuring that, on the other hand, people get the proper—

Opposition senators interjecting—

The PRESIDENT: I remind you the time to debate this is in 10 more minutes. That is all you have to wait—10 more minutes and you can debate the issue.

Senator CARR: If Mr Abbott was really in the business of wanting to stop the flow of boats, if he were genuinely interested in human rights, he would ensure that the policy position that we have offered to him was actually seriously supported. All we have heard from the opposition is that your clear intention is to not support that position. (Time expired)

Blade Electric Vehicles

Senator MADIGAN (Victoria) (14:51): My question is to the Minister for Innovation, Industry, Science and Research, Senator Carr. Can the minister explain how GMH, a beneficiary of over $140 million from the government's Green Car Innovation Fund, is benefiting local Australian industries by withholding access to its products from Blade Electric Vehicles while providing the same access to the predominantly foreign owned Better Place, which has also benefited from $3½ million of funding for an affiliated company through the green car fund?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:51): I thank the senator for his question and I acknowledge his ongoing interest in this matter. I trust the senator is aware that Blade Electric Vehicles are currently in negotiations with General Motors Holden and, as I understand it, there has been no suggestion by General Motors Holden that Blade Electric Vehicles have been denied access to its products. I thank the senator for giving me the courtesy of advising me that he was going to ask this question, so I ensured we contacted General Motors Holden to ask the direct question: are you denying access? I have been advised that General Motors Holden has offered Blade access to its vehicles on the very same basis that it offered access to its vehicles to the EV consortia. As we know, these are matters of commercial negotiation between the respective companies. It is not a matter that the government seeks to involve itself in directly. However, if the senator is aware of evidence to the contrary with regard to restrictive commercial practices by any party, I trust he will refer them to the proper authorities.
Senator MADIGAN (Victoria) (14:53): Mr President, I ask a supplementary question. Can the minister explain how granting funds to companies that restrict trade from innovative Australian companies in favour of foreign owned consortiums such as EV Engineering benefits Australian business or the Australian economy?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:53): When the senator speaks of innovative companies, I assume he is referring to Blade Electric Vehicles. I am not aware of any evidence that that is occurring. Again, I repeat the suggestion that, if I am mistaken, please refer the matter to the relevant authorities. If the senator is actually concerned about the issue of foreign ownership in relation to the Australian automotive industry, I can assure him that that issue has been very much part of the automotive industry in this country since its earliest days. This is essentially an international industry. If ever there was an international manufacturing industry, it would have to be the automotive one. We understand that there are significant investments which actually require—(Time expired)

Senator MADIGAN (Victoria) (14:54): Mr President, I ask a further supplementary question. In light of the minister's statement that China doubles its investment in research and development every five years, can the minister explain how the granting of $63 million from the government's green car fund to Nexteer, a company owned by the Beijing government through Pacific Century Automotive, advances the competitiveness of Australian owned and operated companies or is in keeping with the government's commitment to a level playing field?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (14:55): I trust the senator is aware of the 250 new jobs that will flow directly from this program. Our strategy has been to encourage higher levels of integration of the Australian automotive industry into global supply chains. Not only are we providing co-investment support for Chinese companies and companies that are directly working with the Chinese industry, we are also doing it in India, the United States and Germany. In fact, the whole approach is to ensure that we are able to maximise job opportunities for Australian workers by building the international competitiveness of the Australian automotive industry, opening up new products, opening up new industrial processes and opening up new markets. That is at the core of the New Car Plan for a Greener Future, about the transformation of the industry. That will not happen by us concentrating on just trying to develop a totally indigenous industry, trading entirely within Australia. This is an international industry. (Time expired)

Drought
Senator McKENZIE (Victoria) (14:56): My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. Can the minister advise the Senate on the modelling undertaken by his department with respect to the $9.6 million allocated to the farm exit grant program for the 2011-12 financial year announced in the May 2011 budget?

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) (14:57): The exit grants are matters that were part of the original drought policy. They provided for those farms that were in drought during the 10 years that drought existed in various places across the east coast and Western Australia. This
drought policy has had agreement across various governments—the Howard government, the Rudd government and now the Gillard government—to provide assistance to farmers in drought who seek to exit during that period. It provides for payments to ensure that farmers can participate in that.

I will seek advice as to whether the modelling is available, but I doubt very much whether modelling is available for the exit packages because they were designed by successive governments. The policy was modelled on allowing sufficient money to ensure that farmers could exit during drought. That means that the type of assistance is not only limited to exit grants; it also provides assistance in the form of TIS, which is a payment while farmers are in drought.

The good news is that we are no longer in drought on the eastern seaboard. Western Australia is still experiencing climatic variability which has required the government to put in a trial to look at drought policy overall. But it is important to bear in mind that the government remain committed—(Time expired)

**Senator McKENZIE** (Victoria) (14:59): Mr President, I ask a supplementary question. Can the minister advise the Senate of the process used to monitor this program given the farm exit grant program was suddenly suspended on 10 August 2011, only five weeks into its planned 52-week time frame?

**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) (14:59): The Gillard government stood by farmers throughout the drought. It is clear, as I indicated in my first answer, that improved conditions across the country mean that the drought on the east coast is finally over. When the extension of the grant was made in May of this year, I indicated that funding of $9.6 million was to be made available. Following the May decision, updated program guidelines were made available for the financial year 2011-12, specifying that the program would be open to applicants until 30 June 2012 or until the funding was expended—because, having moved out of drought and into what you would call more reasonable conditions on the eastern seaboard, the exit grant program, which I announced in May, provided for $9.6 million and was designed to be expended. (Time expired)

**Senator McKENZIE** (Victoria) (15:00): Mr President, I ask a further supplementary question. Can the minister advise the Senate of the course of action open to stressed farmers who have already made the decision to sell the farm—those who, because of their eligibility under the farm grants scheme, entered into the sale process prior to the suspension of the program? What do they do now?

**Senator LUDWIG** (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (15:01): When the $9.6 million was expended from the May budget, we indicated that these were exit grants which were designed to assist those people who were eligible for exit grants from the system. The amount of money that was made available is significant, given that we are no longer in drought circumstances on the eastern seaboard. If there are individual cases, then Senator McKenzie can bring those up to my office and we can have a look at what circumstances those individuals may be in at that particular time. I will not take it on advice that there are people in that
circumstance, but if there are individuals then that advice could be provided to my office and we can have a look at those individual circumstances.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Asylum Seekers

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (15:02): On 12 September, Senator Hanson-Young asked me a question about asylum seekers. I seek leave to incorporate the answer in Hansard.

Leave granted.

The answer read as follows—

Thursday 15 September

Response to Question from Senator Hanson-Young—Taken on notice Monday 12 September

Senator Hanson-Young:

Does the Government now accept the Minister for Immigration has a conflict of interest in looking after the children he is a legal guardian for and in his role as Immigration Minister making decisions about whether to deport them or not?

This Government believes that its overriding obligation is to stop unaccompanied minors risking their lives by taking the dangerous boat journey to Australia. We believe our overriding obligation is to say to parents, 'do not risk the lives of your children on the prospect of being granted an Australian visa.'

The High Court's decision has made it clear that the current law creates significant obstacles to unaccompanied minors being removed from Australia, even where they have been found not to be a refugee at both the primary and review stages, have exhausted all judicial appeals and have no authority to remain in Australia. That, in the view of the Government, is not a sustainable policy.

The broader issue of the guardianship of unaccompanied minors is something that the Government may consider down the track. However, in the short term, the Government considers it essential that legislation be passed to restore the situation to how it had been previously understood—that the Minister is required to consider the best interests of a child for whom he is the guardian, without limiting necessary obligations and powers under the Migration Act.

The Government's proposed legislative amendments are essential to ensuring that there are no blanket exemptions with regard to who is subject to the provisions of the Migration Act. Blanket exemptions inevitably create a perverse incentive for people smugglers to send children on the dangerous boat journey to Australia.

CHRIS EVANS

15 SEPTEMBER 2011

Vocational Education and Training

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (15:02): On 12 September, Senator Rhiannon asked me a question about vocational education and training. I seek leave to incorporate the answer in Hansard.

Leave granted.

The answer read as follows—

Thursday 15 September 2011

Response to Question from Senator Rhiannon—Taken on notice Monday 12 September

Can you provide the Senate with details on the Vocational Education and Training FEE-HELP review conducted by the Department of Education, Employment and Workplace Relations? In particular what were the terms of reference for the review, what inequities were found in the VET FEE-HELP Assistance Scheme, what consultation occurred with stakeholders including the community; and
how does the Government plan to respond to issues raised by this review?

- Are you aware that TAFE NSW, in their submission, highlighted the inequities of the VET FEE-HELP scheme relative to the Higher Education Contribution scheme (HECS) and made recommendations to the reduce the cost of administering the scheme to make it less complex for the students and also more flexible, and what is your response to the TAFE NSW recommendations?

Response

- In 2009, the then Prime Minister, requested that a post implementation review (PIR) of the VET FEE-HELP Assistance Scheme (the Scheme) be completed.
- My Department engaged Grosvenor Management Consulting to support it to undertake an objective review of the Scheme.
- I have yet to be provided a copy of the final report from the Review, which is due to be finalised in the coming weeks.
- The terms of reference of the PIR (see Attachment A) included a quantitative and qualitative analysis of the Scheme's performance, with a focus on the extension of the Scheme to include subsidised students in Victoria following Victoria's commitment to substantial VET reform. The purpose of the review was to critically analyse the strategic objectives of the Scheme, the profile of providers, courses and students under Scheme, areas where the Scheme has worked well, lessons learned and areas which may require further policy development.
- A critical component of the review involved stakeholder consultations with registered training organisations (RTOs), state and territory governments and peak sector bodies as well as data analysis, albeit that only one full year of data is available for 2010.
- Some of the themes that were raised through the PIR, including issues raised by TAFE NSW, were:
  - strong sector support for the Scheme, particularly as it contributes to improved equity and accessibility for VET students;
  - concerns about the applicability of the 'one size fits all' Higher Education Loan Program model in the VET sector and the related administrative complexity;
  - inequity and relevance of the credit transfer requirement which are restricting provider access and the 20 per cent student loan fee in VET; and
  - the need for a more integrated implementation approach to VET reform by all governments, including the extension of the Scheme nationally to support such reforms.

CHRIS EVANS
14 September 2011

Attachment A

Terms of Reference for the Post Implementation Review of the VET FEE-HELP Assistance Scheme

To support DEEWR to undertake a critical analysis of one of its programs, undertake a post-implementation review of the VET FEE-HELP Assistance Scheme including delivery a high quality report.

The review work includes development of a project plan, information gathering, research, quantitative and qualitative assessment and analysis, consultation with stakeholders and regular reports to the DEEWR.

The review will culminate in a report which could serve to:

- provide timely and dedicated analysis of the Scheme's performance including the Victorian extension and lessons learned;
- highlight areas where the Scheme is working effectively, identify trends and issues arising, and areas where the Scheme can be improved (to feed into the continuous improvements cycle);
- provide insights on the planned national extension of VET FEE-HELP to other jurisdictions; and
provide recommendations on how the Scheme can be improved in the short, medium and long term to further improve the performance and integrity of the Scheme.

The post-implementation review of the VET FEE-HELP Assistance Scheme includes:
1. Review the Scheme's performance as a whole against what it set out to achieve at its introduction in 2008.
2. Conduct a quantitative and qualitative analysis of the Scheme's performance including its impact on:
   • providers (e.g. profile of approved providers, applications not approved, course offerings, compliance);
   • students (including subsidised and full-fee paying);
   • the skills agenda; and
   • the identification of any trends and issues arising e.g. in approved providers, tuition fees before and after approval.
3. Recommendations for improvements to the Scheme including areas which may require further policy development, particularly in the context of the shift to the tertiary framework.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS
Asylum Seekers

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (15:02): I move:

That the Senate take note of the answers given by the Minister for Innovation, Industry, Science and Research (Senator Carr) to questions without notice asked by Senators Brandis and Cash today relating to asylum seekers and the Malaysian agreement.

Once again, we saw in the Senate this afternoon the Minister representing the Minister for Immigration and Citizenship in this chamber incoherent and utterly incapable of justifying this government's incompetent, failed and cruel border protection policy—a policy which replaced an effective policy administered by the Howard government and which, in the name of false compassion, regenerated the people-smuggling business so that in the last three years some 11,000 human souls have put their lives and their children's lives in peril and sought to make the dangerous journey from the southern shores of Indonesia to Australia.

According to reliable reports, the caucus itself was told on Monday morning by the Minister for Immigration and Citizenship, Mr Bowen, that the government estimated that some four per cent of people who set to sea on these leaky boats—encouraged to do so by the Australian Labor Party's weak border protection policies—lose their lives, drown. So not only do we have the horrible scenes we saw on the shores of Christmas Island last December, where some 50 people drowned, but, according to the government's own advice, hundreds more in the last three years have drowned because they have been encouraged to believe that they can make this hazardous journey. Four hundred and forty human souls have lost their lives to incompetent, morally vain policies.

Last Wednesday, the opposition accepted the Prime Minister's offer of a briefing with departmental officials. These are the officials upon whose advice the Prime Minister has repeatedly declared—as she did in the House of Representatives once again yesterday—that the government relied for its policy and, in particular, for its belief that the solution to the problem of its own creation was the so-called Malaysia solution. Mr Abbott and I and our staff, and Mr Morrison, who was on the telephone because he happened to be in Christmas Island at the time, participated for more than an hour in this briefing led by Mr Andrew Metcalfe, Secretary of the Department of Immigration and Citizenship. It was not a confidential briefing, and for that reason I am at liberty to reveal to the Senate
what was said. Almost nothing was said about the High Court’s decision of 31 August. That part of the discussion took all of five minutes. For more than an hour, Mr Metcalfe and his officers explained the rationale of the Malaysia solution. We talked about it for that length of time. Towards the end of the meeting, I said to Mr Metcalfe, who was sitting across the table from me: 'Andrew, where does this figure of 800 come from? How was it derived?' He said to me words to the effect, ‘Well, that’s our best estimate of the number of people we think it would take to break the people smugglers model, if they are seen to have failed in their attempts to get to Australia and are sent instead to Malaysia, where the conditions are far less congenial.’ I said, ‘But, Andrew, where does the figure come from? What is the basis of the 800?’ and he was unable to answer my question. I said to him, it’s just conjecture, isn’t it?’ and he looked at me and replied, ‘It is just conjecture,’ quote unquote. So there we have it. I do not criticise Mr Metcalfe. Like all senior public servants, he does his best. That is his best advice. But we now know from the government’s principal policy adviser that the very basis of the Malaysia solution is conjecture. It is a hope, it is a guess; it is not evidence based, it is not empirically derived. On that slender thread lies the entire government’s immigration policy. (Time expired)

Senator PRATT (Western Australia) (15:08): There is no doubt that getting on a boat to come to Australia is dangerous, but you really need to look at the coalition’s policies to understand the true magnitude of the horror that these journeys entail. Turning boats around at sea—now that is dangerous. We accepted the advice that it was dangerous, and upon our coming to government where was that policy? It was nowhere to be seen. And nowhere should it be seen. But I cannot say the same for the opposition’s policies. Turning boats around at sea—what happens then?

Senator Brandis: What’s your policy?

Senator PRATT: It is not out policy and it has never been our policy.

Senator Wong interjecting—

Senator Brandis interjecting—

The DEPUTY PRESIDENT: Order! Senators Wong and Brandis, if you wish to have a discussion, leave the chamber.

Senator PRATT: The government accepts the advice that it is dangerous—there is no clear evidence that the opposition does—and there is a likelihood that boats will be sabotaged at sea so that they are not turned around. If you want to be serious about preventing deaths at sea, you cannot even begin to entertain such policies. If Mr Abbott wanted to stop the boats, we would have bipartisan discussions on how to address these issues. That is why it was, indeed, only appropriate to offer a briefing from senior officials to the Leader of the Opposition on all of the advice we have received on effective deterrents to people smugglers. The advice shows that legislative change is necessary.

Times have changed. People smugglers know that if you are sent to somewhere like Nauru and found to be a refugee you will be resettled, and that historically has encouraged people to get into boats. We know that more than 60 per cent of those resettled from Nauru were indeed resettled in Australia and that overall 95 per cent of those were resettled in either Australia or New Zealand after what we know was a very long and distressing period of detention.

So we know it is not going to work and we know it is also incredibly expensive. That is despite the very bold claims that have been made by the opposition that it would be cheaper than the government’s Malaysian
transfer arrangement. In June this year the member for Cook said Nauru would cost ‘significantly less than’ the Malaysian arrangement. The opposition leader said that Nauru could end up being ‘at relatively low cost’. They got it wrong. In fact, they got it very wrong. It is not cheaper; it is in effect much more costly. High-level departmental estimates show that the coalition’s Nauru plan would cost the taxpayer around $980 million—that is, almost a billion dollars—in operational costs alone. Why does it cost so much? Because people are detained there for a long time offshore, outside our boundaries. That is almost a billion dollars and it does not even include the capital.

Mr Abbott made a clear commitment to the Australian people last week that he would act in good faith and not rule things in or out in looking at legislation. He said:

... I think that our country should have the best border protection policy that the government of the day thinks that it needs and I’m prepared to work constructively to give the Government, to restore to the Government, the option of third country offshore processing which it says the High Court and the Solicitor-General have denied to it.

If the opposition are serious about preventing deaths at sea then please: respect your commitments. It would be welcome, given the general huffing and puffing that has come from the opposition on this issue. We know that there are very precious human lives at stake.

Senator CASH (Western Australia) (15:13): There were two things confirmed in question time today when Minister Carr answered questions from Senator Brandis and me. The first was the complete, total and utter hypocrisy of the Labor Party when they come into this place and condemn the coalition for their policy of turning back the boats, when it is safe.

The second thing that was confirmed by Minister Carr in question time today is that the Labor Party, and in particular the Left Wing of the Labor Party, who like to tell the public that they themselves hold the moral high ground when it comes to asylum seekers, have well and truly vacated that space. If Labor thought that their policy direction was bad under former Prime Minister Rudd, I can only say to them: based on your record to date under Prime Minister Gillard you must really wonder how you got into this mess. The Left of the Labor Party, those who used to say they had that moral high ground when it came to protecting asylum seekers have committed themselves to the Malaysian solution. This is the Malaysian solution that, when we send the 800 people from Australia to Malaysia, the Left of the Labor Party are unable to guarantee that these people will not be flogged when they get to Malaysia. Why can’t they do that? Because, despite the protestations of Minister Carr, Prime Minister Gillard and immigration minister Bowen, the Malaysian agreement is not legally enforceable. It is there, in black and white, in the agreement that this government holds up as a binding deal with Malaysia. The only thing that is binding about that deal is that it is not legally enforceable.

What else has the Left of the Labor Party committed these asylum seekers to? They have committed to a policy that will allow this government to send children, who have engaged our protection obligations, to a country where they will not have access to proper education. They have also condemned these people to a policy whereby they will be sent to a country where they will share one—one—UNHCR medical clinic with 94,000 other refugees in Malaysia. I hope those in the Left of the Labor Party are very proud of the policy that their Prime Minister—and remember, the Prime Minister was a former
paid-up member of the Left, a former supporter of allegedly humane policies—has signed them up to. That is absolutely reprehensible, but that is what this government wants to do. The left wing members of the Labor Party should be ashamed of themselves. They will never again be able to come into this place and stand up and criticise those on this side of the chamber for not respecting the human rights of asylum seekers.

In relation to the hypocrisy of the minister. The minister had the audacity to come into this chamber and criticise the coalition's tough policies that actually stopped the boats. One of those policies, as we know, was to turn boats around when it was safe to do so. The minister stood up yesterday and today and criticised that policy. When asked whether or not the statement that he had made to the Senate was hypocritical, he was unable to answer. Do you know why? Because they are ashamed. They know that former Prime Minister Rudd committed the Labor Party in November 2007 to a policy to 'turn back seaworthy vessels containing such people on the high seas'. You would turn them back. Why did he say you would turn them back? Because he emphasised that Labor, like the coalition, believed in an orderly immigration system enforced by deterrents. (Time expired)

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (15:18): I firstly echo Senator Pratt's comments in her contribution to this motion to take note of answers. She was absolutely right. The opposition is not genuine at all in its remarks seeking to support a policy that would stop people smugglers. The comments of opposition speakers are all about show and pretence, and that is quite disappointing because they have not taken any time out to renew their approach or contribute anything of substance to this debate. All we see and hear in this place is their continuing reliance on dog-whistle policies, fear mongering and misinformation, all designed to distract Australians from the fact that the opposition does not have any credible alternatives. Their alternatives do not work.

Senator Brandis: Nauru worked.

Senator CAROL BROWN: Nauru did not work. The Gillard government recognises that there are no quick fix solutions to the issue of asylum seekers. We have worked hard to strike a balance between a plan for the strong management of our borders and antitrafficking initiatives and a comprehensive and people focussed care plan for asylum seekers in Australia, as well as within our region. At the Bali Process in March this year, Australia was able to reach an agreement with our neighbours for a regional protection framework. That regional framework fits with Australia's responsibilities as a signatory to the 1951 Convention relating to the Status of Refugees and was a response endorsed by the UNHCR.

Since Bali, we have been having ongoing discussions with our neighbours about how as a region we can deal with those who are seeking asylum. We have also worked hard to develop policies aimed at breaking the business model of people smugglers to prevent tragedies such as the boat smash on Christmas Island, because this is the key to solving the people smuggling problem. If the people smugglers do not have a product to sell, if we can stop this problem at the root, then we have a better chance of stopping people paying exorbitant amounts of money to people smugglers and risking their lives by jumping on dangerous boats.

Whilst we face significant challenges to break the people smugglers' business model, let me be clear: Labor supports strong border protection. I will take a moment to reflect on
the record of the Labor government and what we have been doing. We have detected and intercepted more than 99 per cent of boat arrivals before they have reached the mainland and have brought in new offences of up to 10 years jail for providing support to people smugglers and up to 20 years jail for people smuggling involving exploitation or danger of death or serious harm. We have overseen the offshore arrests of more than 270 people-smuggling suspects.

Senator Brandis interjecting—

Senator CAROL BROWN: The Labor government has invested in eight new Cape class patrol vessels, strengthening our fleet to 18 ships and 17 aircraft.

Senator Brandis interjecting—

Senator CAROL BROWN: We have reached an agreement with Afghanistan and the UNHCR on returning unsuccessful Afghan asylum seekers—

Senator Brandis interjecting—

Senator CAROL BROWN: and worked with Malaysian, Pakistani, Thai, Indonesian and Sri Lankan police to break up people-smuggling rings.

Senator Brandis interjecting—

Senator Williams interjecting—

The DEPUTY PRESIDENT: Order, Senators!

Senator CAROL BROWN: It is clear that our policies, as I have mentioned, aim to break the people-smuggling business model and discourage dangerous boat journeys before they start.

Senator Brandis interjecting—

Senator Williams interjecting—

Senator CAROL BROWN: And we reject the Liberal Party’s inhumane temporary protection visas—

Senator Brandis interjecting—

Senator Wong interjecting—

Senator CAROL BROWN: and Mr Abbott’s plan to tow asylum seeker vessels back to the sea. Let us examine the record of those opposite. As I have mentioned, those opposite introduced the—

Senator Brandis interjecting—

Senator Wong: Mr Deputy President, I rise on a point of order. Senator Brandis simply has not shut up through this entire contribution. Can he just at least put a pause between his interjections?

The DEPUTY PRESIDENT: There is no point of order, but I remind senators to listen to Senator Brown in silence.

Senator CAROL BROWN: Thank you, Mr Deputy President. I understand that Senator Brandis does not want to hear about the opposition’s record on this matter—

Senator Brandis interjecting—

Senator CAROL BROWN: because their policies did not work; they are not viable, credible alternatives. They do not work and they did not stop the boats.

Senator Brandis interjecting—

Senator Williams interjecting—

Senator CAROL BROWN: After the Howard government introduced TPVs in 1999 nearly 8½ thousand people arrived by boat, and more than 90 per cent of those people are living in Australia. And those opposite must accept that Nauru was an unequivocal and costly policy failure. (Time expired)

The DEPUTY PRESIDENT: Senator Williams.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (15:24): Thank you, Mr Deputy President.

Senator Wong: Shall I just talk all the way through your speech—
Senator WILLIAMS: That is fine, Senator Wong: I will disregard your interjections. I remember back in the election of 2001—

Senator WILLIAMS interjecting—

Senator WILLIAMS: We were running through the election campaign in New England. Stuart St Clair was the sitting member who was been challenged by Tony Windsor—

Senator Wong interjecting—

The DEPUTY PRESIDENT: Order, Senator Wong! Senator Williams, resume your seat. It has been traditional in this part of taking note that senators do have some mild interjection. When it gets out of hand, the person in the chair will bring the Senate to order. Senator Wong, I allowed you to interject for a short period of time, and I think it has now become disorderly, so I would ask you to desist.

Senator Wong: I accept your ruling, Mr Deputy President, but I would ask you to reflect on how long it took before you made such a ruling with respect to Senator Brandis.

Senator Brandis: Mr Deputy President, I rise on a point of order. Plainly, Senator Wong is reflecting on your ruling, and she cannot conceal the fact that she is reflecting on your ruling by going through the pretence of prefacing her reflection by saying, 'I accept your ruling'. She is reflecting on your ruling; she is not speaking to a question before the chair. She has not taken a point of order and she should be sat down.

Senator Wong: Shut up! Just shut up!

The DEPUTY PRESIDENT: Thank you, Senator Wong. It is not assisting. We will now continue. I remind senators not to interject continually. I think there has been a fairly even-handed approach today in relation to interjections. Senator Williams, you have the call.

Senator WILLIAMS: Thank you, Mr Deputy President. As I was saying, during the 2001 election campaign the then immigration minister, Philip Ruddock, came to—

Senator Wong: Hypocrisy—this is the one who lied!

Senator WILLIAMS: I will take the interjection of Senator Wong, who just happens to have a glass jaw. She loves to interject but she does not like getting a bit back herself, and hence she is throwing a tantrum on that very issue. Let me continue, Mr Deputy President.

Senator Wong interjecting—

Senator WILLIAMS: And the glass jaw continues to rattle on the other side of the chamber. I will continue on about the time, when we had a serious problem—

Senator Wong: Yes, you were lying!

Senator WILLIAMS: in July and August 2001, when we were getting 1,000 boats a month. The coalition had a serious problem. And what did they do? They addressed the problem and found a solution. This government now had a solution and it turned it into a monstrous problem.

Senator Wong: Stop lying!

Senator WILLIAMS: I'm not lying— I'm telling the truth, Senator Wong! You with your glass jaw do not like hearing the truth.

Senator Wong interjecting—

Senator WILLIAMS: You sit there interjecting half the day; when you don't like something you have to throw a tantrum.

The DEPUTY PRESIDENT: Order! Through the chair, Senator Williams.

Senator WILLIAMS: Always through the chair, Mr Deputy President! We had a
problem and we found a solution. And so what happens? Here are the facts. We are getting plenty of—I don't like to use the word 'lies'; I like to refer to untruths, because I think calling people liars is a bit too low: we wouldn't do that in a shearing shed and I wouldn't expect to do it here!

**Senator Wong:** A good shearing shed!

**Senator WILLIAMS:** You've probably never visited one, Senator Wong, even though the shearers actually started the Labor Party, under the Tree of Knowledge at Barcaldine. Those in the Labor Party could not even load a handpiece let alone shear a sheep, because you are no longer the workers' party; you are the extreme leftist socialists, tied up there with the Greens—that is what you are, and that is why the people have deserted your party in droves. That is why your primary vote is 27 per cent—because you do not understand the working people of Australia. So, if you want an argument about a shearing shed, bring it on!

Let me get back to where I was. They were saying over that side that 95 per cent of those who were processed in Nauru came to Australia. That is wrong. That is simply wrong.

**Senator Wong:** It is right!

**Senator WILLIAMS:** If Senator Wong would actually shut her mouth for a minute and open her ears for a couple of seconds, she would be able to hear the figures.

**Senator Cash:** They wouldn't say that in a shearing shed!

**Senator WILLIAMS:** Here are the figures: 1,637 people were processed under the Pacific solution—Senator Cash, please do not make me laugh!—and 484 people, 30 per cent, were sent back to their country of origin. Now, I know, Mr Deputy President, what a genius you are at mathematics—you know that, if 100 per cent is a full lot, and you take off 30 per cent, that leaves 70 per cent. So how can they say that 95 per cent came to Australia? That is simply wrong—30 per cent were sent back to their country; 705 people out of the 1,637, 43 per cent, were resettled in Australia. The balance of 27 per cent were sent to other countries. So when we have these untruths, these misleading, falsified statements by the Labor Party saying 95 per cent of those who went to Nauru came to Australia, that is simply wrong. But truth is something I know that many on that side of the chamber use very carelessly. They are not very familiar with it. We only have to look at the great debate now being introduced into the other chamber, about the carbon tax—the one we will 'never have under a government I lead'. That is why I will go back to those polling figures. That is why they are like that: because the people have lost faith; they do not trust this government. That is why they were breaking all records on those low ends of the scale of polling: because of the way they have treated the Australian people, and what they are saying is not true. This is a serious problem.

**Senator Wong:** And one for which you have no answer.

**Senator WILLIAMS:** I give Senator Wong 10 out of 10 for persistence, but the effectiveness is very little. So what do we do? Do we continue on and process them in Australia while costing Australian taxpayers? This is a real issue, not only about the lives that are being lost at sea. What is it costing our country? A billion dollars a year! We look for money for aged-care facilities. My mother is in an aged-care facility, and I talk to the people who go around aged-care facilities—

**Senator Wong interjecting—**

**The DEPUTY PRESIDENT:** Order! Senator Wong!
Senator WILLIAMS: I have a message for Senator Wong. Senator Wong, if you can't stand the heat get out of the kitchen.

Question agreed to.

MINISTERIAL STATEMENTS

Queensland Floods

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:31): On behalf of the Attorney-General, Mr McClelland, I table the government’s response to the interim report of the Queensland Floods Commission of Inquiry and a ministerial statement relating to the same matter.

COMMITTEES

Government Response to Report

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:31): I present three government responses to committee reports as listed at item 15 on today’s Order of Business. In accordance with the usual practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

The documents read as follows—

Senate Economics Reference Committee Inquiry into Augmented Tax Assessments Commonwealth Government Response

BACKGROUND

On 17 November 2010, the Opposition first introduced amendments to the tax laws which would have required the Australian Taxation Office (ATO) to augment individual taxpayers’ notices of assessment with personalised tax receipts.

This tax receipt would breakdown how an individual’s taxes were notionally spent by the Government (into areas such as welfare, education, health and defence) based on a nominal distribution of Budget expenses. The receipt would also have purported to show the individual’s ‘share’ of Australian Government net debt.

After comprehensively examining the proposal, the Government determined that the proposed amendments had a variety of problems.

First, the proposal unnecessarily complicated the income tax assessment process by linking the tax receipt to the service of the notice of assessment. The Commissioner of Taxation (Commissioner) is responsible for assessing a taxpayer’s amount of taxable income, as well as their tax payable. After this assessment is made, the Commissioner is responsible for serving a notice of this assessment upon the taxpayer. Making the tax receipt part of this assessment process creates a significant risk that taxpayers may be able to challenge the service of their notice of assessment if there is a problem with their tax receipt. Successful challenges may also prevent the collection of any tax payable in similar situations until the problem is rectified, and a valid notice served.

Second, the other information that would be included in the tax receipt would not reflect an individual’s true financial relationship with the Government, as it would not take into account Government payments and general tax expenditure, nor all taxpayers. Nor would it allow for situations where tax is assessed but never paid by an individual.

Third, calculating a taxpayer’s ‘share’ of Australian Government net debt would be very misleading, as it would not be indicative of any personal obligation the individual taxpayer has or may have in the future.

Fourth, the proposal gave the ATO a very short timeframe for implementing the requisite system changes — they would be required to be operational by 1 July 2011.

Finally, there were a significant number of drafting problems with the proposed draft legislation. This included what appear to be incorrect references to ‘financial year’ in the amendment which should have been ‘income year’. Additionally, it was also unclear what terms like ‘the number of individual taxpayers’ and ‘the amount of the assessment’ meant.
In light of these concerns, the Government did not support the proposed amendments and the proposal was voted down in both the House of Representatives (on 17 November 2010) and the Senate (on 22 November 2010). However, the Senate referred the proposed amendments to the Senate Economics Reference Committee (the Committee) to report by 31 March 2011.

The Committee received one submission from the public on the issue, and heard evidence from both ATO and Treasury officials at a public hearing held on 9 February 2011.

On 2 March 2011, the Opposition proposed slightly different amendments in another attempt to require the ATO to provide tax receipts to individual taxpayers. These amendments differed in that they required the ATO to use the most recently published data, as at the time the individual’s notice of assessment was issued.

In effect, this modified proposal would require the information for the tax receipt to change the day after the release of the Budget, the Final Budget Outcomes (FBO) and the Mid-Year Economic and Fiscal Outlook (MYEFO) data. It would be administratively burdensome for the ATO to change this source data, and issue differently constituted tax receipts, within the same income year. Further, using the most recently published data would reduce the effectiveness of taxpayers being able to compare information contained in their tax receipt with that of others from the same income year, and could lead to confusion.

As such, the Government did not support these proposed amendments either, and the modified proposal was voted down in the House of Representatives on 2 March 2011.

On 8 April 2011, the Committee released its final report of inquiry into augmented tax assessments – which examined the Opposition’s original proposed amendments (as put forward on 17 November 2010). The report comprised of three sections:

- a majority report, which was endorsed by the Coalition senators on the Committee;
- a minority report, which was endorsed by the Labor senators on the Committee; and
- additional comments, which were provided by Senator Xenophon.

The Government’s formal responses to the recommendations in the majority and minority reports are provided below. The Government notes that Senator Xenophon acknowledges the limitations of the Opposition’s proposal, and supports the provision of a user-friendly website which provides clear information about Government spending and budgetary measures.

**SUMMARY OF GOVERNMENT RESPONSE**

The Government agrees that it is important to provide taxpayers with comprehensive information about Government expenditure. However, the Government already publishes the aggregate information that would be provided in this tax receipt in its Budget and MYEFO documents. Further, the ATO had estimated that the departmental costs of implementing the original proposal put forward by the Opposition would be $9.9 million over four years.

As such, the Government considers this proposal both unnecessary and expensive, and when considered with the other significant problems identified above, the Government agrees that the proposal should not proceed.

**GOVERNMENT RESPONSE TO MAJORITY REPORT RECOMMENDATIONS**

**Recommendation 1**

The committee recommends that the proposal be amended to allow the most recently available figure or estimate of the total number of taxpayers to be used to calculate an individual taxpayer's share of government debt.

The Government does not accept this recommendation.

If the tax receipt proposal was to proceed, the most recently available and reliable data on the number of taxpayers should be used to generate the receipt. However, it is unclear who would constitute a taxpayer for the purposes of calculating an individual’s ‘share’ of government debt.

More significantly though, calculating an individual’s ‘share’ of net debt is misleading, as it
does not represent any personal obligation owed by the relevant taxpayer.

Furthermore, the ambiguity of this calculation may exacerbate the risk of a taxpayer being able to challenge the tax assessment process, since this proposal links the tax receipt (and the information contained therein) with the service of a taxpayer’s notice of assessment. This significant risk is not addressed in this or any other recommendation from the Committee.

Recommendation 2
The committee recommends that consideration be given to modifying the amendments so that the names given to the functions of government expenditure correspond with those used in the documents published during the Budget process.

The Government does not support the tax receipt proposal. As such, it does not accept this recommendation. However, if the proposal went ahead, this recommendation would ensure that the ATO could use a convenient and reliable source of information when populating an individual’s tax receipt.

The Government notes that even if the Parliament agreed to implement the Opposition’s proposal, this recommendation only addresses one problem with the proposal, and does not address any of the broader problems identified earlier.

Recommendation 3
The committee recommends that an explanatory note be inserted into the amendments to allow the most up-to-date publicly available government estimates of Budget expenditure available on 30 June (of the relevant financial year) to be used in any calculations to breakdown how the amount of an individual’s assessment was spent on different government functions.

The Government does not support the tax receipt proposal. As such, it does not accept this recommendation. However, if the proposal went ahead, this recommendation would address some of the Government’s concerns about data integrity and the administrative burdens faced by the ATO in having to periodically update data sources.

The Government notes that even if the Parliament agreed to implement the Opposition’s proposal, this recommendation only addresses one problem with the proposal, and does not address any of the broader problems identified earlier.

Recommendation 4
Subject to the committee’s other recommendations being adopted, the committee recommends that the amendments to the Tax Laws Amendment (2010 Measures No. 4) Bill 2010 proposed by Senator Cormann on sheet 7010 be introduced as a Bill, and that the Bill be passed.

The Government does not accept this recommendation.

Although the Government agrees with the importance of providing taxpayers with relevant and reliable information about how their tax dollars are spent, it does not support the tax receipt proposal. As noted, a number of substantial problems with this proposal remain outstanding, and the Committee’s recommendations do not mitigate the Government’s concerns about them. However, the Government will continue to provide relevant information about government expenditure (as addressed in Recommendation 2 of the minority report).

GOVERNMENT RESPONSE TO MINORITY REPORT RECOMMENDATIONS

Recommendation 1
The Government should not consider supporting such a measure because information on the breakdown of spending at the time of lodgement will not be timely. At the time taxpayers expect to receive their assessment, the breakdown may not be accurate or final, and will either delay assessments or provide poor information.

The Government accepts this recommendation.

In light of the problems which have been identified earlier, the Government does not support the tax receipt proposal.

Recommendation 2
The Government should continue to maintain at least the current standard of accessible and available Government information on expenditure...
to provide the necessary transparency to all Australians.

The Government accepts this recommendation.

The Government will continue to provide the bulk of the information which was proposed to be included in the tax receipt, in its Budget and MYEFO documents. For example, pie charts which summarise the Government’s budgeted revenues and expenses are provided in the Budget Overview document each year.

Government Response to the Senate Select Committee on Scrutiny of New Taxes inquiry “The Student Amenities Fee – Another Tax by Another Name”
September 2011

The Government rejects the Committee’s assertion that the proposed student services and amenities fee is a tax. The conclusion expressed by the Committee on this point was unsupported by evidence. To the contrary, the Clerk of the Senate provided advice to the Committee that the proposed Student Services and Amenities Fee was not a tax, as did the Department of Education, Employment and Workplace Relations.

The Student Services and Amenities Fee is a fee for student services and amenities to be provided by higher education providers to their enrolled students. It is a decision for each higher education provider whether or not to charge a fee. The Bill does not raise general revenue for the Commonwealth.

The Government notes that the only term of reference cited by the Committee as providing the basis for its inquiry was the term of reference which allowed it to consider “any other related matter”.

The Committee’s report made the following three recommendations:

Recommendation 1

The Committee recommends that the Government publicly release an exposure draft of the instrument to amend the Administration Guidelines made under the Higher Education Support Act 2003 as soon as possible.

Recommendation 2

The Committee recommends that the Senate postpone consideration of the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010 until the draft instrument to amend the Administration Guidelines made under the Higher Education Support Act 2003 is publicly released.

Recommendation 3

The Committee recommends that the Senate reject the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010.

Response

Recommendation 1 – Noted. Administration Guidelines are currently being finalised and will be available well in advance of the implementation date. The Administration Guidelines will be published on the Department of Education, Employment and Workplace Relations’ website.

Recommendation 2 – Disagree. It is noted that Recommendation 2 is internally inconsistent with Recommendation 3. The Bill should be considered by the Senate in a timely fashion to ensure that students have the benefit of improved student services and amenities with effect from the new academic year in 2012.

Recommendation 3 – Disagree. The Government is committed to the Bill’s passage through the Senate in a timely fashion to ensure that students have the benefit of improved student services and amenities with effect from the new academic year in 2012.

Government Response to the Inquiry into the development of a digital repository and electronic distribution of the Parliamentary Papers Series by the Joint Committee on Publications
September 2011

Committee Recommendations

Recommendation 5

The committee recommends that author departments and agencies be required to provide electronic copies of documents at the same time
print copies are provided for tabling in the Parliament.

**Government Response**
Agreed in principle.

The Department of the Prime Minister & Cabinet will issue a Tabling Circular to all agencies advising them of this requirement. However, to ensure that government documents are not made available electronically while they are under embargo, they will be published online as soon as possible after they have been tabled in the Parliament.

**AUDITOR-GENERAL’S REPORTS**

Report No. 6 of 2011-12

The DEPUTY PRESIDENT: In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General:


**MOTIONS**

**Economy**

Senator CORMANN (Western Australia) (15:32): I move, at the request of Senator Fifield, this motion standing in his name:

That the Senate notes the Gillard Government's failure to implement a sound fiscal strategy.

Both the Rudd and Gillard Labor governments have been governments that spend too much, borrow too much and then, of course, have to tax too much. The Gillard government is a government that has completely mismanaged our public finances. We have to remind ourselves that this is a government which inherited a very strong fiscal position. It is a government which inherited a budget with no government net debt, a budget which was $22 billion in surplus. It is a government that had billions of dollars invested in the Future Fund, billions which this government, whatever it wants to say, is trying to use now to make its budget figures look better—and more of that later. This is a government which has delivered four successive deficit budgets. It is a government that wants to tell us now that it has rediscovered fiscal discipline. It is a government that is trying to make us believe that, because they keep spending below a target of two per cent in real terms moving forward, somehow this is new evidence of fiscal rectitude. But what they have not been telling us is that, under the Labor administration, spending has gone up by 17 per cent in real terms over their first two financial years. That is Whitlamesque. For them to now suggest keeping spending growth to less than two per cent from an inflated base—one that has gone up by 17 per cent in their first two years—is a ridiculous proposition. Because this government spends too much, because there is too much waste and mismanagement and because they are so reckless with the taxpayers' money, they have to forever look out for yet another ad hoc tax grab. That is why this government cannot pursue genuine tax reform.

We have had, of course, the Henry tax review. Remember the Henry tax review, the once-in-a-generation opportunity for root-and-branch reform of our tax system which was going to make our tax system simpler and fairer? What was the only thing we got out of that? A multibillion dollar new tax to be imposed on an important industry for Australia which—and this is the ridiculous part which demonstrates yet again how bad this government is at managing the fiscal affairs of this nation—would help the government create the illusion of an early surplus in the short term but leave the budget in a worse position over the medium to long term. When the mining tax was first announced it was supposed to raise $12 billion, but that was over the second half of
the forward estimates and there were only two years of the forward estimates for which there was going to be mining tax revenue—importantly, the 2012 and 2013 financial years. Most of the cost of the related measures—things like increasing compulsory super and the company tax cuts and various other bits and pieces that the government was proposing to do—only start the year after; that is, the final year of the original forward estimates.

But there is more. The proposed increase in compulsory super starts off very slowly—a quarter of a per cent in the first year that that comes into effect—and the mining tax revenue starts to be collected on 1 July 2012, with hardly any costs related to that particular measure in that first financial year. So the government can collect all of that revenue to make its fiscal position look better and then in 2013-14 various measures kick in slowly, in particular the proposal to increase compulsory super from nine to 12 per cent. In the first year that increases by a quarter of a per cent and it takes all the way until 2019-20 before that measure actually is fully implemented. In that financial year, according to the government's own budget papers last year, that measure alone would cost $3.9 billion.

Treasury modelling released under FOI indicates that by that time the MRRT is expected to raise $3 billion. The compulsory super measure on its own is going to cost more than the mining taxes expected to be raised in that particular year. In fact, conservatively, the Senate's mining tax inquiry has estimated that over the next decade the mining tax will raise about $20 billion less than the cost of the related measures.

Let us just look at the short term and let us look at the government's own budget figures. In 2013-14 the increase on the compulsory superannuation levy from nine per cent to 9.25 per cent will cost $240 million; the superannuation tax rebate for low-income earners, $830 million; the 50 per cent discount on interest income, $480 million; the increase in concessional contribution caps for over-50s, $785 million; phasing down interest withholding on financial institutions, $70 million; small business instant asset write-off, $1 billion plus $30 million; standard deduction for work related expenses, $410 million; lowering the company tax rate, $1.4 billion; and the Regional Infrastructure Fund, $866.8 million. That is $5.2 billion worth of expenses. There is a cost of $5.2 billion in 2013-14 against an expected revenue that financial year of $4 billion. So the mining tax is going to raise at least $1.2 billion less in 2013-14 than the cost of the related measures.

Only the Labor Party can come up with a new tax that is going to leave the budget worse off. Surely when you come up with a new tax because you have spent too much, borrowed too much, your debt is going up too much. If you are going to come up with a multibillion-dollar new tax which is going to have a significant impact on an important industry for Australia, on our economy, on jobs, on investment in the mining industry, you would at least want to make sure that the multibillion dollars of new revenue is going to leave the budget in a better position, that it improves our fiscal position. But, no, this is a government that just always chases more cash to feed its spending addiction. Yet, after all of that, the budget is still in a worse position.

Just bear in mind that Treasury, towards the end of last year, already observed in an independent assessment that the Australian government is likely to be in structural deficit until at least 2019-20. That was before all these multibillion-dollar new
taxes, which actually leave our budget in a worse position. Increasing taxes, introducing new taxes and still having the budget in a worse position than when you started, because of all of the spending commitments and all of the related measures that you have attached to it, is not sound fiscal management.

Of course, this is before the absolute farce—the crediting of royalties under the mining tax deal that was signed by the Prime Minister, the Treasurer and the Minister for Resources and Energy with the three big mining companies. Instead of doing the hard yards on tax reform, instead of talking to state and territory governments about the federal-state financial relations implications of the proposed new national tax, they completely ignored the states. The Prime Minister was happy to have a tete-a-tete with Marius Kloppers and various other CEOs of the big mining companies, but, no—no conversations between government and government. That is not the way to run the country. Here you have the Prime Minister, the Treasurer and the federal Minister for Resources and Energy signing on the dotted line, promising to those three big mining companies—in the shadow of a difficult election, clearly under political pressure—a promise to credit all state and territory royalties against any mining tax liability. It was a promise which included any future increases in state and territory royalties.

You would think that any competent government—any government that was focused on sound fiscal management, any government that was focused on making sure that its budget management was under control—would have picked up the phone to some of the premiers and said, 'What are your intentions? We are about to sign this deal. We're in a bit of a political pickle. We're in a bit of a mess. We've stuffed this thing up. We've lost a Prime Minister over it. And we now want to do a deal with these three big mining companies.' Surely somebody around that table would have said, 'Let's pick up the phone to Colin Barnett or Kristina Keneally, or to the state government in Tasmania or in South Australia and let's find out what their intentions are in relation to state and territory royalties.' Nobody did. Instead they just went ahead and gave this open cheque promise to credit all state and territory royalties against the mining tax liability, which of course had the obvious consequence.

The obvious consequence is that now state government after state government is either removing longstanding royalty concessions or increasing royalties. People on the other side have said, 'Oh, well, that's just all these Liberal-National Party governments.' That is not true. Look at what the South Australian state Labor government has done; look at what the Tasmanian state Labor government has done. Because 99 per cent of iron production happens in Western Australia, because 65 per cent of the mining tax revenue is expected to come out of Western Australia, if the government in Western Australia makes a decision to remove a concession on royalties, which has the effect of increasing the royalty rate payable, that has a more significant impact on the federal budget bottom line—courtesy of the mining tax deal this government has entered into. But the principle is the same, whether it is a $2 billion hit on Wayne Swan's budget courtesy of a decision in Western Australia to remove a royalty concession on iron ore fines, or whether it is a $1 billion hit on the federal budget courtesy of a decision in New South Wales to increase royalties on coal production, or whether it is an impact of a couple of million dollars because the state Labor government in Tasmania decides to increase royalties on iron ore in that state. The principle is this: we had a promise from
this government that the Henry tax review would lead to a once-in-a-generation opportunity for genuine root-and-branch reform of our tax system. Let us go back to what the then Treasury Secretary Ken Henry and his committee actually recommended. They recommended a national profit based resource rent tax to replace state and territory royalties. I happen to think that is a bad idea, but let us just bear with the argument for a moment. Here is the Henry tax review recommending to the government a national profit based resource rent tax to replace state and territory royalties. The argument went that, if you are a small mining venture that is not making a lot of profit, having to pay state royalties on production irrespective of profits would cause you to either not get up in the first place or, if you are in the decline phase, to close down sooner. The argument went that a profit based tax would remove those distortions from investment and production decisions.

Is this what we got from the Gillard Labor government? No we did not. All these state and territory royalties are still there. All these smaller mining ventures, in their start-up phase or in their decline phase, will continue to pay the state and territory royalties without getting any refund in relation to the mining tax at all. Only if your mining tax liability is higher than the state and territory royalties that you have paid will you get a refund. If you are in the decline phase you can accumulate credits for as long as you want, but you are never going to get a refund because you are never going to have an MRRT liability that will exceed the state and territory royalties that you have paid. Clearly this is more complex, less fair and less simple than what we had before. Here is the next recommendation from the Henry tax review: the Australian government should negotiate with state and territory governments about the implications of all of this. It never happened. That is the reason for yet another significant fiscal mess of this government's own making.

This is not the only example, because then we got the carbon tax. On budget night Senator Wong and I were on Lateline sitting next to each other. I was listening very carefully to what Senator Wong was saying and she changed the language on the budget impact from the carbon tax ever so slightly. You might recall that our criticism of the budget was that the budget was not worth the paper it was written on because it did not include the information about the carbon tax. Our argument was that, without the information about the carbon tax, the budget was wrong. The revenue figures were wrong. The expenditure figures were wrong. The CPI figures were wrong. The jobs assumptions were wrong. A whole lot of information in the budget was wrong, which meant that the consequent information in relation to all of these matters in the budget were wrong, so it was not worth the paper it was written on. What did the government say at that time? It said the carbon tax was not going to have any impact at all; it was going to be budget neutral. But on that night on Lateline this is what Senator Wong said, 'The carbon tax is going to be broadly neutral.' My ears pricked up and I thought: 'What does broadly budget neutral mean? What is the difference between being broadly neutral and actually being budget neutral?' We now know it is at least $4.3 billion, and probably more.

We now have another tax, the carbon tax. We are told the carbon tax is going to raise $24.7 billion over the forward estimates, but the government is going to spend at least $4.3 billion more than what it is collecting. Here we have two massive new taxes. We have the mining tax, which is going to leave the budget worse off because of the increasing cost of the related measures,
which are going to increase way beyond what is going to be raised by the mining tax. In fact the mining tax revenue, if anything, is going to come down over time. We are currently experiencing record terms of trade. As the Treasurer himself said, ‘These are the best terms of trade in 140 years.’ So the revenue expectations from the mining tax are really high and, if anything, I expect them to come down over time. Not only are they expected to come down over time, the revenue estimates from the mining tax are actually highly volatile. They change according to commodity prices. They change according to exchange rate changes. They change according to what happens with production volume. They change in relation to a whole range of things. It is all information that the government is keeping secret.

The mining tax is a tax that has not even been legislated yet. It is a tax that has not even been introduced, yet we have had about half a dozen different revenue estimates. It was $12 billion to start off with. Then the government was trying to make us believe that all of the concessions they made only cost $1½ billion in revenue. We found out that they had been fiddling with the assumptions and that, if the same assumptions had been used for the RSPT as were being used for the MRRT, it would have actually raised $24 billion over the first two years rather than $12 billion. We now know that Treasury thought that, over a decade, the RSPT would have raised $100 billion, rather than the $38.5 billion from the MRRT. Since the announcement on 2 July we have had the $10½ billion estimate, then we had the $7.4 billion estimate and now we have had the $7.7 billion estimate. It just keeps bouncing around. This is a tax that has not even been introduced yet. It is completely fiscally reckless to link the cost of measures that are going to continue to increase, in particular over the medium to long term, to this mining tax package revenue, which is going to be volatile and downward trending.

**Senator Wong:** You have a $70 billion black hole.

**Senator CORMANN:** I will take Minister Wong’s interjection about a $70 billion black hole. It is a complete furphy. It is one of these Labor lies. It is one of these things where the government, because they are so desperate, think that they have to verbal shadow spokespeople. This is such a desperate government that, whenever they do not have any explanations for their repeated stuff-ups and fiscal incompetence, they have got to come up with yet another furphy.

This government is introducing all these multibillion-dollar new taxes, and they are talking about the revenue from these taxes as if there were no expenditure linked to it, no expenditure at all. They are talking about the revenue from these taxes as if they were not going to spend billions and billions of dollars in the context of increasing compulsory super, something that we have said we would not do. They are talking about it as if somehow this revenue is going to be in some vacuum—they are going to have all this revenue from the mining tax and there is no cost related to it all. They want to talk about it as if it is something that is going to go straight to the bottom line. I know that Minister Wong knows better than this. I know that she is playing the political game and wanting to verbal the shadow Treasurer and the shadow finance minister because it suits her political purposes. It is time for a bit of a reality check, Minister, and the reality check is this: you inherited a very strong fiscal position, you have made a mess of it, you have delivered four deficit budgets in a row and you are putting new taxes in and linking spending to them, which is going to
leave the budget in a worse position instead of a better one, and that is just completely irresponsible.

Senator MARK BISHOP (Western Australia) (15:52): It is probably useful at the beginning of this debate to remind ourselves of the motion before the chair, which is:

That the Senate notes the Gillard Government's failure to implement a sound fiscal strategy.

When I was first asked to speak in this debate, I read the notice of motion and I was taken aback. I was surprised that the opposition would mount an attack on the government in the terms currently before the chair. If there is one ground of strength that this government has created it is that it has maintained, it is committed to and it works for, day in and day out, the proper administration of the economy in this country. I will come to the objective tests for the assertion I make of why it is 100 per cent correct later on. The proposition is that, somehow or other, this government, which has been in power for the last three or four years, has not had sound budget policy and has not had proper fiscal strategies. Let me say at the outset that that is a nonsense. I say with pride and without equivocation that the administration of the economy in Australia is world's best practice and is the best of any country in the globe. It has been that way for many, many years.

As part of that superior economic management, there has been necessarily sound, indeed exemplary, budget practice and sound and exemplary fiscal strategy. Basically, what does that mean in ordinary speak? It means that this government lives within its means, it resists the temptation to create debt, it resists the temptation to spend that which it has not received through taxation—no more, no less than that—sound receipts, sound spending, sound administration, sound budget policy and sound fiscal strategy.

I am not so churlish or so selfish to say at the outset that the last three or four years of this government are solely responsible for the fine economic situation that we find ourselves in now. That is a product of history, more particularly, it is a product of economic history. It goes way back to the early eighties when the first Hawke government came into power. I am not going to go through the lengthy recitation of their virtues, but we know all of the superior things they did in terms of product market reform, labour market reform, financial market reform and addressing tariff issues. We know that worked over a period of 12, 13 or 14 years.

When the Howard government came into power in 1996 it was able to implement a policy of continuing that which it inherited from the Keating government and its predecessor the Hawke government. That allowed the Howard government, between 1996 and 2007 when it left office, to engage in fiscal consolidation, debt retirement and sound budget practice. When the current government came into office in 2007, firstly under Mr Rudd and then under Ms Gillard, it received that situation of a balanced budget. It is true that there were savings. They were part of a continuum that went back to the very early days, starting in 1983, when Mr Hawke was elected to power. He saw the necessity to reform the Australian government and, with the assistance of his cabinet and Mr Keating in particular, moved over a long period of time to implement those reforms. So be it.

How do I then assert that we have not, contrary to the arguments put by Senator Cormann in his contribution, somehow or other wasted money, raised taxes, spent money uselessly and wasted money on
programs? What I do is this: I return a response with the fact sheet issued by the Treasury, not a fact sheet issued by the government, but the fact sheet objectively put together by the Treasury and circulated to thousands and thousands of people. If you go through that fact sheet there are a whole series of headings: economic growth; inflation; interest rates; labour market responses; growth in wages; savings ratios; productivity; external sector; levels of debt.

Let us go through them one by one and, looking at the results, apply an objective test of the administration of the Australian economy by this government since it came into power in 2007. Firstly, we know the figures for the last quarter's GDP growth, which was 1.2 per cent. Annualise that and you will get five per cent. I do not annualise it, but anything that gives you over one per cent growth in the June quarter is a remarkable achievement. Then inflation—our headline inflation is less than three per cent. There is no blowout in spending, there is no waste on the expenditure side, taxes are received, taxes are allocated and taxes are spent. There is no blowout. As such, inflation has not been an issue in this country for many, many years.

I can remember back in the seventies and the eighties when every day of the week we would receive advice that inflation was 17 or 18 or 20 per cent. Inflation, of course, had the effect of ruining homes, families and savings. In the last three or four years we have set ourselves a particular purpose and a particular objective in headline and actual inflation rates, and we are under three per cent. In an economy which has been growing every year for 20 years, to maintain inflation at less than three per cent and to have it decelerating is a remarkable achievement. You see how remarkable that achievement is in the real interest rates available for lending and borrowing for homes. The RBA cash rate is 4½ per cent, the standard variable rate for home mortgages is 7.79 per cent, and it does not take much to get around, get a bit of competition and get down to the low sevens or high sixes in interest rates. Those two things—low inflation and continuing low interest rates—are a direct consequence of the fiscal policy implemented by this government.

We go on to the next objective test: how well the economy is being run. Look at the labour market. In a number of states unemployment is headlined by the figure four. It is 4.3 per cent in Western Australia, 4.2 per cent in Queensland, in other states over 4.8 or 5.1. But unemployment has continued—prior to the GFC, through the GFC and post the GFC—to be no higher than six per cent. Since the Rudd government came to power in October 2007, it has been around four to 4½ per cent and trending down.

You only have to go to any suburb or town or region in my home state of Western Australia and all through the shopping centres there are signs on the windows: help wanted; above award wages offered; flexibility offered; high wages and super-annuation. You cannot go through inner-city areas in Perth or out in the regions without being struck by the fact that companies and businesses and small employers cannot get sufficient labour. A strong and growing labour market is a direct consequence of sound budget policy, non-wasteful expenditure on the part of the government and sound receipts practice.

The number employed in this country now approaches 11½ million people. Ten years ago that was less than 10 million people; four years ago, take 700,000 people off that figure. So since the Rudd government came to power in October-November 2007, the economy has been run well. In the fourth test...
we apply, levels of employment have grown by 700,000 people and unemployment remains generally around the figure of 4½ or five per cent. That is not a bad result. If Mr Hawke or Mr Keating or Mr Howard, or anyone else who was in a senior position in those governments, could have stood up in a debate like this and said, 'Our unemployment is four or five per cent,' they would have been regarded as exaggerating.

Let us turn to how one continues that sound growth and sound budget policy which results in growth in GDP, inflation continuing to moderate, interest rates continuing to be low, and employment continuing to grow? Over the past three or four years the household savings rate has gone up. People are no longer borrowing. They are retiring debt in their tens of thousands and millions. They are rejecting the continuing use of credit cards. The household savings rate for the June quarter was 10½ per cent. That means that, instead of banks borrowing in the wholesale market or the retail market from overseas to fund consumption in this country, we are growing sufficient savings for banks to use in this country. We are paying our own way as a country; we are paying our own way as an economy. There are sufficiently high savings that we will shortly turn into a net capital exporter on a quarterly basis. Again, that is a remarkable achievement, not greatly understood but a bellwether to the future. Under this government savings rates have gone from negative to neutral to over 10 per cent. Any country that maintains a savings rate of over 10 per cent for any period of time turns into a net capital exporter and does not have to rely on overseas debt.

How is that savings rate manufactured? How is it achieved? At one level it is achieved by people simply spending less, paying off debts, not borrowing. When you multiply that by millions it has the effect I talked about. But one has to ask a previous question: how do people have the capacity to save now when they did not have it years ago? The answer is simple: people are working harder, they are working longer and, as a consequence, the productivity growth in this country is again on the upsweep. The productivity rates are up and the labour productivity growth over the last 10 to 15 to 20 years has gone from one per cent to three per cent. So we are working harder, spending less, saving more. We generate a capital pool which is used for borrowing and for consumption and expenditure.

Turning to expenditure and capital, an article in the *Australian Financial Review* some two weeks ago showed the forward capital expenditure for the next 12 months in this country going up from $148 billion to $176 billion, almost 15 per cent growth on an annual basis. What does long-term growth in capital expenditure mean? It means companies are tapping into the savings pool in this country. They are borrowing at lower interest rates and they are investing it in infrastructure, factories, machines, roads, ports and mines and the like. That means tens of thousands of people are continuing to be employed, and additionally tens and tens of thousands of people will continue to be employed, and they are being employed all over this country—all through New South Wales, Queensland and Western Australia—in high-reward, high-value, high-paying jobs. It is a circle of such virtue that it would seem almost impossible to create it. If you had given that statement of economic measures, economic growth, inflation, interest rates, labour market rates, wages, savings rates and productivity to any government in this country prior to 2007 and explained—as I have done—the significance of those figures, people would have said you were living and talking in fairyland. Let us go back now to the motion before the chair:
That the Senate notes the Gillard Government's failure to implement a sound fiscal strategy.

As I have explained, if we on this side understand anything, we understand one thing: the importance of strong, credible, ongoing fiscal strategies. We have a very clear fiscal strategy and we have been delivering on it. As a result our budget position is one of the strongest, if not the strongest, in the developed world. Our budget management has been endorsed by rating agencies and the like and by the IMF.

If you want to see how stellar we are in comparison to the rest of the world, open any paper and see what the economic indicators are for the United States, see what the economic indicators are for the United Kingdom, see the levels of debt that are rampant in Greece, Portugal, Spain and Italy. You do not have to be a Rhodes scholar to understand that, when one or more of those countries eventually default on their debt, there are going to be all sorts of unpleasantness unleashed.

In this country we do not have debt of 150 per cent of GDP. We do not have debt of 200 per cent of GDP. What is our level of debt? The level of debt in this country is less than five per cent of GDP. It is nothing. Go to the United States. Go to those countries I just mentioned where the norm is 140, 150 or 160 per cent—that is, nearly all government expenditure, all consumption, is funded by borrowing from the bond markets and has to be repaid at increasingly higher yields.

In this country the government does not borrow at those levels. In this country we have a workforce that saves. In this country there are deep liquid capital markets where people can borrow at a very, very reasonable rate of interest. And all of those things are a direct response, a direct consequence, of the sound financial administration and the sound budget policy that has been implemented by this government under Ms Gillard and the previous government under Mr Rudd and then successive governments going right back to the early eighties.

We cannot allow this debate to go on much further without at least a passing acknowledgement of the significance of what happened almost three years ago to the day when Lehman Brothers collapsed and that sent shock waves through the world's financial markets. On that day almost three years ago, the world looked into an economic abyss. Most of the world kept walking and most of the world fell into that abyss. But in this country, under the then leadership of Prime Minister Rudd and his government, we looked at the abyss. We said, 'We're not going to fall for the three-card trick; we're going to make an appropriate budgetary response so that the temporary shock of the GFC is not unnecessarily inflicted upon working people in this country.' So the government took those steps. We borrowed some billions of dollars. We spent those billions of dollars immediately on schemes that resulted in tens of thousands of people continuing to be employed.

You only have to look in every state of this country at the extent of the physical modernisation of the school system, whether it is the state system, the Catholic system or the independent system. Every school in this country—something like 10,000 schools and 24,000 projects—has had somewhere between $2 million and $3 million allocated to it. There are new science labs. There are new art houses. There are new ovals. There are new classrooms. There are new childcare centres. It does not matter where you go. I do four or five school openings a week when I am back in Perth in the electorates of Swan, Hasluck and Tangney. I can tell you that people come up to me and say: 'Thank you very much, Senator. Thank you for coming...
along. Thank you very much for your government—our government—showing concern and modernising our school. We can't believe the difference that the $2 million or $3 million has made to the school. We can't believe how pleasant it is. We can't believe how the morale of teachers has improved."

That is because this government, back in early 2008, took the hard decision, the bold decision, to avoid falling into an economic abyss. It borrowed some billions of dollars, and those billions of dollars were not wasted. They were spent on new and necessary infrastructure which modernised the school system around this country. The money has been doled out over a period of three years. There are still another 12 months of school openings to go. People have seen tens of thousands of tradesmen, workers and product suppliers continuing to be employed, continuing working, continuing to make a contribution, because this government took the logical, necessary and correct steps to implement its response to the— (Time expired)

Senator BOYCE (Queensland) (16:12): I am not quite sure where that fairytale of Senator Bishop's comes from. I was much interested to hear him talking about all those shops that have 'help wanted' signs in them. My immediate response to that was: well, those are the ones that are open. There are far more shops right now with signs that say 'for lease' than there are with signs saying 'help wanted' in them. The effect of this government on the economy of Australia has been appalling. Senator Bishop was at least right about one thing, in that there was best practice economic management in this country for many, many years; he just forgot which years they were—and it has definitely stopped since 2007.

I find it quite bemusing that somehow Senator Bishop would suggest that because we are not a complete basket case of an economy we should thank the government for that. Why would not being a basket case be something to thank the government for? Wow, thank you, Ms Gillard and co.; we don't have a government debt of 150 per cent of GDP! Unfortunately, the way this government is going, if indeed—God help us—this government gets to stay there long enough, that is where it will take us. Its management of the economy and its attempts at fiscal reform have been appalling. It talks and talks and talks about it but it does not do anything about it. It keeps talking and talking and talking but not doing anything. We had the lovely spectacle the week before last of the government finally working out, apparently, that all the cries from manufacturing for at least six to 12 months about their situation were true. It was only when a big company with a big union attached to it like BlueScope announced that it was going to get rid of 1,000 positions that this government finally noticed that there were problems in the manufacturing industry and had been for a very long time.

So what was the government's strategy for assisting the manufacturing industry? For a start, we had the wonderful pink batts solution. That was a great solution! That really helped the manufacturing industry and the service industries of Australia! Company after company was left with a million dollars or more worth of stock that was in fact worthless because when this government finally worked out how appalling its implementation had been it simply turned off the tap. Manufacturers had quite reasonably, under a program that this government had set up, bought batts and other insulation products—but, no, the government just turned the tap off. The attempts of these manufacturers and service providers to find
out what assistance they could get from this government fell on deaf ears. In fact, half the time they did not even get a response from the government about what they were to do with these products.

Then we have the wonderful current example of the immense governance of superclinics. I think the Redcliffe superclinic is a great example. The government promised this would be opened midyear. They told me that 'midyear' actually meant the end of August, but I was prepared to live with that timetable. Is it open? No. Is work going on? No. Is the whole project in complete disarray? Yes. The state health minister has actually called for an audit of that project. That is how responsible they are in using their funds to help build Australia.

But let us go back to what they say and what they do. The biggest problem is that I do not think they have quite worked out yet that it is private enterprise that keeps the economy functioning. You do need to talk to them. Giving money to unions and working out ways to increase the bureaucracy is not going to strengthen Australia or Australia's economy. They talk about mental health reform, but when you look at their figures their sleight of hand means that instead of making an increase of about 30 per cent they have made an increase of about six per cent and have just continued on what was already being done.

Let us look at disability reform, another classic example. It is a reform that is supposed to increase the number of jobs in the area—a very worthwhile idea. But you have to have employers ready to take on people with disabilities. How much money has the government put into that? And what has it done to the current disability employment service providers? It has called for a retender of the whole situation. Just to make them feel confident that this government cares about their future, it has said: 'Everyone can retender now. Just in the middle of a change, we will make another change. We will make you retender for the work you have had.' Mr Acting Deputy President, I am sure you know how much confidence that would instil in an organisation about its future and its ability to continue to service this sector and to create jobs.

The problem is that the government is so incompetent at fiscal management that it cannot work out where the taxpayers' money is. Certainly one place it is not, as Senator Wong and the Treasurer, Mr Swan, have revealed recently, is in the Future Fund. They are having a little raid of the Future Fund. They are taking that money, which was to be used for paying the superannuation of public servants. They are just taking a little $250 million out—hardly anything! Just $250 million is coming out. But that was meant to be there to pay superannuation commitments. It is another classic example of how this government manages money. If it were the local school tuckshop, you would have shut them down and called in the administrators ages ago—except, of course, the tuckshops that they build are too small to fit the administrators in. This is a classic example of their bungling under the Building the Education Revolution program.

Let us go back again to the implementation of e-health. How much money has been wasted there? Let us look at who this government has used to do this work. A contract was let recently to IBM. Did local medical software suppliers get a chance to put their tenders in for this? No, not really—because the way it was written by people who did not understand the industry properly meant that there was virtually no opportunity for local tenderers to apply. The government seems intent in so many areas on destroying small, private, innovative, entrepreneurial
manufacturing and service industries in Australia and replacing them with overseas bureaucracies and organisations that have an agreement to do whatever the union says. That seems to be where we are heading with all of this.

The other one that you can add now to the pink batts situation is the complete mess in the solar cells area with renewable energy certificates. That is another one to add to the list—renewable energy certificates, the money for which has not been passed back to the solar installers, who are left holding the bills. Once again, this is a government that does not understand how private enterprise works. Why would we be surprised that they do not understand that they need to generate good private enterprise to keep this country going? Virtually none of them have ever come near private enterprise and they do not know anything about it. One of the best examples of why this government does not have the confidence of Australians and why Australians are keeping their money in the bank because they do not trust this government is the live cattle export debacle, which this government managed to produce all by itself. Senator Ludwig and others had no help in creating the most bizarre outcome. I was in Mount Isa, Bouria and Cloncurry recently and the people there are often quite angry about government policy. These people were not angry about government policy. These people were not angry about the live cattle export situation. They were past angry; they were in absolute despair. They said: 'We can cope with floods. We can cope with droughts'—and they have coped with both in the last 12 months; that is how serious their position has been—'But things were finally starting to look up and then this came completely out of the blue.' Senator Ludwig just turned off the tap for live exports—a complete overreaction to a television program. Did Senator Ludwig know the implications of what he was doing? I would hope not because it would have been criminal if he had behaved as he did and knew what was going to happen. There are people out there who have had to put all their staff off. There are people out there who are looking at shooting stock. There are people out there who are expecting the bank to foreclose on them any minute. And not just that, but there are the knock-on effects of this on transport and on jobs in local towns. The consequences are horrific and are leading to despair.

No wonder the savings in this country continue to rise, and it has nothing to do with Senator Bishop's idea that everyone has so much extra cash to splash around. That is not the case. He glossed over quite a few things in his speech—for example, capital expenditure increasing. Yes, it is. I interjected—and I know I should not have done that, Mr Acting Deputy President—'Tell us about how much of that is going into the non-mining industry.' It will only be through building confidence in the private sector that this government can ever hope to have a sound fiscal strategy. They are not going to get it by the way they are behaving right now. The cycle says that people are not spending money because they do not trust this government to manage the economy. They do not trust that they will have a job next week, so they do not spend money. Far from shops full of 'help wanted' signs, there are shops full of 'for lease' signs. As private businesses close down, what happens next? Jobs will go, and we start the cycle again. It is the lack of confidence in this government's ability to run an economy and to keep things flowing that is holding Australians back from spending at the present time.

Let us look, for example, at the proposal for the carbon tax. In amongst that there are some moneys going to small businesses with incomes of less than $2 million. They will
get a net amount of $1,500. I think the alleged grant is about $6,000—but that is a re-announcement of other things—but they will get a net benefit of $1,500. What level will the help to households cut out at? It will cut out at an income of $80,000. Anyone who is running a company with an annual turnover of more than $2 million who is paying themselves up to $80,000 will get nothing at all from this government to help with increases due to the carbon tax.

Unlike the GST, the carbon tax is a cascading tax. Everything you buy, everything you use, everything that has ever been on a truck and everything that includes any steel, aluminium, cement or electricity will go up in price. So there is the perfect example of how this government is setting out to drive people out of business. There will be no help for companies if they have a turnover of more than $2 million, irrespective of their profits. When you look at how few of them are just holding on and keeping their heads above water right now, you will find that not many of them would be making significant profits. And there is nothing to help individuals, so they cannot use any of those funds to try to keep their businesses and their jobs going.

One other area I would like to talk about is the Gillardbank—an example of the way this government is taking money from Peter, splashing it all over the place and putting half of it back into Paul's account. The great new bureaucracy, the Clean Energy Finance Corporation, or the Gillardbank, will get a $10 billion budget. I think we can imagine what will happen there. It will not be permitted to invest in carbon capture and storage projects, because that would be suggesting that there was something positive about coalition policy in that area. It will not be allowed to invest in exactly the sorts of things that would assist in the development of Australia.

I would also like to point out that in his budget speech the Treasurer managed to finally realise that there is a patchwork economy. What is being done about it? Nothing. Ms Gillard managed to have a meeting a couple of weeks ago with some of the manufacturers and the unions and to give them the impression that perhaps there was going to be an inquiry to see what we could do about it; but, no, she has changed her mind on that one too. There will not be an inquiry, and I guess in some ways that is good because at least now business knows that this government cannot fix it. It is not that they will not but simply that they cannot fix the problems that they have created.

The manufacturing figures since this government has been around, and since the GFC, are appalling, and I have no idea how Senator Carr manages to keep his portfolio, let alone hold his head up. Manufacturing right now is the worst it has been in 20 years, with under a million people employed in manufacturing. It is 20 years since the figures have been that low. And, despite Senator Bishop's view on employment, job losses are spreading out of manufacturing now and into the retail and service sectors for the reasons I mentioned. People are saving but not because they have so much cash to splash around.

Retail sales last financial year were the weakest in 20 years. Business failures in the retail sales sector have gone up by 40 per cent in the June quarter from what they were the previous year. I hope it is not going to take Myer suggesting it is going to have serious job losses for this government to notice that the retail sector is having problems too. Hello, government? Let us wave our hands! The small to medium sized side of the industry and the private enterprise side can only expect further complete mismanagement and a complete lack of understanding from this government. In no
way can this lead to the sort of fiscal responsibility that would improve the economy to the extent that people were game to once again begin spending and begin thinking that they had the ability to hold onto their jobs. Without that, you can waste all the money you like on every project that it has been wasted on, but you must re-instil in the Australian people some level of confidence that you know what you are doing.

I cannot believe that this can happen. As I said, it is not that the government will not understand; it is just that they cannot understand. Senator Carr, who continually tells us about the joys of manufacturing—having destroyed a lot of very satisfactory programs established by our government—is one of the chief architects of the destruction of the manufacturing sector. (Time expired)

Senator GALLACHER (South Australia) (16:33): I rise today to speak against the motion moved by the opposition in regard to 'the Gillard government's failure to implement a sound fiscal strategy'. Clearly, the Gillard government have implemented a sound fiscal strategy, with our key objective being to get back to surplus by 2012-13. In order to achieve this objective, the government are engaged in one of the fastest fiscal consolidations in at least 40 years. The government understand we need to cut spending so we do not add to pressures arising from the mining boom. In order to keep the nation's growth strong and boost economic activity, we are continuing to invest in training, skills, infrastructure and the NBN and, importantly, are delivering tax cuts to small business and moving Australia to a clean energy economy.

One of the key focuses of this Labor government, as it is of all Labor governments, is jobs, jobs, jobs. Jobs are the heart and soul of all Labor government activity. They are vitally important to our economy and vitally important to our families. We saw this Labor government act extremely quickly and decisively during the global financial crisis to provide a stimulus that kept Australia out of recession, unlike most OECD nations. The stimulus provided much-needed investment in infrastructure and in schools through the BER and, despite Senator Boyce's assertions, it allowed us to retain confidence in our retail sector. All these measures kept our economy ticking over and saved 500,000 jobs. I recently had the pleasure of visiting some schools in South Australia, and all positively commented on the workers that the projects directly employed—a very positive contribution. In fact, Labor have been able to oversee the creation of over 700,000 jobs since coming into government. That is one of the key reasons we are in a position to produce a sound fiscal policy that will return the national budget to surplus. It is something that all Australians will never forget. There is no surprise that our economy is the envy of the developed world. Our economic fundamentals remain strong, with low unemployment—at 5.3 per cent, compared to the US's 9.1 per cent—and net debt around five per cent. By comparison, places like the US and Europe have a significantly higher debt to GDP ratio. It is expected that job growth will continue on a positive trajectory and that, by 2020, we will have about 1.6 million more jobs.

Australia's economic and fiscal policies have been given a glowing assessment by the International Monetary Fund, and we will continue that good work. I would like to quote some of the points that the IMF made in regard to our economic and fiscal management. Firstly, the IMF said:

The economic outlook is favorable. After a temporary setback in the first quarter due to natural disasters, activity is expected to bounce back in the second quarter. We project real GDP
growth of 2 percent for calendar year 2011 and 3½ percent in 2012 …

Importantly, they also project that our unemployment rate will remain below five per cent. The International Monetary Fund add:

... we commend the authorities for remaining committed to returning the Commonwealth budget to surplus by 2012/13, despite the worsening of the budget balance in 2010/11 as a result of natural disasters. Fiscal consolidation will strengthen fiscal buffers and take some pressure off monetary policy and the exchange rate. This consolidation is faster than in many other advanced economies and is more ambitious than earlier envisaged, with an adjustment of almost 4 percent of GDP over the next two years on a cash basis. We support the emphasis on expenditure control.

This is something the Labor government is extremely proud of. Compared to the rest of the world, we are going in the right direction and we will continue in that direction.

It is very likely that without our critical action the economy would have been struggling like that of the United States or many other developed nations. But we are not; we are a nation in one of the strongest economic positions. I can only imagine the trouble this country would be in if the coalition had been in the driver's seat during the GFC or if they were in it for this period of mark 2 of the mining boom.

In this budget we are investing $36 billion in roads, rail and ports. Also, the government will be removing tax impediments to infrastructure investment. The government will invest in the NBN, a world-class, 21st century broadband system that all Australians will be able to access. It will bridge the distance between regional Australians and Australians living in the major centres. The visit to the specialist from Broken Hill to Royal Adelaide—many hours in a car or half an hour or so in a light aircraft—perhaps will not be required. Broadband will bring the reality of having a consultation with a specialist over the internet, and many regional centres, particularly South Australian regional centres, will enjoy a much improved health service and its productivity benefits.

We will have internet services that will bring us out of the bottom rankings of the OECD in terms of speeds and costs. The NBN will boost productivity, drive innovation and lift economic output. Crucially, it will lift the GDP and, as I have said, it will be of immense benefit in health, education and business. Once the NBN is out there and being utilised to its full potential, its use in health, education and business will become more apparent, the productivity improvements will become apparent, and that will drive more and more use. Students will get better access to education systems. Businesses will conduct their work in a much cheaper and more effective way. For example, small business will be able to utilise teleworking, e-commerce, cloud computing, VoIP and videoconferencing in real time. These opportunities have been around for a number of years but they have not taken off because of the critical speed factors—you need to have real-time videoconferencing. This does not even account for the endless innovation that will come out of the introduction of the NBN. We do not know what the bright young people who are in this space will come up with but we are certain there will be economic improvements.

The Optus Director for Government and Corporate Affairs, Mr Krishnapillai, stated in an article for IT News that broadband is crucial to Australia's future prosperity and 'fibre is indisputably the best way to deliver high-speed broadband in the long term'. We hope that we can now move beyond the broadband debate and get on with the job of
building a world-class broadband network—a network which will bridge the divide between regional and metropolitan Australia and ensure Australia remains one of the world’s leading economies for many years to come.

The Gillard Labor government is also investing in skills and training. During the last budget, it was highlighted that 320,000 young Australians currently do not attend school or are not employed or in a training program. There are also around 230,000 people who have not been in employment for more than two years. This has made training a key objective for the government. Over six years, the Gillard Labor government will deliver $3 billion in new skills initiatives, strengthening our apprenticeship system and creating 334,000 training places with the simple view to getting more Australians engaged in the workforce—a direct benefit to them and the economy. These initiatives complement our sound fiscal strategy, ensuring that Australia’s economy remains strong and productive in the short, medium and long term.

I do remember what the coalition did to trick Australians into believing they were taking action to increase productivity. It was Work Choices. Work Choices was simple, cutting entitlements and wages for workers and making it easier for employers to sack working Australians. It just goes to show the lack of understanding the coalition have in dealing with these issues. Their attitude is to cut wages, cut conditions, make it easier to sack people and think that is productivity. Our attitude is to create training and apprenticeships and give opportunities to people to participate fully in society. Cutting wages and entitlements does not drive productivity. Investing in infrastructure and skills is what drives productivity, and that is what this Labor government is doing.

What the Gillard Labor government seeks is for all Australians to benefit from our economy, not just a few. The Labor government has a complete economic reform package to fulfil, even with our fiscal consolidation. But obviously the main issue debated currently is the carbon price, where the top 500 polluters will pay a price in relation to their carbon emissions. I heard an economist say that positive and negative incentives do work. His simple proposition was that if it was free to pollute, people will continue to do it; if it costs something to pollute then people might change the way they operate. It is the right thing to do for the future generations of Australia, especially when looking at the benefits of a clean energy economy.

The economic opportunity is one that we do not want Australia to miss. Putting a price on carbon will drive investments in clean energy technologies for our children, grandchildren and the people who come after us. It will provide smart and clean jobs for future generations. Obviously, we will expect price rises to flow on to households, an increase of approximately of 0.07 per cent of the CPI, but as credible economic managers the government will compensate households and industries so that they can adjust to these changes. In fact, nine out of 10 Australians will receive compensation as tax cuts, increased payments or both.

Over four million Australian households will get an extra buffer with assistance that is at least 20 per cent more than the expected average price impact. One million Australians will no longer have to lodge a tax return with the increase in the tax-free threshold raised to $18,200. The payment increases will also be seen in the pension, family tax benefit, Newstart allowance, and extra payments for self-funded retirees. The government, as a credible economic manager implementing a sound fiscal policy and
dealing with a patchwork economy, understands that not everyone reaps the benefits of the minerals resource sector. That is why the Labor government has worked hard at easing the cost-of-living pressures that working families face and recognises that not all Australians are benefiting from strong sectors in the economy. These are only some of the initiatives that this government has provided.

The Labor government's reforms in the minerals resource sector will spread the benefits of the mining boom, which will keep our economy strong and support jobs. The Gillard Labor government will give small business a cut in the company tax rate. I will repeat that: the Labor government will give small business a cut in the company tax rate. I did not hear any applause from the other side but I am sure they would agree with that. Small business drives the economy. It generates employment. The Gillard Labor government is also facilitating the instant asset write-off further to help 2.7 million small businesses.

I have highlighted some of the policies this government will go ahead with, driving growth, productivity and returning the budget to surplus. I reiterate that Australia's economic outlook remains strong and, to continue along the road of economic growth aided by the demand for minerals from Asia, this government is, as I say, engaging in the fastest fiscal consolidation for over 40 years. This is in line with our objective to get back to a surplus in 2012-13. The Gillard Labor government is committed to investing in infrastructure, skills and participation. You simply cannot do one job and not the other. The government has also put in place spending restrictions while providing services Australians want and the infrastructure the economy needs. So it is a bit of a mystery why this motion was moved today. From a comment yesterday in the lower house, the coalition will not submit its policy costings to either Treasury or the PBO prior to the election. It is far from surprising that the coalition wants to hide from scrutiny and not have its election costings verified again. After all, this is the same mob who last time around were exposed after election day for having a humiliating $11 billion error in their costings. Just earlier this year the Liberal Party was working with the government in a bipartisan manner to deliver a Parliamentary Budget Office. The PBO was designed to deliver, in the words of the member for Higgins, who sat on the committee, 'a system of transparency and accountability'. However, in recent times we have seen the new revelation from the coalition that it has blown a spectacular $70 billion crater in their own budget costings. So there is little wonder that it now is determined to run away from any process that would demand it be accountable. This is the sort of pathetic strategy you resort to when you are led by a man who says that he is bored by economics and believes economists are stupid.

That the coalition will go through another campaign hiding their costings yet again reinforces the idea that this is the least qualified economic team ever presented to the country. Their incompetence at every turn when it comes to the budget demonstrates that they are completely incapable of managing the economy. As the golden rule goes, if you can't manage the economy you're not fit to govern.

The Gillard Labor government's track record has the runs on the board: creating jobs, steering us through the GFC, investing in schools and education—in the words of some of the people I have spoken to in the education system, 'making dreams come to reality'—putting in 21st century facilities for children to learn. We will get the NBN going. Those children in new halls and
facilities now will come into the economy and push this country further up the path of economic success. This is about jobs, jobs, jobs. Keep the economy constrained, if you like, to get back to a surplus, but keep investing in and educating our people. Look after the people who have fallen through the cracks, the unemployed, put in place apprenticeships and all of those things that get people back into the workforce so that they are contributing usefully to society, enjoying a good life and participating fully with their families. This government will conclude the work that it started of getting people back into jobs and maintaining the solid fiscal position that was articulated by our Treasurer in the budget. It will continue investing in infrastructure, skills, ports, rail and the whole gamut of economic activity that has been well run, well resourced and well put into place by this Labor government. Our economic activity is the envy of the developed world.

**Senator THISTLETHWAITE (New South Wales) (16:53):** I do not know what planet those opposite were on when they cooked up this notice of motion this afternoon, but it certainly was not Mother Earth. This motion seeks to criticise the Gillard government's fiscal strategy. This is completely at variance with the fact that the International Monetary Fund, the ratings agencies and the OECD have all given a resounding tick of approval to this government's fiscal strategy. It is completely at variance with the fact that a recent Stanford University study of 38 leading economies in the world found that Australia ranked No. 1 on sovereign fiscal responsibility. It is completely at variance with the fact that because of our stimulus strategy during the global financial crisis we kept Australians in work and now we have an unemployment rate which is the envy of nations throughout the world—it is half that of the United States and half that of the United Kingdom. The Leader of the Opposition is going around making irresponsible commitments to policies that cannot be funded and that will lead to a severe budget black hole. He is completely out of touch on economic management.

We on this side understand the importance of a strong, credible fiscal strategy. We understand the importance of acting as the government did during the global financial crisis, when it put stimulus into the economy and protected the jobs of 200,000 Australian workers. That policy is still being opposed by those opposite. But 200,000 Australians and their families do not oppose the stimulus package, and they do not oppose the actions of a government that since 2007 has created 750,000 jobs in our economy.

We have also acted responsibly and within our means, because we know that the global financial crisis ripped a hole in government revenues to the tune of some $130 billion over five years. This is papered over by the opposition—they want to pretend that it did not occur. But this government has put in place a clear strategy to return our budget to surplus. Firstly we said that we would exercise restraint in spending, and we did. Secondly we said that we would keep taxes below those that we inherited from those opposite, and we are. Finally we have said that will make responsible decisions to reprioritise expenditure and so deliver net savings to the budget.

We have one of the strongest fiscal positions in the developed world. This was recently confirmed in a study by Stanford University's Institute for Economic Policy Research published in April 2011. It said:

In the wake of the recent financial crisis, and in light of escalating deficits and mounting debt burdens in a number of major industrialized nations, the issue of fiscal responsibility and
This prompted Stanford University and the Comeback America Initiative to try to develop a sovereign fiscal responsibility index. Our SFRI needed to incorporate both quantitative and qualitative metrics that allowed one to extensively define 'fiscal responsibility' as well as carry out cross-country comparisons. This study by Stanford University was commissioned by the United States government to look at exactly where America sat when it came to fiscal responsibility throughout the world. The study looked at the 34 nations that belong to the OECD. It also looked at some of the emerging nations: Brazil, Russia, India and China. In total, it looked at 38 leading economies throughout the world. It looked at a definition of fiscal responsibility and said that it involved three factors:

... a government’s current level of debt, the sustainability of government debt levels over time, and the degree to which governments act transparently and are accountable for their fiscal decisions.

The study continued:

This implies that responsibility is more than managing one’s annual deficits. Creating sound institutions, rules, and procedures that regulate the budget process are essential.

When the study was done—when all these factors and these issues were taken into consideration—a league table was produced. The results of that study are very interesting. Unsurprisingly, Greece came in last among the 34 nations that were studied. The United States was 28th on the league table when it came to fiscal responsibility. Germany was 25th on the league table. The United Kingdom was ninth. China—a very strong economy in our region with massive levels of foreign reserves, a booming economy and growing employment—came in fifth. But what was interesting was the nation that came in first, none other than Australia. Australia was the No.1 country. In 2011 Australia was the No. 1 country when it came to sovereign fiscal responsibility, yet those opposite seek to criticise this government for our record of fiscal responsibility, demonstrating just how completely out of touch they are when it comes to economic management. According to this study, we cannot do any better: we are No. 1 in the world when it comes to fiscal responsibility. Yet those opposite seek to come into the Senate this afternoon and criticise the government and, indeed, waste the Senate's time with a motion about the government's record on fiscal responsibility.

What this motion is really about is the politics of economic envy, because those opposite cannot stand to acknowledge what the Stanford study acknowledges. They cannot stand to acknowledge what the International Monetary Fund, the OECD and, indeed, the leaders of many other nations—all credible economists—recognise and indeed what the Australian people recognise: that this government has done a first-class job and will continue to do so when it comes to managing our nation's finances and growing our economy. In fact, we managed one of the most severe economic downturns since the Great Depression. We did so by protecting jobs, so 200,000 Australian workers are still in employment because of our actions. We did so whilst maintaining growth. Despite some hiccups along the way, we did so whilst maintaining growth. We have done so with a great pipeline of investment in business in this country. We have done so with record profits in a number of sectors of the economy. Also, we have a credible, detailed, transparent and costed plan to return our budget to surplus in 2012-13. I might add that the ratings agencies have recently given the tick of approval to that plan, because once again they have seen that
the Australian economy is rated AAA when it comes to these issues.

The real issue behind this motion is that those opposite cannot get over the fact that when it comes to great nation-building economic reforms it always falls to Labor in government to deliver them for the Australian people, whether it be Medicare or superannuation in this country—opposed by those opposite and now providing $3 trillion worth of investment funds and growth in our economy. When it came to liberalising our economy, reducing tariffs, opening up the economy, floating the dollar and creating an efficient market based economy for trading within the international community, it fell to Labor to deliver these economic reforms. It is about the politics of economic envy.

When the coalition were in government for the 11 years of the Howard government, what were the two big economic reforms that they delivered for the people of Australia? What was their economic record? There were two things: the goods and services tax, and Work Choices. They were the two big economic reforms that those opposite delivered, yet they come in here and seek to criticise the government for its record on fiscal responsibility. The government stands on its record of fiscal responsibility and does so proudly, in sharp contrast to those opposite.

I mentioned fiscal responsibility and fiscal transparency as one of the issues that the Stanford study took into account in assessing and ranking nations when it came to sovereign fiscal responsibility. Yet those opposite refused, during the last election campaign, to have their policy costings analysed by the Treasury.

Senator Brandis: We had them analysed independently.

Senator THISTLETHWAITE: Yes, you are right, Senator Brandis; you did have them analysed.

Senator Brandis: Independently.

Senator THISTLETHWAITE: You did. And we saw why, when they were analysed independently, because your auditors refused to give an unqualified audit of those figures. The reason they refused to give an unqualified audit was that the costings came up $11 billion short when it came to the crunch. Post the election we found that an $11 billion black hole existed in the costings. Imagine what it would have done to our rank under the sovereign fiscal responsibility index as judged by Stanford university if those opposite had been in government with an $11 billion black hole! They do not seem to have learnt any lessons from this foolish approach to the last election campaign because they are continuing to announce irresponsible, unfunded election commitments. Far be it from me to be critical of this, because finally others in our nation are beginning to wake up to this game of those opposite. I draw to the Senate's attention a quote from the editorial of the Daily Telegraph of 13 August 2011 when the Daily Telegraph editorialised:

The—Liberals’—hairy-chested approach would be more convincing ... if Hockey and his mates had the gumption to wield their razors against wasteful and irresponsible promises made by their leader.

But, then again, there are many in the Liberal Party who know that their leader has no idea of fiscal responsibility and economic management. I again draw the Senate's attention to a quote from none other than a former Leader of the Liberal Party, John Hewson, who, on 24 May 2010, when speaking of the Leader of the Opposition, said:
Tony is genuinely innumerate. He has no interest in economics and no feeling for it.

And those opposite seek to criticise us for our economic management. They cannot go on like this forever, with these announcements of irresponsible spending commitments and the claim that they will return the budget to surplus, because eventually they will have to say how they will do it. To date they have not. They just go around making these irresponsible spending commitments, but they will not come clean with the Australian public about how they will do it. However, some months ago we did find out from a leaked shadow cabinet minute how they were going to balance the budget, despite the fact that they do not have and will not have the revenue from the minerals resource rent tax and despite the fact that they will have no revenue from carbon pricing. They will do it by cutting $70 billion worth of government outlays and services. There is a $70 billion black hole in the opposition's spending commitments—$70 billion! Senator Brandis said earlier that this was a misstatement; this was a lie.

Senator Brandis: A falsehood

Senator THISTLETHWAITE: A falsehood, Senator Brandis. I draw your attention to the comments of Andrew Robb on Meet the Press on 4 September 2011, when he was asked a question by the interviewer, Fran Kelly, about that figure of $70 billion. The interview reads:

FRAN KELLY: It's not like a furphy, then?

ANDREW ROBB: No, it's not a furphy. We came out with the figure, right? So it is a furphy to call it a 'black hole'. That is just—it's just Labor's spin again to avoid any discussion about why we are looking at $70 billion as the sort of out-marker.

There is an admission there from Andrew Robb that a $70 billion black hole exists in the opposition's costings, because of $70 billion worth of reckless unfunded election commitments.

What does this mean for the Australian public? It means that they face the prospect of $70 billion worth of cuts to services. Yet, the opposition will not come clean with the Australian public. I have asked several of their representatives in public forums: 'What programs do you intend to cut to achieve a budget surplus? Is Medicare on the line? Is the childcare rebate on the line? Are the increases to pensions on the line? Indeed, is the reduction in the company tax rate that Labor has promised to deliver to businesses throughout this country on the line?' And they seek to criticise us for our fiscal strategy.

I mentioned earlier the importance of fiscal transparency. This government is acting on the advice of a unanimous report of the Joint Select Committee on the Parliamentary Budget Office on the establishment of a parliamentary budget office. This important reform will provide greater transparency in policymaking and ensure that the Australian people are better informed and have confidence in the commitments that are made by political parties in the lead-up to an election. These commitments will be independently assessed by a body to ensure that the Australian people can have confidence in them.

Bear in mind what I said about the importance of transparency, because only yesterday the shadow Treasurer, Joe Hockey, said in the parliament:

... the coalition will not submit its policy costings to either the Treasury or the PBO prior to the election.

And the opposition come in here and seek to criticise the government for its record on fiscal management—this from those who refuse to acknowledge the strong performance of our economy over recent
years; this from those who continue to make irresponsible spending commitments that are underfunded; this from those who refuse to tell the Australian people how they will return the budget to surplus and what programs they will cut.

The Gillard government has a sound fiscal strategy and a plan to return our economy to surplus in 2012-13. It is a plan that has delivered protection for workers during the global financial crisis—the protection of 200,000 jobs—continued growth in our economy, a wonderful pipeline of investment in business and a process for transitioning our economy into a clean energy future. It is a plan based on transparency and openness that will provide confidence to the Australian people.

Senator Ryan (Victoria) (17:13): From the performance we have seen from government senators opposite, I am not sure if they quite have their heart in it, because I have not seen the same degree of passion that I have previously seen. The best they can seemingly do is to compare Australia to the broken nations of Europe and North America. What they do not do is compare Australia to those nations that are our competitors. It is as if you are saying that, if your neighbour had more debt than you, the bank would not foreclose on you. It is as if you are saying that it does not matter if you do not compare yourself with your competitor business; you are comparing yourself with one in some other state and some other part of the world. You do not understand that we are not competing with the nations of Europe. We are not competing with North America. Australia, as a capital-importing country and with our banks being some of the largest wholesale funding borrowers in the world, needs a strong fiscal position. There is in fact a significant trade-off between a government that had no net liabilities and our banks that had some of the largest. They were massive users of wholesale funding markets. No-one is quibbling with the wholesale funding guarantee that was provided when the markets lacked liquidity. What we are quibbling with is that this government is actually putting extra burdens upon those in Australia that do need to import foreign capital to expand the agricultural sector and the mining sector, or to sustain what is left of the manufacturing sector after Labor is finished with it. This even comes down to our home loans and our small businesses, because this government simply does not understand the impact that its behaviour with respect to its unsound fiscal position is having upon Australia's economy.

Despite all the commitments of those opposite, despite the aspirations, despite the bumper stickers and the slogans, unlike in the stock market past performance does provide a predictor of future behaviour. These people opposite have never even come close to delivering a surplus. What they have done is undertake a sustained attack on the Australian private sector economy. The budget when the previous government left office was just over $260 billion. The budget now is over $350 billion and heading north to $370 billion. That sort of massive increase in spending is utterly unsustainable and it shows that the driver of this government's fiscal situation, the driver of these deficits, is in fact the uncontrolled spending of this government.

First of all we had the waste. I sat on the inquiry into the stimulus packages that came in in early 2009. We had a number of witnesses—prominent economists from around Australia, people who supported it, people who opposed it, Treasury, Finance and Prime Minister and Cabinet. When it came to programs like pink batts, this government was warned that, when you throw out a few billion dollars into the
The truth is this government do not listen. They were warned. They were warned before it happened. They were warned while it was happening. They tried to hide it after it happened and it was only after a sustained campaign that this government were called to account for the massive waste. They did not even have the guts to say to that minister: 'You are out. You are not welcome here after several billion dollars of taxpayer funds have gone missing. You are out of here after we have had several deaths.' I can only imagine the outrage from the unionists opposite if something like that had happened in a program administered by a coalition government.

We heard from the previous speaker that apparently this government has saved 200,000 jobs. I recall the number being less than 200,000 and more than 200,000. I recall claims that jobs were going to be created. But there is no evidence to prove that at all. It is nothing other than an assertion. An assertion repeated often does not become a fact, despite the best efforts of those opposite. No economic data demonstrates that the stimulus waste saved jobs in this country. The truth is there were many economists who warned the government that a stimulus of that size was not required. After the first stimulus at the end of 2008, the size of the stimulus package the government proposed was an overreaction that went to the wrong people in the wrong way. Again, they did not listen. They did not listen before it happened. They did not listen while it happened and then we had the billions of dollars of waste in the school halls program.

Senator Farrell: It supported jobs. People had jobs. They still have jobs.

Senator Ryan: Senator Farrell, there is no evidence whatsoever that jobs were saved. An assertion does not make a fact in economics. The truth is that this government cannot actually rein in its own spending. The opposition contests the numbers thrown around by the previous speaker, the alleged $70 billion. If we go over the forward estimates and do some rough calculations using the government's own numbers, that $70 billion, even if it were accepted, which it is not, would only come to just over two per cent of government spending over the forward estimates. This government belittles and attacks even a two per cent cut in its own spending, yet what they achieved in the 1980s was much more substantial—real cuts in spending over a number of years. We give credit to the Hawke-Keating government. There was a miserly surplus of, I think, about $26 million in one year before Paul Keating drove the budget back into deficit. That government did deserve credit for reining in spending and for doing it in real terms, but this government shows absolutely no signs of being able to replicate the efforts of its predecessors. All it does is keep chanting the term 'surplus' and keep talking about restraint, but it does not actually do anything about it. We do not have a polity in this country that actually accepts mere slogans. What you do is more important than what you say you care about. Yet for this government it is all about the illusion of performance, the illusion of activity and the illusion of fiscal responsibility. The truth is that none of that is actually being implemented.

The most important way to achieve the fiscal responsibility that was referred to by
the previous speaker is relatively simple: do not continually spend more than you collect in revenues. Yet this government can only rely upon increased taxation in the hope, I would suggest a vain hope, of achieving a budget surplus when it was promised. We have already seen the language start to change. We have already seen the excuses start to be made. I am certain that very soon we will hear a term like 'eurocrisis'. 'Eurocrisis' will start to come out of Wayne Swan's mouth every few hours, several times a day. It will go onto the Labor talking points so we will hear it in this chamber day after day in an attempt to generate an excuse for the inevitable failure of Labor to achieve a budget surplus.

That is what Labor has been about, just like it has at the state level. There are so many successful state operatives across from us. The previous speaker almost channelled a state election campaign, trying to whip up fear about police numbers, hospital beds and education, but the truth is, at a federal level, people know that when the government borrows unsustainably and irresponsibly they are going to have to pay higher taxes or accept lesser services in the future. This is the point the government does not want to talk about: every dollar borrowed today is deferred taxation. Every dollar borrowed today means higher taxes in the future for any given level of services, plus the interest costs in the meantime. What the government does not want to tell you is that the cost of servicing the interest as we speak is already exorbitant. The Productivity Commission outlined how the unmet need for disability services was in the order of $6 billion to $6½ billion. Go to the budget papers and check exactly how much this government is spending on interest payments each and every year. It is $6 billion. The truth is that $6 billion could otherwise be directed towards those in dire need. I think everyone across this chamber agrees that we should aspire to do that as soon as possible.

There is a real cost today to this government borrowing at such unsustainable levels—more than $100 million a day. I remember when $100 million was actually a lot of money. To this government it is nothing more than loose change. This government has undermined the private sector economy which will in the future undermine this country's ability to have a solid tax base to bring the fiscal situation back into a sustainable position.

One thing that has gone a little unnoticed about the mining tax debate is what it truly represents for this government. We have a complex system of horizontal fiscal equalisation in which the cost variations between states in delivering services are taken into account, along with their revenues, with the aim of equalising their funding so that all Australians are in a position to experience the same level of services. There is a reason this government tried to seize the royalties of the states. The difference is this: when Western Australia and New South Wales raise their royalties and they flow into the Western Australian and New South Wales state budgets, within four years those funds are put into the pool used to effect that equalisation across the states. My home state of Victoria, which does not have a mining industry of such significance as Western Australia and New South Wales, will benefit in three or four years from the royalty increases in Western Australia and New South Wales because the GST grants to Victoria will accommodate the fact that New South Wales and Western Australia are increasing their level of revenue from royalties. The government tried to prevent royalties being raised so that it could raise royalties via the MRRT. But there is a key difference: the revenue increase would not flow to the state
governments via the GST pooling arrangements; the revenue would actually flow to the Commonwealth to support its desperate effort to plug its gaping deficit.

It will become increasingly apparent to the citizens of all the other states around Australia, particularly those that do not enjoy the benefits of the mining boom in a direct sense, that their state governments, which provide schools, hospitals, disability services, police and public transport, will benefit from the increasing royalty rates in Western Australia and New South Wales. They benefit directly because it comes to the state government treasuries. It does not have the ticket clipped on the way through the Commonwealth Treasury. It is not there for the Commonwealth Treasury to use and to dole out to preferred groups, like the renewable energy industry, or groups such as those they tried to protect during the GFC with the Ruddbank, which was going to put $10 billion of taxpayers' money at risk in order to protect the commercial construction industry.

The importance of defeating this MRRT is that it maintains mining revenues and royalties within all the state budgets, not just one or two states. This government's attempts to vilify the governments of Western Australia and New South Wales will fail as taxpayers and citizens in other states directly benefit from better trains, more police, better schools and better hospitals, because the money flows to all the states after a period of four years, not just to the Commonwealth. That is the unspoken story of this tax grab. It is an attempt, yet again, by Labor to seize financial autonomy from the states and to prevent the state governments from providing the services which the people in those states expect.

Time restrains me from going through all the problems with this government's fiscal policy, but I would like to mention a few before I conclude. Lord Keynes famously said that when the facts changed he changed his mind. The problem is that this government is not learning from what is happening all around the world. We are seeing massive stimulus packages being tipped into Europe and into the United States and they continually fail, just like in the 1970s. In fact, if you look at the 1930s, there are many economists who have substantial data which shows that some of the packages tipped in actually restrained the recovery from the Great Depression.

Yet, the Labor Party hangs onto the dream—'the fatal conceit', as it was once described by a famous author. It hangs onto this dream and conceit that it can control the economy, that it is not the private sector that invests and creates jobs, but is the Labor Party and the few people who sit around, the gang of four, with a few bureaucrats in the cabinet room and say, 'Who's going to get a few billion dollars today or tomorrow? This is going to save the economy from what might be a profound imbalance.' The problem with that is not only that it forces costs onto future generations, not only that it drives up interest rates through the government crowding out private borrowing, not only that it drives up the dollar by the virtue of interest rates having been driven up—and Australia is actually a place where a lot of people are investing overnight money at the moment because you can make good money with high interest rates and a high dollar—but that it is actually going to build in the risk of stagflation. We have not seen or heard this for decades. It has barely existed in my lifetime. It was something I studied in textbooks. This government is putting our low inflation at risk and it is doing so by pumping money into the economy.
A number of people have written that the so-called NAIRU, the non-accelerating inflation rate of unemployment, is actually climbing. We have a problem that, as our unemployment decreases, our risk of inflation gets higher. I suppose that is not the only NAIRU this government does not like! It should be aware of the impact of what it is doing when it is re-regulating the labour market and building in higher inflation.

The truth is that redistributing money is not the creation of wealth. Taking money or borrowing money, particularly when it is domestically borrowed, and redistributing it around the nation via payments through Centrelink—even if it is done through a dodgy school hall program where people get paid more than they need to—does not actually create a single dollar of wealth; it just redistributes it. We know that, with the first stimulus payments, a lot of it was saved, so it merely went to pay off debt. A small portion of it was invested in domestic consumption and the government then came to the conclusion that, even if people went and bought imported goods like plasma televisions, at least the sales people got a commission. That is true; they did. But, if you think the idea that a few per cent being added to the economy out of a few hundred million in expenditure is good value, then I challenge you to take that to the Australian people.

The truth is what works is cutting taxes. The truth is what works in terms of stimulating the economy is tax cuts, not one-off tax cuts, not rebates—which are different words for patronage or, effectively, welfare-type payments where money is taken from one to give to someone else—but tax cuts that allow people to invest over the longer term, that give people certainty and that are not based on deficit borrowing. There are people that behave rationally and they know that, when the government borrows money now just to give people a one-off payment, that money will come back and they will have to pay it back later on.

I would like to finish on the assumptions that go into the budget. Traditionally Treasury in Australia has undertaken static assumptions when budget costings are made and when policy proposals are costed. Those assumptions are that reducing a tax, particularly on corporate taxes which might lead to further investment, probably leads to higher economic growth than would otherwise be the case. The truth is that our Treasury, in order to keep a conservative fiscal bias, has not undertaken those assumptions. That way, if you get a surprise at the budget, it is a good one.

Yet when it comes to the mining tax and some of the tax cuts flowing from that which the government allegedly is cutting Treasury has moved to what is called in the United States as dynamic scoring—effectively, dynamic budget costings that allow for, 'We think this tax cut might cost a few billion dollars but it will lead to higher economic growth and, therefore, might only cost us a net $1.5 billion.' There is some recent research out in the United States by some of the world's leading economists that says you can almost get a 50 per cent 'return' on a tax cut on capital gains because you get the future investment and have people cashing in their gains earlier rather than deferring them to avoid tax and when it comes to taxes upon labour you can effectively get about a 20 per cent 'return'.

It is not something that I would traditionally like to base a budget upon, but I note it is something which this government is basing its budget upon. It is something that this government is doing to hide the true cost of its policy proposals, yet at the same time it refused to allow the opposition to make the same assumptions in our policy costings. For
example, on a different issue, the opposition did propose a change to the conservative bias in the contingency fund in the budget papers. The Labor Party pilloried us for that, yet coincidentally it then adopted it.

**Senator Mason:** Outrageous.

**Senator RYAN:** You would think so. We would like to think that the fact that it is adopting a conservative budget bias would be a good thing. It would be a nice change.

But it is important to note that the assumptions upon which Labor's numbers are based are getting more and more rubbery. Labor might make allegations that we contest about $10 billion or $11 billion of estimates that we challenge them on, but their budget has been out by more than that every single year. If Labor's budget was only out by $10 billion or $11 billion, the Australian people would be relieved because they now know that, thanks to you, their children and their children's children have $200-plus billion to pay back that they did not have four years ago. You can have all the slogans you want, you can have all the bumper stickers you want, but every Australian knows you cannot trust Labor with money. We know that, when Labor say there is a balance over the budget cycle, that means Labor run the deficits, the coalition run the surpluses, and only under us will Australia once again be in a sustainable fiscal position.

**Senator CAROL BROWN** (Tasmania—Deputy Government Whip in the Senate) (17:32): It gives me great pleasure to rise in today's general business debate on the Labor government's fiscal strategy. Let us be clear right from the start: no-one has a better story to tell on the economy. The Labor government has implemented strong fiscally responsible policies and has a solid record of economic management. We compare the solid economic management of the Labor government to the economic performance of those opposite. I am really at a stretch to understand where Senator Fifield gets the audacity to propose such a preposterous general business motion.

Let us just focus on the sort of behaviour those opposite like to partake in when it comes to the Australian economy. Those opposite are involved in conjecture and talking down the Australian economy, which is unfounded and not helpful. Whilst those opposite continue to engage in negative discussion about the Australian economy, they also have a track record of not being able to add up their own costings. Who could forget the humiliation of the $11 billion black hole found in their election commitments? You would think after an embarrassment of being $11 billion in the red with their election costings, those opposite would take extra care in any future costings that they may make. But, no, not those opposite—yet again they have been found out, except this time things have got a whole lot worse.

We have recently found that the opposition costings are a whopping $70 billion out. What does this mean? It means that those opposite are now faced with the prospect of trying to find $70 billion of savings. Whilst the opposition shadow Treasurer, Mr Joe Hockey, yesterday made it clear that those opposite will not submit—

**Senator Farrell interjecting**—

**Senator CAROL BROWN:** I know it is surprising and many people here will be surprised about this because we all know there was a Joint Select committee on the Parliamentary Budget Office and my understanding is that all the recommendations were supported by none other than Senator Barnaby Joyce and Mr Christopher Pyne, senior members of the coalition. But now we find out that those opposite will not submit their policy costings to either the Treasury or...
the Parliamentary Budget Office prior to the election. We do not really have to wonder why—we know. It is because they cannot add up and they are now faced with the task of trying to find $70 billion of savings. What does $70 billion exactly equate to? Other senators who have contributed to the debate here today have illustrated what $70 billion could well add up to. To find $70 billion of savings we would have to perhaps stop Medicare payments for four years, stop the age pension for two years—

Senator Ronaldson: Oh, come on!

Senator CAROL BROWN: I know you do not have to worry about the age pension at the moment, Senator Ronaldson, but one day you might. It will stop assistance to people—

Senator Ronaldson: I think that was an ageist sentiment.

Senator CAROL BROWN: Senator Ronaldson is a very active senator, a long way away from the age pension. It would stop assistance to people with disabilities. This is very serious. This is what your $70 billion mistake could well lead to—stopping assistance to people with disabilities for three years, stopping family tax benefit payments for three years and requiring savings equivalent to 1½ times the GST for a year. Whilst those opposite focus on negativity and talking down the Australian economy, the Labor government is getting on with the business of providing sound economic management. Recent global economic turmoil has been felt across the world, including concerns about the debt situation in Europe and the United States. It will take time for the European and United States economies to get their houses in order. They will have to make tough decisions to reduce their debt to ensure that their budgets are sustainable. This will impact on the outlook of the global economy for some time. However, we should remember that in Australia the fundamentals of our economy remain strong in comparison to the rest of the world. The International Monetary Fund highlighted recently that in Australia we have very low public debt, low unemployment and a massive pipeline of investment and we expect to bring the budget back to surplus—although, as the Treasurer has outlined and highlighted, this task has been made much tougher due to the current global events.

This government has a strong track record of economic management of the Australian economy. Look at our record during the global financial crisis. In a time when advanced economies around the world have been suffering from the largest global recession in over 70 years, the Australian economy has performed remarkably well, and that is no coincidence. The strong performance of the Australian economy can be put down to the early, decisive action taken by the Labor government. We have injected short-term cash stimulus as well as medium- and long-term infrastructure spending to keep the Australian economy in strong shape.

What did those opposite want us to do in these times of global financial crisis? They advocated a sit-on-the-hands approach. That is right: they wanted us to do nothing. They wanted to send the Australian economy down the gurgler and, along with it, Australian families. But not on this side of the chamber. The Labor government's decisive action, stimulus measures and sound fiscal management helped cushion the Australian economy from the worst impacts of the global financial crisis.

Recently more proof of the strength of the Australian economy was forthcoming with the release of the national accounts for the June quarter. The encouraging figures tell us
that our economy grew by 1.2 per cent in the June quarter. These figures represent the strongest quarterly results in four years. Whilst there was a slight increase in the unemployment rate to 5.3 per cent, let us not lose sight of the big picture, which tells us that there are 140,000 more people employed today than there were 12 months ago. The Treasurer has also said that we expect to create another 500,000 jobs in the next couple of years. This is on top of the 750,000 jobs we have already created since coming to office in 2007, including 189,000 in the last year alone.

Whilst there was a slight increase in unemployment last month, fundamentally our labour force participation rate remains strong, especially in comparison to the rest of the world. The unemployment rate in the United States is 9.1 per cent. It is 7.2 per cent in Canada, 7.7 per cent in the United Kingdom, 9.7 per cent in France and 20.9 per cent in Spain. As the Treasurer has highlighted, when we entered the global financial crisis Australia's unemployment rate was the same as that of the US. If that were still the case and we had the same unemployment levels as the United States, an extra 486,000 Australians would be out of work.

Our swift action during the global financial crisis has ensured that Australians have remained in work and that our economy is the envy of the rest of the developed world. We have ensured that every new spending measure is offset with the appropriate budget savings measure to maintain the integrity of the budget bottom line. Savings will be delivered that will combat any write-down in government revenue as a result of the high dollar. We have maintained the tough provision of a spending cap on new budget initiatives to ensure that we act in an economically responsible way. We are doing what we can to support families. We have deployed three rounds of tax cuts to help with the costs of raising and educating kids. We have an ongoing economic plan to build productivity and expand our economic capacity so that we have growth and low inflation into the future. And we are doing all this under a strict fiscal strategy to see us get our budget back in the black, well ahead of every major advanced economy.

We, unlike those opposite, are working hard to support Australians, to continue our sound fiscal management of the economy and to bring the budget back into the black. Whilst we are focused on strong economic management backed up by fiscal responsibility, we are also in the process of getting on with good government, which stands in stark contrast to the action taken by those opposite when they were in government. Those opposite were busy riding on the economic boom time. They failed to invest in vital infrastructure and productivity needed to help drive the Australian economy forward to the future. They also ignored vital human services such as health, education and income support. Whilst those opposite are busy trying to score cheap political points, as we see today in this general business motion, we, the Labor government, on this side of the chamber, are getting on with the business of delivering our ambitious long-term reform agenda. Since coming to office we have invested in the vital services and infrastructure needs across the country, with a renewed focus on regional Australia, and we have done so in the face of the toughest global economic conditions in 70 years. In spite of these extremely tough economic conditions, the Labor government has helped to shield and protect the Australian economy through the implementation of our nation-building and jobs stimulus package. And, yes, this has worked. The evidence backs it
up. In fact, as has been outlined numerous times, the Australian economy has fared the best out of all the advanced economies around the world. We have implemented our historic pension reform, providing age pensioners with the largest single increase to the age pension. As part of the budget, the Treasurer announced that we will provide more tax assistance to 6.5 million Australian taxpayers on lower incomes. This will help encourage work and also provide some help with cost-of-living pressures.

The government will increase the low-income tax offset from 50 per cent to 70 per cent. This will put an extra bit in the weekly pay packet. Whilst it is a modest amount, every little bit helps. The increase to the low-income tax offset will mean that someone with an annual income of $30,000 will get an extra $300 in their regular pay during the year.

The government has also delivered, as part of the budget, a $2.2 billion mental health package, which aims to provide more intensive support services and better coordinate those services for people with severe and persistent mental illness who have complex care needs; to target support to areas and communities that need it most, such as Indigenous communities and socioeconomically disadvantaged areas that are underserviced by the current system; and to help detect potential mental health problems in the early years, supporting young people who struggle with mental illness.

Whilst those opposite were in government they neglected Australia's hospital system for over a decade, and we in Tasmania know that better than anyone. They left the country's health system in a shambles through a tale of neglect and via the removal of $1 billion from the health system. It is also worth remembering that those opposite capped GP training places. However, the Labor government has delivered a health funding agreement with the states and territories, with the federal government investing $16.4 billion into the health system. This will help deliver 1,300 new subacute hospital beds, more than 6,000 new doctors, strict deadlines for emergency departments and elective surgery waiting times, and tough national standards, such as a four-hour emergency waiting time—just to name a few elements of the new deal.

The Labor government is also making key investments in education with the largest school modernisation program in the country's history—our Building the Education Revolution. This is providing our children with the best environment in which to learn as well as supporting local jobs and local communities. Right around the country we are delivering much-needed school halls, libraries, science and language centres and classroom upgrades to many schools that for too long were neglected under the watch of those opposite.

**Senator Mason:** They weren't too cheap, though. They weren't good value.

**Senator CAROL BROWN:** They were excellent value. You will not find one Tasmanian Liberal senator going down to any school in Tasmania saying that they were not good value.

**Senator Mason:** What did Brad Orgill say? Brad Orgill said they weren't good value.

**Senator CAROL BROWN:** Get them to go down there. They love it down there. The school communities love it, the principals love it and the students love it, because they are worth it and they needed them. They supported the local economy and also supported jobs—
Senator Mason: They weren't good value. Just get that through the Labor Party's head.

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop): Order! Senator Brown, resume your seat. Senator Mason, stop hectoring the speaker. Senator Brown has the call.

Senator CAROL BROWN: My apologies, Mr Acting Deputy President. I should not let myself stray from my line of thought. As I was saying, many of those schools were for so long neglected during the Howard years. We are introducing a national curriculum to ensure that all students are achieving their full potential. We introduced the $2.5 billion Smarter Schools National Partnerships, which will be delivered over seven years to help support up to 1,500 schools of low socioeconomic status across the country.

These are just a few of the many reforms we have implemented. We are also helping Australian families with back-to-school expenses by encouraging an estimated 1.3 million families to take advantage of the $4.4 billion education tax refund scheme. Eligible families can claim refunds on a range of back-to-school items, including computer equipment and textbooks. I know that will come in handy for many families. Families can also claim 50 per cent of eligible education expenses—up to $794 for high-school children and $397 for primary school children.

The government is also delivering on its commitment to build a $43 billion National Broadband Network. All Australian homes, businesses, schools and hospitals, no matter where they are located in Australia, will be able to benefit from affordable high-speed broadband services. This access will be at a rate that is 1,000 times faster than that which many people can experience today. In my home state of Tasmania we have already had three towns—Smithton, Scottsdale and Midway Point—receiving high-speed broadband services for the first time. We now have a take-up rate for fibre connection that exceeds 50 per cent, and after only a few months. The take-up of these services already exceeds the annual rate that the McKinsey-KPMG implementation study concluded would be needed to make the NBN viable with affordable prices for consumers.

In Tasmania we are also progressing towards connecting more than 11,000 homes as part of the stage 2 rollout of the NBN. Construction work has also begun on the first five release sites, in Armidale in New South Wales, Townsville in Queensland, Willunga in South Australia, Minnamurra-Kiama Downs in New South Wales and Brunswick in Victoria. The government's plan is for 19 second release sites to have fibre deployed in 2011.

We are also introducing major economic reform by taking action on climate change to build a clean energy future. The time for inaction has passed and the time for delay is over. The time to take action is upon us. That is what the Gillard Labor government are doing. We have a plan to tackle climate change by placing a price on carbon. It is imperative for the future of our economy and our environment that we reduce greenhouse gas emissions and begin to transition our economy to a clean energy future. We know that greenhouse gas emissions are causing the world's climate to change and we must take action.

Senator RONALDSON (Victoria) (17:53): I cannot, regrettably, agree with one of the comments made by Senator Carol Brown this afternoon, and that is her accusation that I am an active senior. I am indeed active but I most certainly do not
consider myself a senior. I agree that I might be lurching towards that, but I am not at this stage a senior. I am active, yes, but most certainly not a senior. I am grievously hurt!

Senator Carol Brown: Mr Acting Deputy President, I rise on a point of order. I am sure that in my contribution I did not say that Senator Ronaldson is a senior. I do not think that at all. I do think he is active, but I never once said he was an active senior. I hope that will be borne out in the Hansard.

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop): I do not think that is a point of order, Senator Brown.

Senator RONALDSON: I actually fear that Senator Brown might be right. It may have been one of my colleagues who made the comment. I know one of them did at some stage!

As we are finishing another successful sitting week for the opposition and a diabolical one for the government, I will just go through a number of matters in the time left to me. I want to refer to a couple of comments made by the Prime Minister, Julia Gillard, and by the Treasurer, Mr Wayne Swan. I would also like to refer to some comments from the now Minister for Finance and Deregulation, Minister Wong. I will go through these slowly so that everyone can hear them and to refresh the memories of those opposite. The first one is:

There will be no carbon tax under the government I lead.

This was the Prime Minister on Channel 10 news on 16 August, 2010. On 20 August, 2010 in the Australian the PM was quoted as saying:

I rule out a carbon tax.

In relation to a carbon tax, the Treasurer, Wayne Swan, on The 7.30 Report on the ABC on 12 August, 2010 said:

We have made our position very clear. We have ruled it out.

Next week in this chamber we will be debating a package of carbon tax bills.

But what did Minister for Finance and Deregulation, Minister Wong, have to say about a carbon tax over the last two or three years? I will just go through that. She said:

I have been very upfront about why I think a carbon tax isn't the most sensible thing for Australia.

That was Senator Penny Wong in a press conference on 3 November, 2009. She also said:

… a carbon tax is not the silver bullet some people might think.

That was Senator Penny Wong at the CEDA state of the nation conference on 23 June, 2010. She also said:

A carbon tax does not guarantee emissions reductions.

That was Senator Penny Wong in the Australian on 23 February, 2009. She also said:

A carbon tax … is a recipe for abrupt and unpredictable changes, as the government would need to adjust the tax frequently to try to meet the emissions reduction target …

We know for a fact, on the government's own evidence, that the emissions reduction target will be increasing progressively over future years. Last but most certainly not least, Senator Penny Wong on Sky News on 30 April 2009 said:

… we know that you can't have any environmental certainty with a carbon tax.

So what is this about? I will tell you what it is about. This is about a dirty political deal between the government and the Greens. It is a dirty political deal because the only way the Prime Minister was going to be elected was by saying she would not have a carbon tax and we know full well the only way she was going to remain the Prime Minister was
for her to have one, because it was demanded by the Greens.

In the minute left to me, can I make it absolutely clear—

Senator McEwen interjecting—

Senator RONALDSON: The interjections from those opposite serve no good purpose at all. Next week we will be legislating a lie. We will be legislating a lie from the start of next week. Those opposite must hang their heads in shame because every one of those lower house members and those Labor senators here was elected on the back of a lie. They cannot look at us or the Australian community with a straight face and in any way plead that they would have been elected had the Prime Minister said six days, five days, two days or two weeks out from the election that there would be a carbon tax. They know that and I know that. They are being utterly duplicitous in their speeches given in this place in support of a carbon tax that they promised the Australian community they would not introduce—not 12 months or six months out from the election but two weeks, 10 days and five days out from the election. We are going to fight against this legislated lie. We will fight it, and we will fight it, and we will fight it. Those opposite can be assured that we will continue fighting it well after the outcome of the dirty deal between the Labor Party and Bob Brown and the Greens. We will be fighting it well after that dirty, dirty deal has been enshrined in legislation. (Time expired)

Debate interrupted.

DOCUMENTS

The ACTING DEPUTY PRESIDENT (Senator Furner): Order! It being 6 pm, the Senate will proceed to the consideration of government documents.
why I am so pleased to record that in the case of the export of cattle from the north of Australia to Indonesia we have seen them go on to ships, we have seen them eat, we have seen them drink and we have seen them gain weight—and this is exactly what we want them to do.

In the few seconds left available to me I want to record two things. Firstly, of the 109 countries that export live animals around the world, only one, being Australia, spends anything in the target markets and has been doing so for many years. The second point to conclude on is the fact that Australia leads the world in the design, management and maintenance of ships that are used in the live animal trade and should be congratulated and complimented. I seek leave to continue my remarks.

Leave granted; debate adjourned.

COMMITTEES
Finance and Public Administration
References Committee

Report
Senator IAN MACDONALD (Queensland) (18:04): I move:

That the Senate take note of the document.

I rise to speak on the report of the Finance and Public Administration References Committee Government advertising and accountability and the government response to that report. I think most Australians are thoroughly sick of the waste of their taxpayers' money on political party advertising that they are seeing on their television screens at the present time. Clearly, a year ago the Prime Minister, along with every other political party leader apart from Senator Brown, promised there would be no carbon tax. On the basis of that promise by Ms Gillard just a year ago, a lot of people voted for the Australian Labor Party at the election. They voted knowing with confidence that whether Labor or Liberal was elected as the government there would be no carbon tax and that as Australians they would not be subjected to the cost-of-living increases that would obviously follow from the imposition of a carbon tax on our costs of production—on our electricity, on our fuel and on our gas supply.

It was on that basis that the government of Australia was formed. Since that time the Labor Party has changed its policy completely and is in the throes of debating in the other place and in the Senate next week a suite of bills—19 bills—that will impose upon Australians the greatest cost-of-living increase of recent times. Because of this legislation, based on a lie, this new tax will be imposed upon all Australians. If that is not bad enough for all Australians, they are absolutely devastated and very angry that they have been lied to. Whether or not they were on one side of the debate on carbon emissions or on the other side—for many people it does not make a great deal of difference—by a clear margin a majority of Australians are simply annoyed and angry that they have been lied to. Whether or not they were on one side of the debate on carbon emissions or on the other side—for many people it does not make a great deal of difference—by a clear margin a majority of Australians are simply annoyed and angry that they have been lied to by the person holding the top position in our country. Not only has Ms Gillard, irreparably for herself, shown that she cannot be trusted, that her word cannot be taken, but she has demeaned the office of Prime Minister to the extent that Australians now doubt the word of our leader.

That is a shame for Australia, and people are very angry. I know that Labor Party people find, as we do, as we move around the country, that overwhelming sense of anger and frustration in the general public. The general public are just waiting for their chance to have their say on a Prime Minister who cannot keep her word. You will find a lot of promises and very fine words, very fine phrases, from Ms Gillard over the next
period of time for as long as she remains Prime Minister. Australians will always hear everything she says but very few of them will believe her. They will remember forever that this is a Prime Minister who promised something, not once but on several occasions, then got herself elected and did the exact opposite. I say Australians are angry and frustrated at that breach of promise and at this legislation based on a lie, but what they are even more angry about now is seeing taxpayers' money being spent on advertising this tax based on a lie.

The advertising that is coming across is clearly political advertising to support the interests of the Australian Labor Party and the Greens political party. There is no other way that that advertising can be described. The Labor Party and the Greens political party know that their future as political parties depends upon this particular piece of policy based on a lie being implemented. They are spending millions and millions of taxpayers' dollars trying to convince the people of Australia that this is a good policy. If Ms Gillard thought this was a good policy, why didn't she run with this policy before the last election? Why did she in fact promise the exact opposite policy? She knew it was wrong then. She knew that it would cost Australians dearly with cost-of-living increases. She knew that electricity prices would go up by anywhere from 10 per cent to 20 per cent—and recent assessments by various state governments have shown that electricity prices are set to skyrocket with the introduction of Ms Gillard's carbon tax.

In attempting to gain public support for this policy, this legislation based on a lie, Ms Gillard is now spending millions and millions of taxpayers' dollars on an advertising campaign trying to convince the public that this policy is a good policy, trying to convince the public that they should support her and her government on this policy, when she was not game to put this policy forward just 12 months ago. If she was not prepared to use Labor Party money a year ago to advertise and try to get support for this policy, if she knew that no-one would vote for her if they implemented this policy, she is now using not Labor Party money but taxpayers' money, revenue from the Treasury, to advertise what is clearly a political party advertising campaign. This is despicable.

I have not had time to look up what the Labor Party used to say about this in days gone by. I have not had time to look up all of the pious, principled words that we all expect from the Greens political party—words that we know are just dripping with hypocrisy. But I can assure you, Mr Acting Deputy President, having sat in this chamber, I have heard the Greens political party and the Labor Party carry on ad infinitum about the use of taxpayers' money. I see Senator Cameron has come into the chamber. I hope he is going to take part in this debate, because I would like him to first of all justify why we should be having legislation based on a lie. But I would be more interested to hear from Senator Cameron just what the justification is for spending taxpayers' money, hard-earned money, on a political advertising campaign for something the Labor Party was not prepared to pay their own money to advertise just 12 months ago.

The government—the Labor Party, the Greens political party—stand condemned. Where are the Greens political party when these highly principled issues are raised? In days gone by, when it was the Howard government in charge, they would be in here—you could never shut them up. These days, because they are in this close alliance—in fact, more than a close alliance; they are directing the Australian Labor Party in the way of this policy, this legislation based on a lie—they are totally silent. I just
wonder where all of their principles, all of their hifalutin words about taxpayer funded advertising have gone. When they are part of it, as these reports that we are discussing today clearly show, then it is essential that they be called to account. But of course they are missing in action. The hypocrisy of the Greens political party knows no bounds. I only have five minutes in which to talk on this matter at this time, but certainly this idea of using taxpayers' money for blatant political advertising to save the skin of the current Prime Minister is just atrocious and needs to be condemned. *(Time expired)*

**Senator CAMERON** (New South Wales) *(18:14)*: I would also like to speak to the Finance and Public Administration References Committee report *Government advertising and accountability*. I couldn't help myself. While I was in my office I heard Senator Macdonald use the 'H' word: hypocrisy. I thought to myself, 'What is this? Senator Macdonald talking about hypocrisy on government advertising.' My mind went back to Work Choices, when Senator Macdonald sat in here and voted time and time again to rip the conditions of Australian workers away. Not only did he vote for that but he was complicit in the coalition's position of spending $150 million of taxpayers' money to advertise Work Choices. Remember the ads—all those happy workers that loved Work Choices; all those happy little workers out there saying, 'We love Work Choices!' When they got a chance to vote on Work Choices they kicked you lot out, because the hypocrisy—

**Senator Ian Macdonald:** So let's have an election on carbon tax!

**The ACTING DEPUTY PRESIDENT (Senator Furner):** Order! Senator Cameron, resume your seat. Opposition senators on my left, your last speaker was heard in complete silence. I expect you to reciprocate the same consideration given to government senators.

**Senator CAMERON:** I really cannot believe Senator Macdonald's gall in standing up here and saying that it is wrong for a government to educate the public about the dangers of climate change, about a policy that ensures that we have got a decent environment in this country and about a policy that ensures that future generations have the same rights as we have to enjoy a decent environment. And what does Senator Macdonald do? Senator Macdonald talks about hypocrisy. The biggest hypocrisy is when Senator Abetz, the leader of the coalition in this house, was in charge of the biggest use of public funds to promote a policy that was never taken to the electorate before it was brought in, and that policy was Work Choices—$150 million spent on a policy that was never mentioned before the election.

We know they say, 'Don't talk about Work Choices,' and why would they talk about it? They spent $150 million of public money to rip the shift loadings off ordinary workers, to take annual leave from ordinary workers, to take penalty rates off ordinary workers, to take away their public holidays and to give the boss absolute control over workers' lives when they are at work. They spent $150 million of public money trying to promote a policy that was about trying to devastate the working conditions of Australian workers, and they have the hide to come in here and argue that we should not advertise our legislation, which is about supporting the rights of workers in this country to continue to enjoy a decent environment. That is what they are in here doing. Audit Office reports said that the coalition did not even have signed contracts to deliver their advertising before they put it in place. They did not even do that. That is why the Audit Office put out recommendations about how you should deal
with this—because of the incompetence and the skulduggery of the coalition spending $150 million of public money to attack the workers of this country. The workers will not forget that.

We know that the battle is on again in the Liberal Party to reintroduce Work Choices. The member for Moncrieff, Mr Ciobo, has had a battle and a brawl with Senator Abetz because Mr Ciobo wants to go out and promote Work Choices and Senator Abetz wants to hide the fact that Work Choices is coming back. That is the position of the coalition in this chamber. They want to hide the fact that Work Choices is coming back, and Work Choices will be back under an Abbott government.

The coalition were appealing to the worst elements in industry to say, 'We want to rip away workers' rights.' They were out saying, 'We want industry to tell us what the problem is.' So the usual suspects, the former Liberal Party minders who were heading up employer organisations, delivered. They said: 'We think we need more flexibility. We think you should change the industrial system in this country.' And what do they do? The hawks, the right-wing extremists in the coalition, are out there saying, 'We want Work Choices back,' and they have the hide to argue about us spending money to educate the public about good public policy. They spent $150 million on the worst public policy that has ever been introduced, a public policy that attacked families in this country. It attacked ordinary workers and left them at the mercy of some of the worst bosses in this country, and that is what they want to go back to. I suppose if they ever do come back to government and they do reintroduce Work Choices they will be spending more public money. They spent $150 million the last time they did it, and they will be looking to spend more public money to try to justify ripping the penalty rates, the shift loadings and the annual leave loadings off ordinary Australians, because that is what they are about. The opposition are not about a sophisticated approach on productivity. They would not know how to spell productivity. They were economic incompetents when they were in government. We had amongst the lowest productivity in the world. We were amongst the lowest in the OECD for research and development and innovation. They failed to deal with climate change. They were an absolute failure and their jelly-backed leader in the Treasury, who wanted to be the leader of the party—the jelly-backed Peter Costello—could not even stand up and say he wanted to be the leader. That is because he was too scared to actually deal with the economy in a really effective way. He was a failure as a politician, he was a failure as a Treasurer, and these people are sitting across there trying to lecture us about economic credibility.

They had no credibility. History will prove that Peter Costello was one of the worst Treasurers in this country—a jelly-back, a weak man with no economic competence. He did not even have the guts to take John Howard on. He was going to be their leader. Their leader was going to be a jelly-back. Then they have the hide to come in here and say to the government, 'Tut tut, you are spending money on advertising to help the future of this nation.'

What did Peter Costello say about the $150 million waste of public money spent under his watch as he spruiked Work Choices? Absolutely nothing, because he was one of the extremists in the Liberal Party. He couldn't hang around. He didn't have the guts to hang around and challenge. He didn't have the guts to stay as the Leader of the Opposition. He did not have the capacity. And now they have Tony Abbott there who wants to rip away workers' wages and conditions. He wants to rip away the
rights of workers on the job. That is what you are about and the public will not forget it. Work Choices is coming back. We all know it and we know who is going to bring it in. It is the coalition. Their hypocrisy just stinks.

Senator BACK (Western Australia) (18:24): I feel compelled to make at least a brief contribution. While Senator Cameron was making his contribution, at one stage I actually thought—with my capacity to be able to translate what he was saying—he said Peter Costello was a poor Treasurer. I thought he actually said he was an incompetent Treasurer.

Senator Cameron: Mr Acting Deputy President, I rise on a point of order. Trying to attack me because of my accent and my Scottish heritage is unparliamentary and should be withdrawn.

Senator BACK: If Senator Cameron's Scottish heritage in some way is an embarrassment to him, I would obviously withdraw, except to draw the comparison with both him and Senator Macdonald being of Scottish heritage. I do withdraw, Mr Acting Deputy President.

Senator Cameron: Mr President, I rise on a point of order. Wearing a tartan tie in the Senate does not mean you are of Scottish heritage.

The ACTING DEPUTY PRESIDENT (Senator Furner): There is no point of order.

Senator BACK: It must have been my mistake not to have heard Senator Cameron clearly and carefully when he said that Mr Costello was a bad Treasurer. This was the Treasurer, as I recall, who actually repaid ninety-six thousand million dollars of Labor debt from the last Keating government. It was in fact a cost of some $6 billion per annum of interest that was able to go straight back into the Australian economy, into what is called the bottom line. And of course that is what drove the Australian economy in the years of the Howard-Costello government.

In fact, if I recall correctly, I think when Labor came into government there was something like $25 billion sitting in a cash account. There was no debt and there clearly was no deficit. If there are two reasons that this incompetent Labor government ever got through the global financial crisis, they were the legacy of the Howard-Costello government and of course the Governor of the Reserve Bank, Mr Stevens, who was able to undo all of the damage that Treasurer Swan was endeavouring to wreak upon this country.

As I look at this report, it says 'government advertising and accountability'. Needless to say, it is an oxymoron when you use the terms 'government' and 'accountability' with this current government. Let me explain why. I think the first committee in which I participated when I came into this place was on the Gillard memorial halls, variously referred to as the Building the Education Revolution.

The ACTING DEPUTY PRESIDENT: Order! Senator Back, you will refer to the Prime Minister by her correct title.

Senator BACK: I will indeed and I thank you for correcting me: the Ms Gillard memorial halls, or what was formally known as the Building the Education Revolution. It was because of my previous membership of the Catholic Education Commission of Western Australia for some nine years that I saw, at the first meeting we had, in Melbourne, with Senator Cash sitting beside me, as I recall, the scandalous difference between the management of those funds by the different school sectors—the Catholic and independent school sectors as opposed to the state school sector.
We know that it had nothing to do with stimulating any building activity in Victoria, because by the time moneys were spent in Victoria the global economic crisis had in fact passed us. We also know that in three states alone—Victoria, New South Wales and Queensland—if you compare or contrast the expenditure on exactly the same buildings, of the same per square metre costs, the state governments in those three instances wasted somewhere between three and five thousand million dollars on the state school constructions as contrasted with those of the Catholic and the independent schools. It would have been far better to have given the management of the whole project to the Catholic and independent school sectors. The expenditure of moneys would have been much more effective, putting to one side that there was very limited educational benefit to building school halls. Most of us—it is true in my particular case and, I am sure, for others—came from very small country schools where there were 50 to 60 kids in a class. There were no halls, there were no gymnasia and there were none of these other things, and yet we all seemed to perform. The absolutely essential matter associated with educational excellence is excellence of teachers and teaching, and the stimulation and encouragement of teachers—none of which the BER program addressed.

The second matter I draw attention to in regard to so-called government accountability—excuse my mirth; I was overcome for a moment—is the pink batts program, where we not only wasted $2 billion or $3 billion but regretfully had deaths. We also have ongoing costs—'we' being the Australian taxpayers. Not Treasury, not the government but the taxpayers of Australia have ongoing costs, trying to undo the absolute brilliance of pink batts.

I had the pleasure of travelling recently with Mr Costello on a plane from Melbourne to Perth. If I may use his Christian name in this context, I said to him, 'Peter, are you over it yet?' He said, 'Chris, I am most of the time, but when I see the squandering and the waste, when I see what was a surplus go to nothing, and when I see a debt go to $50 billion'—and, as my colleague Senator Cash said earlier today, that $50 billion went to $200 billion and now to $250 billion and even higher—'that really upsets me.' But do you know something?' he said. 'When I was the Treasurer they walked the pink batts in to me. They put it in front of me and said, "This would be a great idea, Treasurer." It took me about three nanoseconds to see through it, to see the stupidity of it, and I told them to shred it.' Of course, they did not shred it, did they? They just put it in the bottom drawer and waited for the Labor Party to come into government, at which time they extricated it again. All it did in the efforts to deliver it was to prove what Peter Costello had predicted would happen. It obviously did.

The matter that I really want to draw to the chamber's attention in this context of government accountability is the NBN, the National Broadband Network. I remember, when speaking to that matter, asking Senator Conroy what the business plan was. He smirked in his usual fashion—I did not know him all that well then—and he said, 'We don't need a business plan, Senator Back.' I said to him across the chamber, 'Well, what about a cost-benefit analysis?' Having spent the last 30 years of my life running either my own businesses or government departments, I know that business plans and cost-benefit analyses really are quite useful, particularly when you have to be accountable to yourself, to directors or indeed to parliament. I remember giving a speech on the matter and I actually went through the notion of what a business plan for the NBN might look like, in the vain hope, I now know, that he might
take some notice. Had he taken some notice, he would not now be in the position he is.

Only last week I was in the three wheat belt towns in Western Australia of Quairading, Bruce Rock and Narembeen. People told me that the simple fact is they are going to lose what is a relatively slow program at the moment called ADSL. They are going to lose it under this new brilliance of NBN and it is going to be replaced by satellite services, which are slower than ADSL. So in fact their service is going down. The interesting thing about all that is what my host, Stephen Strange, pointed out to me. He said, 'The fibre-optic cable goes through my north-west paddock and yet we are losing ADSL to get an even more inferior service.' I pointed this out in this chamber one day only to be derided by my Western Australian Labor colleague Senator Bishop. I pointed out that no towns with fewer than 1,000 occupants would be getting the service about which we were speaking. In fact, so stupid were Senator Bishop's comments to me that he was called upon to withdraw them. Bruce Rock, Quairading and Narembeen are only three examples of what I was just speaking about.

Only today did I meet with grocery retailers and they were telling me that they are suffering terribly now because of EFTPOS. Some 70 per cent of sales in small country towns are on EFTPOS, and retail is the area that the government were telling us today they know all about. Older people use EFTPOS for banking purposes, but now EFTPOS is going to need access to some sort of broadband. They are not going to see it. Services are going down, and all we see is further deterioration. These are just a few examples. We could go on. There was the renewable energy nonsense under various ministers. We could talk about cash for clunkers. If only time permitted I would speak to the chamber about some of the activities that occurred as a result of the overnight suspension of the live export trade. I would love to talk about government accountability, but not in this place with this government. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Public Accounts and Audit Committee Report

Senator IAN MACDONALD (Queensland) (18:35): I move:

That the Senate take note of the report.

This is a Joint Committee of Public Accounts and Audit report on the role of the Auditor-General in scrutinising government advertising. If the Auditor-General ever needs a call to scrutinise anything, it should be the government advertising of the carbon tax bills. Australians are furious at the fact that they were lied to by our current Prime Minister when she said just before the last federal election, 'There shall be no carbon tax under a government I lead.' Within a few months of being re-elected on the basis of that promise, the Prime Minister and her Labor Party and Greens partners changed policy completely and introduced a policy of having a carbon tax which every Australian knows will add to their cost of living. Even the government's own report shows that electricity costs will go up, and reports from the Western Australian and New South Wales treasuries confirm that electricity prices could go up by anything from 15 to 20 per cent. So the costs of living are going to go up for ordinary Australians, and Australians are furious about that. But they are more furious to find out now that this policy based on a lie, this legislation based on a lie, is being advertised with their taxpayers' dollars for the pure political benefit of the Australian Labor Party and the Greens. Over $25 million has been spent by Ms Gillard and her Greens alliance partners
on advertising this tax that she promised would not happen. People are sick and tired of the saturation television advertising in support of what is in effect a political program by the Australian Labor Party and the Greens. They are sick and tired of getting all this advertising material in their letterboxes that is using their money on what is in effect a political campaign by the Australian Labor Party.

The Australian Labor Party and the Greens stand condemned not just for introducing this policy based on a lie, not just for legislating for a tax that Ms Gillard promised solemnly to all Australians she would never introduce, but also for using taxpayers' dollars to advertise this lie. Every taxpayer knows that they are going to pay more for their general costs of living and the least this government could do is start to save some of the taxpayers' money. By wasting upwards of $25 million on glossy brochure advertisements, newspaper advertisements and saturation television advertisements, and I assume radio advertisements, they are making Australians angrier and angrier.

As for Senator Cameron, very few people believe Ms Gillard at the moment. They do not believe her. It does not matter what she promises in the future. It does not matter what Senator Cameron says. People of Australia now understand that you cannot take the word of this Prime Minister. You cannot trust her. You cannot believe anything she says when she lied so badly to the Australian public just before the last election. Senator Cameron has the hide to come into this chamber and criticise Peter Costello, a Treasurer who paid off the $96 billion Labor debt. It took 10 years but he paid it all. He then returned the budget to surplus. In Peter Costello's last budget, Australia had a surplus of some $20 billion. Within three years, the Labor Party turned that $20 billion surplus into a $55 billion deficit.

Senator Cameron has the hide to come in here and say Mr Swan is a great Treasurer and Peter Costello was a bad Treasurer. That $96 billion debt that the Labor Party ran up last time and which we had to pay off has already been surpassed after a couple of short years of Labor administration and there is now a debt of $107 billion, and this government has no intention of ever paying it back. Australians will just pay interest on that debt, day after day. It is a daily interest bill that is being paid by all Australian taxpayers. It will continue to rise. Just recently Mr Swan sought the permission of the parliament to increase the public debt to $200 billion. That shows what the Labor Party think about the finances of the nation.

Our challenge, should we return to government, will be to pay off Labor's $200 billion debt. For Senator Cameron to lambaste Peter Costello is just a joke. No-one believes Senator Cameron. No-one believes his leader who deliberately lied to the Australian public. I do not want to hold up the Senate's time. I know other senators have other reports they want to speak on. But this report of the Auditor-General is an interesting one. The Auditor-General should carefully scrutinise this $25 million-plus advertising spree by the Australian Labor Party which is trying to encourage Australians to support something that they clearly rejected at the last election and will clearly reject at the next election.

Senator CAMERON (New South Wales) (18:43): I thought it was deja vu when I went back to my office and heard the same
speech from Senator Macdonald. Obviously I did not make my position too clear. The same speech came out and it was so laced with hyperbole and hypocrisy that it was unbelievable. I did not hear Senator Macdonald deal with any of the issues that I raised about the Auditor-General and the rorts under the previous coalition government in relation to Work Choices advertising—$150 million. I did not hear any response to that. Do you know why? There is no response to that. The coalition who are in here complaining about government advertising are the world champions of using public money for advertising. And they were not even advertising a decent policy. As I indicated before, it was advertising a policy to rip away the rights, rip away the conditions and rip away the wages of ordinary workers in this country. So, if coalition members are going to stand up in here and argue that the hypocrisy is on the government's side, they will have to address the hypocrisy in the $150 million that they spent on Work Choices was a good policy. The Howard government were judged on that sort of expenditure, and the judgement of the Australian public was that they could not be trusted to look after workers rights in this country.

Then we have the bleating support for Peter Costello. I have to say that what is being built up around Peter Costello is a myth—

Senator Back: All true.

Senator CAMERON: It is an absolute myth. We had one of the best times in this country—

Senator Boyce: What about Whitlam? The Whitlam myth is the biggest myth of all.

Senator CAMERON: Listen to them howling and baying in support of Peter Costello, the Treasurer who lay back in the hammock on the veranda, swinging away, watching the money pouring in and watching the then Prime Minister dole it out in tax cuts. There was not one investment in the future of this country, not one reasonable investment in climate change, not one decent investment in industry policy, but here we have—

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Furner): Order!

Senator CAMERON: Mr Acting Deputy President, I know why they are bleating: it is because they cannot stand the truth. They cannot stand the truth. We had Mrs Mirabella, the shadow industry minister, at the Press Club yesterday saying how the coalition are going to be a friend to manufacturing workers. I know a bit about the coalition government and manufacturing. I was very lucky and very proud to the leader of the Manufacturing Workers Union during the period of the Howard government. And do you know what the Howard government did for manufacturing? They did nothing. They simply cut away support for the industry. If you knew anything about economics, you would understand that it is easy to make an investment in mining—

Senator Cormann interjecting—

The ACTING DEPUTY PRESIDENT: Senator Cormann!

Senator CAMERON: but much harder to make an investment in manufacturing. One of the key ways, around the world, is to give public support to your manufacturing industry so the industry can overcome the disadvantage it has in providing jobs in the country, because manufacturing actually provides more jobs, a million jobs, in this country—
Senator Boyce: How many did it provide five years ago, Senator Cameron?

The ACTING DEPUTY PRESIDENT: Senator Boyce!

Senator CAMERON: compared to the 200,000 jobs in the mining industry. No wonder Senator Boyce is getting a bit agitated: she was here during that period when the coalition did nothing for manufacturing—

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT: Senator Cameron, resume your seat, thank you. Once again, senators on my left, opposition senators, your last speaker was heard in silence, and I expect that standard to be maintained. Senator Cameron.

Senator CAMERON: I fail to understand how the shadow minister for industry, Mrs Sophie Mirabella, could go into a manufacturing plant and actually look a worker in the eye, because I remember going to a debate with Mrs Mirabella during the Work Choices campaign and her view was simply that you would increase productivity by taking workers rights away. That is all she was doing. She was a vociferous advocate and supporter of Work Choices.

So, if there are any manufacturing workers listening in tonight and you hear the coalition arguing that they are going to do something for manufacturing, let me tell you what they will do for manufacturing. They will allow the worst bosses in the manufacturing industry to rip away workers rights. You know that. You know that because that is in the coalition DNA: attack the trade union movement, attack workers in this country; try and compete from the lowest cost base, try and take away workers rights, try and reduce their wages and try and compete in the international arena on the basis of low wages. That is what this lot are about, and they know it, and that is why the debate is red hot now within the coalition between the extremists who want to bring back Work Choices and the other group who are equally as extreme but have a bit more political nous and do not want to mention the words Work Choices. That is the debate that is going on in the coalition at the moment—between those who want to stand up proudly for their failed policy and those who want to try and pretend that Work Choices never happened. I tell you, the public will be onto you. The public will be onto you.

There are two years left in this government's term and, in that two-year period, we will continue to implement policies that are in the interests of the nation, not what you are proposing. You are proposing policies that are not in the interests of ordinary working families and policies that ignore the reality of climate change—policies that are based on contempt for environmentalists, policies that are based on contempt for scientists, policies that are based on contempt for the Bureau of Meteorology, policies that are based on contempt for the CSIRO and policies that are based on contempt for every decent economist in this country. You are a party of contempt, a contemptuous party, a party that has no idea about the real issues that go to improving an economy and improving the manufacturing industry. This government will continue to invest in the skills base of this economy. This government will continue to argue that the mining industry must make a contribution to try to even up this economy. The mining companies must, in my view, make an investment in this country's future. They cannot continue to do what they have been doing—simply taking the skills from the manufacturing industry and putting them into the mining industry and then crowding out the manufacturing industry on the basis of a high dollar.
The Mirabella speech yesterday was an absolute joke. It showed a complete lack of understanding of the real drivers for productive performance and the real drivers for a good economy. The coalition, manufacturing workers need to understand, will be about trying to drive productivity on the basis of reducing costs. Their policies will be all about giving the boss every advantage to rip and tear at workers rights and conditions. Their policies will not be about the drivers, the innovation, the productive performance that is important for the manufacturing industry in this country. Peter Costello had no idea. He was the worst Treasurer this country ever had and history will prove that.

Question agreed to.

Corporations and Financial Services Committee Report

Debate resumed on the motion:

That the Senate take note of the report.

Senator BOYCE (Queensland) (18:54): I rise to take note of the report of the Parliamentary Joint Committee on Corporations and Financial Services on their oversight of ASIC. I had intended to speak when this report was tabled earlier this week, but unfortunately there was not time. As deputy chair of the committee I am delighted to have the opportunity to do so now. I will resist the urge to continue the diversions of the last few speakers except perhaps to note that it is my great hope that we will actually continue to have some corporations in this country for ASIC to oversight, given the rate at which companies are being forced to close by the actions of the current government.

Section 243 of the ASIC Act directs our committee to inquire into and report on ASIC's activities and to bring those activities to the parliament's attention. We report to parliament regularly on ASIC's activities. This is the third report for this calendar year, and it was tabled in the other place by Mr Bernie Ripoll on 25 August. He addressed some of the issues we had covered in our report, which include ASIC's supervision of the stock market, their strategic framework and their regulation of Australian financial services licences. I would like very briefly to mention the recommendation on that topic that came out of the report, which was that ASIC amend their website to include an explanation of the meaning and significance of holding an Australian financial services licence and that they perhaps put this onto the MoneySmart website as well.

One issue with financial services licences issued by ASIC is that ASIC have quite narrow terms under which to decide whether or not someone gets a licence. These are simply that the application complies with the law and the people who have made the application are fit and proper people—that is, they have not been prosecuted, made bankrupt or something like that. There is nothing in the receipt of an ASIC financial services licence to suggest that ASIC thinks the scheme proposed by the applicant is a good or sound financial scheme, yet on a number of occasions people have used the fact that they have an ASIC approval for their licence to add credibility to the service that is being provided. That is the reason for the recommendation that ASIC explain that the fact someone is granted a financial services licence says nothing at all about the probity of the service that is being offered; it simply says the form was sent in properly and the people running the service have been checked to ensure they are not crooks.

I would like to focus particularly on ASIC's use of coercive powers and their role in relation to frozen funds. ASIC's coercive powers are often a topic of some considerable conversation and concern. ASIC were granted regulatory and
enforcement powers consistent with their responsibility to enforce law, and these powers include the power to enter premises, the power to seize documents and the power to compel witnesses to appear before ASIC to answer questions under oath. We had heard there had been some criticism around the transparency of the use of the coercive powers, and for this reason we were pleased to note that ASIC has recently reviewed its policies and procedures to improve transparency and accountability. In our view it is best practice for regulators to exercise their powers only to the extent necessary to fulfil their regulatory responsibilities and to exercise them in a transparent and accountable way.

We also considered that regulators should exercise these powers cautiously. A key way to achieve this, we believe, would be for ASIC to make available, through its annual reports and on its website, data regarding the incidence of its use of its coercive powers, the kinds of powers that it used and the outcomes of the use of these coercive powers. We will be further examining the transparency and accountability of this in ASIC’s upcoming annual report. On the topic of the freezing of investors’ funds, this has been a matter that the committee has followed with keen interest since the global financial crisis, and since the Rudd government’s handling of the financial crisis led to a number of funds being forced to freeze the money under management because of the way the bank guarantee was likely to cause a flight of funds into banks. It has been a key interest for the committee to track the outcomes of the effect of the GFC on Australia’s economy and financial markets. That includes the significant number of illiquid managed investment schemes that were frozen in accordance with the requirements of the Corporations Act 2001.

During the most recent hearings, we heard that as of November 2008 the value of funds that were frozen was the highly significant amount of $22½ billion. That fell to $18.2 billion in June 2011, so $4 billion has basically been taken out of that system. The committee was further advised that while the funds continued to be frozen, some of them were providing limited access to money. We were told that a significant increase in illiquid funds, along with the resulting increase in the number of frozen funds, had affected market behaviour. In response, ASIC is consulting on measures to promote a more robust sector for the future. It is in the process of issuing a new regulatory guide to improve product disclosure statements in relation to investment, particularly in mortgage funds.

We especially endorsed this approach and it is consistent with the legislative requirement to promote ‘confident and informed participation of investors and consumers in the financial system’. ASIC’s functions must include disseminating information about the possibility that particular types of funds might be frozen and what the options for investors should be should this occur. We believe the significant volume of funds frozen as a result of the GFC provides a substantial opportunity to assess whether the rules about frozen funds are operating properly and we will continue to watch this matter very, very closely.

Mr Medcraft, the Chairman of ASIC, advised us that the sector is trying to restructure because it wants to win back the trust and confidence of investors. We would certainly hope that this is the case and that ASIC has a part to play in investors knowing what they are getting themselves into when they buy into these funds, such as the mortgage funds. We will be holding our next hearing with ASIC in October. I conclude by thanking the secretariat for its assistance, not
only in the preparation of this report but also in the finding of other witnesses. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to committee reports and government responses were considered:

National Broadband Network—Joint Standing Committee—First report—Review of the rollout of the National Broadband Network. Motion of Senator Macdonald to take note of report called on. Debate adjourned till the next day of sitting, Senator Macdonald in continuation.


Public Accounts and Audit—Joint Statutory Committee—Report 421—The role of the Auditor-General in scrutinising government advertising—Government response. Motion to take note of document moved by Senator Macdonald debated and agreed to.


Orders of the day nos 1, 2 and 4 relating to committee reports and government responses were called on but no motion was moved.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Pratt): Order! I propose the question:

That the Senate do now adjourn.

National Broadband Network

Senator BILYK (Tasmania) (19:03): At the end of June this year I was pleased to have the opportunity to attend community information sessions held by the National Broadband Network Co. at the Kingston Beach Yacht Club in Southern Tasmania. Kingston Beach is one of the seven sites receiving the second stage of the National Broadband Network rollout in Tasmania. I met with some very motivated NBN Co. staff, including the Principal of Government Relations and External Affairs, Mr Mike Kaiser, and Tasmania’s Community Relations Adviser, Lalla Hinds.

NBN Co. had seven staff on hand that day to respond to questions from the community. That may sound like a lot of staff when the Kingston Beach optic fibre footprint will only reach 950 premises, but during the course of the day over 400 people walked in and out of the clubhouse and most of the time it was standing room only. While the feedback I have from NBN Co. is that the numbers at the Kingston Beach session were the best they had seen, there were still large numbers of people—and I am talking hundreds—at similar information sessions in other stage 2 communities.

One of the things that impressed me in the Kingston Beach session was the number of people turning up representing non-profit community groups. While we understand—at least those of us on this side of the chamber—the enormous commercial and economic benefits that will be realised by fast and affordable broadband, I focus my contribution tonight on the social benefits, particularly in the areas of health and education. In doing so, I will give some concrete examples of projects that are being delivered in my home state of Tasmania, the first state to receive the rollout of optic fibre to the premises.

It is particularly exciting for me to watch, because the stage 2 community of Kingston Beach, to which the optic fibre is now being
rolled out, is almost on the doorstep of both my office and my home. When the rollout is complete, I will continue the conversation with my local community, not only about the possibilities they can imagine from the NBN but also about the opportunities they are actually realising. Already, we see real-life examples in Tasmania of a world of opportunity opening up to educational institutions because of their access to 100 megabits per second optic fibre connection.

The Circular Head Christian School at Smithton, in my home state of Tasmania, has the distinction of being the first school to be connected to the NBN through optic fibre. In a news article on 2 July, in the *Mercury's Saturday Magazine*, the school's principal, Patrick Bakes, outlined a number of benefits that the network had for his school. Mr Bakes said that because the school had such a small number of year 11 and 12 students, usually around 20, it had never been possible to offer them a broad range of subjects. As a result, many students had to leave the area and study elsewhere. For students at any level of education, we know that this can be a very expensive and very disruptive exercise. They need to find accommodation, means of transport, and often they need to find part time work to support themselves financially. They move away from their families, and they need to make arrangements to return home periodically to visit them. There are not just costs to the students themselves but costs to the families and to government—if they are living away from home they are eligible for income support. But according to Mr Bakes, the NBN allows Circular Head Christian School to offer its students almost any course they want. Through the NBN a single student wanting to study a specialised course can join another class in Australia through a video link. Not only does the NBN allows Circular Head Christian School to offer more courses to their own students but also their vocational education and training coordinator is using the technology to teach students online and to offer courses to other schools through virtual classrooms.

Mr Bakes also mentioned in the article that the NBN helps Circular Head Christian School to overcome barriers to cultural experiences created by Smithton's geographical isolation. Mr Bakes said, 'For example, if we take students to Devonport we are facing a three-hour return trip for a one-hour activity. The cost of going interstate is prohibitive for many students and our ability to organise such trips is limited. But the NBN is removing the geographical barriers and enabling us to bring the experiences to the students'. Mr Bakes gives the example of the school's annual trip to Fiji to work in the villages and visit local schools. Even though the school is still only taking a small number of students to Fiji this year, through the NBN they are engaging the whole school population in the trip by connecting their school and Fijian schools in real time while they are there.

Another school in Smithton which is connected to the NBN and benefiting from it is St Peter Chanel Catholic School. The school is using its broadband connection to share field trip experiences with other schools and to arrange a live videoconference with NASA.

At a broader level, the NBN presents fantastic opportunities for e-learning across Tasmania. Skills Tasmania's e-learning unit is very much looking forward to the deployment of the NBN because it will help them with providing online resources to help teachers and vocational education trainers in schools across the state to incorporate e-learning into their teaching curriculum.

The impact of limited bandwidth in online learning is significant for both teachers and
students. They have to download files to complete tasks, and the student with an ADSL connection could be on to the next task while the student with a dial-up connection is still waiting for their files to download. However, the NBN is so fast that students do not even have to download files before completing tasks. Instead, they can simply complete them online in real time.

Another area that will benefit from the NBN rollout is that of health. The ability to transfer diagnostic information and high-definition video through the NBN presents some really exciting opportunities in the delivery of health services to remote and isolated patients. I am proud to be part of a government that has recently announced $400 million of funding to provide Medicare rebates for online consultations, and I can see the emerging area of telemedicine expanding rapidly with the NBN.

In Tasmania’s capital of Hobart there is already a real example of an organisation that will soon be using the NBN to deliver new services. The St Giles Society has just been successful in securing $4.5 million from the Regional Development Australia fund to develop a paediatric health centre of excellence in Lenah Valley in Hobart. The organisation will contribute $1.5 million of its own money to the project. Not only will the centre of excellence integrate paediatric allied health services but they will also integrate patient data through a new e-health network. This network will be compatible with the NBN and will be used to deliver their programs to regional and isolated families. I was very pleased to assist the St Giles Society’s application to the RDA with a letter of support, and it is particularly pleasing to see their application succeed.

Tonight I have mentioned some real-life examples of the possibilities that the NBN presents in the areas of health and education, but future possibilities are only limited by our imagination. In the area of home and community care, what if some elderly people, in addition to regular home visits, could be spoken to daily via a video link and have diagnostic health data reported in real time? What if our home appliances, such as clothes dryers and washing machines, could be linked up by data-intensive smart grids and switched on during periods of low electricity usage? This could help make our power usage more efficient, leading to a dramatic cut in our power bills. What if community groups, including service clubs, interest groups, RSLs, historical societies, land and coast care groups, U3As and so on could meet more regularly with their interstate and overseas counterparts, sharing knowledge, information and fellowship through high-speed video links? They could organise more frequent meetings of this kind, or substitute expensive physical meetings. What if a variety of government services could be delivered with video queries so that clients did not have to visit a physical counter to show a document or to have something explained or demonstrated to them?

A lot has been said about the commercial return of this network, and the benefits it will have for business and the economy. There has also been a great deal of discussion about the possibilities it provides in education and healthcare—some of which I have alluded to this evening—and in overcoming the tyranny of distance in many aspects of our daily lives. But the benefits it will have for social inclusion more generally, and the impact it will have on our standard of living, need to be given a lot more thought and discussion.

The NBN will touch the lives of every Australian and will transform the way we work and live. It would be a tragedy of immeasurable proportions if these benefits were not realised because the rollout of the
NBN was brought to a halt by Mr Abbott and his backward-looking colleagues in the Liberal-National coalition.

**Carbon Pricing**

Senator CASH (Western Australia) (19:13): This week was an important week in the federal parliament. This was a week when the public reflected on the stark evidence that every Labor member and senator who was elected at the last election—every single one of them—was elected on the basis of a lie. And that lie is, without a doubt, one of the greatest frauds ever perpetrated on the Australian people. The lie of course is the statement made by the Prime Minister of Australia prior to the 2010 election that 'there will be no carbon tax under a government I lead'.

Despite that clear and unambiguous promise, what did we witness this week? We witnessed the introduction by the government into the parliament the package of 19 bills—not one bill, 19 bills; more than 1,000 pages of legislation—to establish a carbon tax: the tax that the Prime Minister of Australia told the Australian people they would never ever have under a Labor government. To compound the Prime Minister's blatant lie to the Australian voters, we now find that the Labor government has joined forces with the Greens party and intends to prevent the parliament from having the opportunity to properly scrutinise this legislation. By failing to give this parliament the opportunity to properly scrutinise the bills, this government, in conjunction with the Greens, intends to manipulate the available debating time on the bills and in so doing will fail to discharge its duties in relation to responsible government.

Responsible government is something that we on this side of the chamber know something about. When we on this side introduced a fundamental change to the Australian economy—the GST—we ensured that the parliament was given the appropriate opportunity to scrutinise the legislation. The GST legislation was scrutinised by the relevant parliamentary committees for five months—five months—not the mere few weeks that this government is going to be giving the Australian parliament to scrutinise its carbon tax legislation.

Perhaps the worst aspects of dealing with the former Rudd government and the current Gillard Labor government have been the lack of transparency and their adherence to secrecy, which has reached the stage of being almost all consuming and dominates the Gillard Labor government's agenda and its dealings with the Australian voters. The current Labor government and the current Prime Minister are unable to accept that secrecy in government breeds suspicion and suspicion breeds mistrust. That mistrust in the Gillard Labor government is extremely well placed, especially when it comes to the carbon tax legislation. When the Prime Minister was elected, one of the 'other' solemn promises that she made to the Australian people was that she intended to open her government to scrutiny by opening the windows and, in her own words as stated, 'let the sunshine in'. That was reported in the *Sydney Morning Herald* on 7 September 2010—after the election—in an article with the banner headline 'Let the sunshine in'. The article begins:

The Prime Minister, Julia Gillard, says her minority government will be held to higher standards of accountability as a result of the deal struck with the independents. It continues later:

"We will be held to higher standards of transparency and reform and it's in that spirit I approach the task of forming a government."

It did not take the Prime Minister very long to break her pre- and post-election promise
that she would be subject to higher levels of accountability and that she would run a government that was open and transparent. The manipulation, with the help of the Greens, of the debating time on the carbon tax bills is yet another broken promise and is designed to thwart proper scrutiny of the bills and fails, in the Prime Minister's own words, to 'let the sunshine in'.

By failing to allow the parliamentary committee process to properly scrutinise the carbon tax legislation, the government has effectively trashed the committee process. And why is it doing this? Because this is a conniving, manipulative government that has decided that it is essential that the specialist committees of this parliament not be given the opportunity to scrutinise this legislation, because it knows that, if they do, these pieces of Labor-Greens legislation will be exposed for what they are: all economic pain with no environmental gain.

On this side of the chamber, our view is that it is very important for the specialist committees of this parliament to scrutinise this package of 19 bills to try and finally get some answers for the parliament and the people who want to know the details in the bills and the costly impact on them. Accountability and openness in government require that those who exercise power, while performing the functions of government, demonstrate, in an open and practical sense, that they are doing so with honesty, integrity, appropriate skill and judgment, and have discharged their duty in a proper manner for the common good and in the public interest.

This is even more important under this government as this Labor government has a record of monumental incompetence when it comes to program delivery and that is why it is all the more important that there be massive and proper scrutiny of this fundamental structural change to our economy—and this parliament is being denied the opportunity to exercise its proper constitutional functions by the current Labor government. But we all know why this is so. It is so because there is escalating opposition to this tax within the Australian community. But this government tells us it is sure of its policy. If the government is so sure that the Australian people will support its policy to put a price on carbon, then why won't the Prime Minister of Australia let the Australian people have their say—after all, they were duped by the Labor Party prior to the 2010 election—and call an election? Give the people an opportunity to say whether or not they support the Labor Party policy to put a price on carbon! But the government will not do this, and the reason why is very simple.

The Prime Minister of Australia and the Australian Labor Party are fully aware of their political reality. They know that if and when the Australian people are given the opportunity to have their say on this issue they will tell the Labor Party what we all know, that they do not trust Labor and that they resoundingly reject the Australian Labor Party's policy to put a price on carbon. They will tell the government what we all know, that it has no mandate. And why does this government have no mandate? Again, it is very simply because of the unambiguous statement made by the now-Prime Minister on the day before the 2010 election that 'there will be no carbon tax under a government I lead'. Those clear, concise and unambiguous words will haunt the now Prime Minister to her political grave. The current Prime Minister has failed in the first task of national leadership, which is to tell the truth, to tell the truth when the Australian people are listening and weighing up the respective policies of the political parties before an election.

When Australians are guaranteed something as important as not introducing a
carbon tax by a political leader in the run-up to an election, they put their faith and trust in that political leader to abide by their political guarantee and they cast their vote in reliance upon that expectation. If, for some reason, the now Prime Minister decides that she wants to reverse her earlier mandated position not to introduce a carbon tax, it is very clear that, because the voters cast their earlier vote in reliance on the Prime Minister's earlier political guarantee, the government should have the guts to take that policy reversal to the Australian people for their judgment. Instead, we have a Prime Minister who is so insecure, so unsure of her support from within her own caucus, so unsure of how long she will remain as Prime Minister of this country and so unsure of the policy that she is about to impose on the Australia people that she refuses to take her policy reversal to the Australian people and ask if they support it. The Prime Minister knows that, by her own actions, she has destroyed the trust and confidence that the Australian people placed in her as a direct consequence of her earlier promise not to introduce a carbon tax.

This Prime Minister's betrayal is destroying the re-election hopes of many sitting Labor members. But despite hiding from the scrutiny of the parliament, Labor members cannot flee from their electorates. This is a government that has betrayed the people and abandoned democracy over its handling of the carbon tax. If the Prime Minister were honourable and true to her word, if the Prime Minister cared about democracy, if the Prime Minister wanted to respect the wishes of the Australian people, she would give the people a chance to be heard—but she does not. She does not care about democracy. She does not care about the battlers. She only cares about herself and hanging onto power at any cost.

Results Australia

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (19:23): I had the privilege of delivering the keynote address at the Results Australia National Conference fundraising dinner in Hobart a few weeks ago. I am told that the conference fundraising part of it, the dinner, was one of the most successful they have had yet.

I have no doubt that many in parliament have met with Results in this place and have been involved in a Results campaign in one way or another. This year's national conference was particularly special for Results members, as 2011 marks the 25th anniversary of the organisation's work here in Australia. Over 150 people came together from across Australia to celebrate the achievements of Results and to develop plans for future campaigns.

The conference agenda was packed with guest speakers and with workshop sessions aimed at boosting participants' awareness and advocacy skills, while also celebrating Results campaign successes over the past 25 years. The main panel session at the conference included a remote address delivered by Brian Tisdall from the Global Alliance for Vaccines and Immunisations in Geneva. Along with Nicole Cardinal from Save the Children and Maree Nutt and Rachel Achterstraat from Results Australia, Brian and the panel shared their vision for what Australia can do over the next five years to support children living in extreme poverty.

I am pleased that the Parliamentary Secretary for Community Services and the parliamentary secretary for Tasmania, the federal member for Franklin, Julie Collins MP, was able to participate in the Sunday session entitled 'You and your MP: what makes a good advocate?'
I have heard incredibly positive reports about the conference and have witnessed firsthand what a fantastic job the Results team have done. I want to take this opportunity tonight to acknowledge the passionate advocacy and tireless efforts of Results Australia and their committed volunteers: well done and congratulations to Maree Nutt; to Results National President, Aldo King; and particularly to Michael and Jeremy Picone from Results Tasmania, who did such a tremendous job in pulling the national conference and celebrations together. Many senators and members would have had the pleasure of meeting Maree and her delegation as they made their way around parliament this week working on their campaigns.

Over the past 25 years, the Results team have worked hard to empower everyday Australians to be 'extraordinary voices' for the end of poverty and to empower individuals across Australia to exercise their personal and political power. The organisation is made of up hundreds of passionate individuals from around Australia who are committed to lifting people out of extreme poverty and supporting sustainable development in our region and around the world.

I have had the privilege of meeting with members of Results both here in Canberra and in Tasmania and also of working with Results to share in key milestones in their campaigns. Results has played a pivotal role in campaigning for Australia to increase our overseas aid commitment to 0.5 per cent of GNI by 2015, for Australia to increase its pledge to the global fund to fight AIDS, TB and malaria and for an end to tuberculosis in the Pacific, including the adoption of the Xpert diagnostic testing tool, and also as champions for microfinance initiatives under the Strategy on Financial Services for the Poor 2010-2015.

Each year, March 24 marks World TB Day, and this year as part of raising awareness of World TB Day members of this place joined together to pass a motion—and I know that Madam Acting Deputy President Pratt is well aware of it as she co-sponsored this motion—calling on Australia to increase overseas aid to 0.5 per cent of GNI to ensure that the resources for tuberculosis as well as AIDS and malaria were sufficient to achieve the goal of significantly reducing the number of people suffering from these diseases.

The motion also called for Australia to facilitate adoption of the new Xpert TB diagnostic testing tool in South-East Asia. The Xpert diagnostic tool is the first new diagnostic strategy in over 100 years, cutting the time for diagnosis of TB from several weeks to less than two hours with highly accurate results. As the World Health Organisation continues to develop a road map for rolling out the Xpert test, I am pleased that Australia is still playing a lead role in fighting against tuberculosis in our region. Just last week on 9 September, the Minister for Health and Ageing, Nicola Roxon MP, and the Parliamentary Secretary for Pacific Island Affairs, Richard Marles MP, announced that the Australian government was boosting support to Papua New Guinea to help the country respond more effectively to tuberculosis, particularly in the Western Province. The government has committed a further $1.1 million to help improve health services in the South Fly area of PNG's Western Province, which is the region closest to Australia.

Ultimately, this investment will mean that PNG is better equipped to treat those suffering from TB rather than having to send patients across the Torres Strait and into Queensland for treatment. This is just one example of the way in which Australia’s aid contributions are helping to bolster the capacity of developing communities,
highlighting the path to sustainable development in our region and beyond. In June this year at the pledging conference of the Global Alliance for Vaccines and Immunisation, the GAVI Alliance, in London, the Minister for Foreign Affairs, Mr Kevin Rudd MP, announced that Australia would contribute $200 million over three years to the fund. This represented a renewal and redoubling of Australia's commitment, building on the 2010 increase, which was a 55 per cent increase on our 2008 pledge. The effect of Australia's GAVI pledge is that between now and 2013, Australia's contribution will fund an estimated 7.1 million life-saving vaccines for the children of the world.

A significant part of Australia's pledge can be attributed to the efforts of Results, which was among the groups who lobbied fiercely for Australia to demonstrate leadership at the GAVI conference this year and expand our contribution. When I spoke with Results members recently I learnt more about their ongoing campaign for Australia to expand aid for microfinance and for Australia to have high-level representation at the Global Microcredit Summit in Spain this year. Australia has long supported microfinance initiatives and is committed to further improving access to financial services to break down the barriers to economic participation by the poor.

Through AusAID, Australia already provides funding to support financial services to the poor in at least 15 countries. Australia's investment in the financial services for the poor strategy is coupled with an investment of up to $20 million per annum from 2012-2013. The government has recognised that microcredit and microfinance initiatives are reaching out to hundreds of millions of the world's poor, particularly women. We are helping to work towards the Microcredit Summit Campaign goal of ensuring that 175 million of the world's poorest families are receiving credit for self-employment and other financial and business services by the end of 2015.

The 2011 report on the Microcredit Summit Campaign goals for 2015 shows that some critical progress has been made towards this target, with microfinance institutions reporting that they had 190 million clients at the end of 2009. Most significantly, of those 190 million clients, 128 million families were among the poorest in the world at the time of their first loan and 81.7 per cent of clients were women. It is imperative that we continue to support these families, particularly the women in these developing communities, to break out of the poverty cycle. By equipping these women and their families with the initial tools and resources, they are empowered to build capacity for economic and social development in their own communities. Given the progress that has already been made through microcredit and microfinance initiatives, I look forward to working with Results to lobby for an expansion of Australia's aid contributions to microfinance to $45 million by 2012-14.

In addition to those initiatives I have already mentioned, it is also important to reflect more broadly on the steps that Australia has taken to address poverty and support sustainable development in our region and beyond. In 2010 alone we responded to more than 30 rapid-onset emergencies and conflicts, including the earthquake in Haiti and the Pakistan floods, assisting over one million people in crisis. Since 2008 we have achieved several key milestones in our region, particularly in Papua New Guinea, East Timor, Laos, the Solomon Islands and Samoa. A few of these achievements include helping to immunise 900,000 children in Papua New Guinea against measles and other diseases, helping
to provide antiretroviral treatment for HIV in Papua New Guinea to 75 per cent of those who need it and helping to provide 600,000 people with safe water and 400,000 people with improved sanitation in East Asia and the Pacific.

We must meet our obligations to end extreme poverty and to support our developing neighbours. We can afford to assist those most in need and we must continue to do so.

**Community Services**

Senator BOYCE (Queensland) (19:33): I rise tonight to put on the parliamentary record a potential disaster facing a vast number of community service organisations in Queensland. This is a pay bungle disaster created by the Gillard and Bligh governments. To understand this we need to go back to 2009, when Commissioner Glenys Fisher made a decision in the Queensland Industrial Relations Commission offering equitable pay for female workers and increases of over 10 per cent in the community services sector. No organisation that employs these people in Queensland is against the idea of gender equity and pay equity for the community services sector. What they are against is the complete bungle that has resulted from the interfacing between the Queensland legislation, the Queensland government's lack of consultation with the organisations affected and the current federal government.

On 4 August, the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Evans, signed a regulation that will result in back pay having to be paid by 316 prescribed organisations in Queensland. That will amount to $500 million, which will need to be paid on 1 October. Needless to say, these organisations do not have these funds. Not only that, these organisations were promised on 17 February 2010, in a letter that was written under the authority of Ms Gillard as the minister for workplace relations, that regulation 144 would only apply to organisations that were fully supplemented for this change in pay structures. In fact the regulation allegedly prevents the employers from creating redundancies to meet these pay increases. How are these organisations to find the money?

The sector believes that they are $500 million short. That is across 316 organisations. Nevertheless, the organisations did receive some wage supplementation—$440 million—from the Queensland government. In some cases it was referred to as 'money to meet increased costs'. It was not put to them as money to meet the requirements of this change, nor were they told why each organisation got the money they did. In fact there are a number of organisations that are not on the prescribed list that believe they should be. There are organisations on the prescribed list who believe they should not be. No-one knows where the list came from, and there was no consultation whatsoever by the Bligh government with the stakeholders. The only consultation undertaken by the Australian government was with the Queensland Labor government, the department of community services and the union involved, the Australian Services Union. So, I guess we should not be surprised at this. I am trying to give you a picture of what a disaster this is creating.

I have a letter headed 'Potential crisis in Queensland community service organisations' from Lutheran Community Care, which is not an organisation generally given to exaggeration. They point out that they have been paying the much higher pay rates. They have been paying a 4½ per cent increase over the previous award and have done so since supplementation of their pay began in 2009. The different services they
run receive different percentages so, overall, it was a 4½ per cent increase that they have been paying since July 2009, as they thought they were required to do. Now they find that they will have employees who will receive up to 37 per cent increases on what they are currently being paid. They will face a backpay bill of $680,000 and an increase in annual salary costs of about $500,000. They point out that this is unsustainable. They ask that the current regulation be disallowed or cancelled and that there be a proper, open process with organisations so that the pay rates can be introduced and implemented in a phased-in way with support from the government. I remind you that the then minister, Ms Gillard, said that only fully supplemented organisations would be affected.

I would like to just give you a view of some of the things that have happened. Some groups divided up the money that they were given and paid it as a one-off bonus, because there was nothing in the information from the Queensland government that said not to. One group bought a minibus because that is what all the staff agreed they desperately needed. Children by Choice, for example, made accommodations with the new rates. They received $40,000 of what was called 'viability funding' in recognition of the increased costs of providing services. It said nothing about the backpay. That was a one-off payment and it only met 10 per cent of their new annual wage bill. In analysing their figures they discovered that they had dismissed one admin assistant and they now have a likely shortfall of $500,000 over the phase-in period. Another group on the Sunshine Coast is facing a shortfall of $800,000. As I said, Lutheran Community Care have a backpay bill of $680,000 and an ongoing cost of $500,000. The Gympie and District Women's Health Centre has closed one day a week to try to make the payment.

I make the point that we are talking about big and small organisations—more than 300 organisations. It is the entire community service sector in Queensland, yet we have nothing but bungles going on. There is no attempt, as I understand it, from the minister's office to attempt to fix it. There are huge organisations such as Endeavour, the Cerebral Palsy League of Queensland, Centrecare, and Cootharinga in Townsville, which would be the biggest supplier in that city, that are not on the list, yet believe they should be. If you look through the list you have organisations like: Red Cross; Better Hearing Australia; Caboolture Family Haven; Care Goondiwindi; the Community Housing and Information Centre; Eacham Community Help Organisation; Epilepsy Queensland; Gladstone District Respite Care Association; Guide Dogs for the Blind Association of Queensland; Hannah's House; Headway, a mental health support group on the Gold Coast; Independent Advocacy in the Tropics, which helps individuals with a disability with self-advocacy; the Ipswich Women's Shelter; Kith and Kin Association Ltd; Mackay Aboriginal and Torres Strait Islander Corporation for Alternative Care and Foster Care Service; Mount Isa Youth Shelter; North Queensland Aboriginal and Torres Strait Islander Aged and Disabled Care; Queensland Advocacy; the Refugee and Immigration Legal Service; Silky Oaks Children's Haven; Baptist Union of Queensland Community Services Group; Wwild, a sexual violence prevention association for women with intellectual disability; the Wesley Mission in Brisbane; and the Yarrabah Aboriginal Corporation for Women.

This is a disaster that must be addressed by these governments and we hope that by bringing it to the attention of the Senate we will get support from other senators to do so.

Senate adjourned at 19:43
DOCUMENTS
Tabling

The following documents were tabled by
the Clerk:

[Legislative instruments are identified by a
Federal Register of Legislative Instruments
(FRLI) number. An explanatory statement is
tabled with an instrument unless otherwise
indicated by an asterisk.]

A New Tax System (Family Assistance)
(Administration) Act—Child Care Benefit
(Allocation of Child Care Places) Amendment
Determination 2011 (No. 1) [F2011L01902].

Aged Care Act—

Aged Care (Residential Care Subsidy –
Amount of Accommodation Supplement)
Determination 2011 (No. 2) [F2011L01898].

Aged Care (Residential Care Subsidy –
Amount of Transitional Supplement)
Determination 2011 (No. 2) [F2011L01900].

User Rights Amendment Principles 2011 (No.
2) [F2011L01896].

Appropriation Act (No. 2) 2009-2010 and
Appropriation Act (No. 1) 2010-2011—
Determination to Reduce Appropriations Upon
Request (No. 5 of 2011-2012) [F2011L01899].

Civil Aviation Act—Civil Aviation Safety
Regulations—Revocation of Airworthiness
Directive—Instrument No. CASA ADCX 018/11
[F2011L01813]—Explanatory Statement [in
substitution for explanatory statement tabled
with instrument on 12 September 2011].

Federal Court of Australia Act—Select
Legislative Instrument 2011 No. 170—Federal
Court (Corporations) Amendment Rules 2011
(No. 1) [F2011L01895].

Financial Management and Accountability
Act—Financial Management and Accountability
Determination 2011/17 – Section 32 (Transfer of
Functions from the former DITRDLG to DORA)
[F2011L01897].

Imported Food Control Act—Imported Food
Control Regulations—Imported Food Control
Amendment Order 2011 (No. 1) [F2011L01901].

Departmental and Agency Contracts

The following document was tabled
pursuant to the order of the Senate of 20 June
2001, as amended:

Departmental and agency contracts for
2010—Letter of advice—Innovation, Industry,
Science and Research portfolio—
Correction.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Vacant Commercial Space
(Question No. 716)

Senator Ludlam asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 29 June 2011:

With reference to the answer to question on notice no. 75 taken on notice during the 2010-11 additional estimates hearings of the Environment and Communications Legislation Committee, which reported that the department does not keep data on vacant commercial space:

(1) Can the Minister advise which, if any, department currently keeps and collects data on vacant commercial space.

(2) Does the department recognise the potential to transform vacant commercial buildings into affordable rental spaces.

(3) Has the department done any research at all into the kind of incentives needed to make this attractive for property owners.

(4) Will the Minister instruct the National Housing Supply Council to collect data on vacant commercial space; if not, why not.

Senator Conroy: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator’s question:

(1) The department is not aware of any Australian Government agency that collects and maintains data on vacant commercial space.

(2) State, territory and local government planning regulations require commercial buildings to be located in commercial/business zones. Commercial buildings are also required to be designed and constructed in accordance with regulated commercial building guidelines.

Planning and zoning issues are the responsibility of state, territory and local governments. It is therefore appropriate for these governments to consider whether underutilised land, including vacant commercial buildings, could be reallocated to a use that delivered greater social, economic or environmental benefit.

(3) The department is working with other Australian Government departments to develop the COAG Housing Supply and Affordability Reform agenda which includes planning and zoning governance reforms; considering national principles for residential development infrastructure charging; and extending government land audits and examining private holdings of large parcels of land to assess the scope for increasing competition and bringing land quickly to market.

(4) The remit of the National Housing Supply Council is to monitor housing demand, supply and affordability in Australia, and to highlight current and potential gaps between housing supply and demand from households. The Minister for Sustainability, Environment, Water, Population and Communities provides broad guidance on the government’s priorities, but the council is an independent group that operates at arm’s length from government.

National Rental Affordability Scheme
(Question No. 718)

Senator Ludlam asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, in writing, on 29 June 2011:
In regard to student housing and the National Rental Affordability Scheme (NRAS):

(1) What is the current estimated housing gap for Australian students.

(2) Which agency at the Federal Government level is currently tasked with measuring current housing need for students.

(3) Can a list be provided of all Federal Government programs currently providing funding or other resources (such as policy advice) in the area of student housing.

(4) Can a table be provided listing: the number of full time and part time students by state and territory, the number of student housing dwellings provided on campus by state and territory, and the estimated student housing gap for each state and territory.

(5) To date, how many applications have been submitted to NRAS for student housing since the program began.

(6) To date, how many NRAS incentives have been approved for student housing since the program began.

(7) Can a table be provided of student housing approved by NRAS with the following information for each NRAS Round:
   (a) total number of applications for student housing;
   (b) total number of projects approved for student housing or with a student housing component; and
   (c) a description of each approved project, including applicant/name of institution, type of project, location (suburb and state or territory), number of student dwellings and, if relevant, the number of other dwellings as part of the project.

Senator Conroy: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator’s question:

(1) The Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC) and the Department of Education, Employment and Workplace Relations (DEEWR) do not collect data on student accommodation and reliable figures are difficult to obtain. A 2010 survey by Universities Australia found that 34 of Australia’s 39 universities formally provide accommodation for students and that universities provide a total of 42,620 beds.

(2) A number of agencies are involved in assessing the appropriateness of housing across the spectrum of tenure options, including the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and DSEWPaC. For example, DSEWPaC supports the National Housing Supply Council to prepare the annual State of Supply Report. DSEWPaC and DEEWR do not collect data on current housing needs for students. Demand for student housing may be monitored either by universities or by the private sector, often in collaboration with tertiary education providers.

(3) The National Rental Affordability Scheme which supports the development of affordable rental accommodation for low to moderate income households, is managed by DSEWPaC. DEEWR provides capital works support through the Commonwealth Grant Scheme and higher education infrastructure programs. However, these programs are not specifically targeted towards student accommodation. DEEWR infrastructure programs include:

- Education Investment Fund;
- one-off Teaching and Learning Capital Fund (Higher Education);
• one-off Better Universities Renewal Fund; and
• Capital Development Pool.

A list of programs and the alignment of their objectives with the development of student accommodation is at Table 1.

Table 1: Sources of Australian Government Capital Funding for Student Accommodation

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>ABOUT</th>
<th>ALIGNMENT WITH STUDENT ACCOMMODATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Investment Fund (EIF)</td>
<td>The EIF funds projects that create or develop significant infrastructure in higher education institutions, research institutions and VET providers.</td>
<td>The EIF prioritises funding for teaching and research infrastructure. Student accommodation developments have only been supported where it has been demonstrated that the accommodation is integral to projects fully delivering the intended outcomes.</td>
</tr>
<tr>
<td>Teaching and Learning Capital Fund (TLC)</td>
<td>The one-off BURF and the TLC are designed to renew ageing university infrastructure and provide an educational experience appropriate for the 21 century.</td>
<td>While some universities directed a small portion of their allocations towards student accommodation projects, BURF and TLC funds have largely been used to support teaching and research infrastructure, ICT developments and infrastructure associated with student amenities.</td>
</tr>
<tr>
<td>Better Universities Renewal Fund (BURF)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Development Pool (CDP)</td>
<td>The CDP provides special funding assistance to higher education providers for capital infrastructure needs over and above those that could be expected to be funded from their other sources of funding.</td>
<td>Although funding for student accommodation is potentially available under the CDP, the vast majority of CDP funds have been applied directly to teaching and learning infrastructure including ICT. The CDP will cease from 1 January 2012.</td>
</tr>
</tbody>
</table>

(4) As noted above, the Commonwealth does not currently collect data on student accommodation. A summary of full and part time students by state and territory is at Table 2.

Table 2 Number of Full time and part-time students by state and territory (2009 student data).

<table>
<thead>
<tr>
<th>STATE</th>
<th>FULL-TIME</th>
<th>PART-TIME</th>
<th>SUB-TOTAL</th>
<th>FULL-TIME</th>
<th>PART-TIME</th>
<th>SUB-TOTAL</th>
<th>FULL-TIME</th>
<th>PART-TIME</th>
<th>SUB-TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>209,353</td>
<td>68,146</td>
<td>277,499</td>
<td>47,304</td>
<td>17,210</td>
<td>64,510</td>
<td>16,240</td>
<td>4,284</td>
<td>20,524</td>
</tr>
<tr>
<td>Victoria</td>
<td>204,646</td>
<td>53,826</td>
<td>258,472</td>
<td>3,127</td>
<td>12,575</td>
<td>3,600</td>
<td>2,934</td>
<td>15,509</td>
<td></td>
</tr>
<tr>
<td>Queensland</td>
<td>125,332</td>
<td>30,347</td>
<td>155,679</td>
<td>9,219</td>
<td>10,219</td>
<td>3,287</td>
<td>13,506</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Australia</td>
<td>80,248</td>
<td>23,492</td>
<td>103,740</td>
<td>1,902</td>
<td>5,025</td>
<td>2,168</td>
<td>7,193</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Australia</td>
<td>48,344</td>
<td>16,647</td>
<td>64,991</td>
<td>1,657</td>
<td>4,891</td>
<td>1,474</td>
<td>6,365</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tasmania</td>
<td>11,814</td>
<td>4,600</td>
<td>16,414</td>
<td>452</td>
<td>2,298</td>
<td>2,750</td>
<td>1,997</td>
<td>522</td>
<td>2,519</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
INTERNAL | EXTERNAL | MULTI MODAL
--- | --- | ---
Northern Territory | 1,029 | 770 | 1,799 | 1,313 | 2,464 | 3,777 | 1,497 | 612 | 2,109
Australian Capital Territory | 18,145 | 8,658 | 26,803 | 10 | 64 | 74 | 2,328 | 894 | 3,222
Multistate Institutions | 13,007 | 6,188 | 19,195 | 427 | 907 | 1,334 | 58 | 81 | 139
TOTAL | 711,918 | 212,674 | 924,592 | 27,704 | 111,484 | 139,188 | 54,830 | 16,256 | 71,086

(5) To date, 31 applications for NRAS Incentives have been received from universities or educational institutions since the commencement of the program on 1 July 2008.

(6) As at 20 June 2011, 2,681 incentives have been offered and accepted by universities or other educational institutions with 467 dwellings delivered.

(7) (a) (b) (c) Noting the answer to question 5, the table below provides information about each supported application where the applicant is a university or other educational institution.

<table>
<thead>
<tr>
<th>Round</th>
<th>Applicant</th>
<th>State</th>
<th>Suburb</th>
<th>Dwelling Type</th>
<th>Incentives Allocated</th>
<th>Incentives Reserved</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Monash University Holmesglen Institute of TAFE</td>
<td>VIC</td>
<td>Clayton</td>
<td>Studio Apartments</td>
<td>600</td>
<td>600</td>
<td>1,200</td>
</tr>
<tr>
<td>3</td>
<td>Australian National University UWA Accommodation Services Pty Ltd</td>
<td>ACT</td>
<td>Canberra City</td>
<td>Studio and 1, 467 2, 3 &amp; 5 Bd Apartments</td>
<td>555</td>
<td>555</td>
<td>1,110</td>
</tr>
<tr>
<td></td>
<td></td>
<td>WA</td>
<td>Crawley, Nedlands, Claremont</td>
<td>Studio Apartments</td>
<td>1,000</td>
<td>1,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>467</td>
<td>1,555</td>
<td>2,022</td>
</tr>
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<td>4</td>
<td>University of Ballarat</td>
<td>VIC</td>
<td>Mount Helen, Ballarat</td>
<td>Studio Apartments</td>
<td>200</td>
<td>200</td>
<td>400</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>200</td>
<td>200</td>
<td>400</td>
</tr>
</tbody>
</table>

*There were no specifically identified or other educational institution applications in Round 1.

**Building Better Regional Cities program**

(Question No. 721)

**Senator Ludlam** asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 29 June 2011:

Given that the 2011-12 Budget provided $100 million in funding for the new Building Better Regional Cities program for ‘local housing infrastructure projects that will help build more affordable

QUESTIONS ON NOTICE
homes in high growth regional cities over the next three years’ and that 47 regional cities, with populations over 30,000, have been invited to participate in the program.

(1) With reference to the program’s website which states ‘funding will only be awarded to cities that provide robust evidence of future jobs growth and can show how many extra affordable homes will be created as a result of the proposed projects’:

(a) how will applicants be required to quantify and define the ‘extra affordable homes’ they will deliver, if successful in the application process;

(b) in relation to the specific delivery of extra affordable homes, what criteria will be used to assess applications; and

(c) how will ‘extra affordable homes’ be measured and reported on as part of this program.

(2) Will any type of formal housing needs analysis be required from the regional cities as part of their application process.

(3) Will all forms of tenure, that is, affordable home ownership, affordable rental and social rental, be included in this scheme.

(4) What are the program targets for housing under each of the following bands identified by the National Affordable Housing Summit:

(a) Band A (rent is kept under 25 per cent of tenants’ income);

(b) Band B (rent is 20 per cent less than the market rate for at least 10 years); and

(c) Band C (home purchase programs for low to moderate incomes).

(5) Can an outline be provided of the resources allocated to administering this program and the qualifications of staff in the relation to housing affordability.

(6) With reference to the program’s website which states that ‘Councils will be able to use program funding to invest in local infrastructure projects that support new housing developments, including connecting roads, extensions to drains and sewers, and community infrastructure such as parks and community centres’: can an outline be provided as to why funds should be provided for roads, drains, parks and community centres, when typically these are the responsibility of the developer to provide.

Senator Conroy: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator’s question:

(1) The final Program Guidelines for the Building Better Regional Cities program are being developed in consultation with stakeholders and will include information on performance measures, assessment and program delivery requirements.

(2) The draft Program Guidelines and draft Application Form for the program currently include a requirement for applicants to undertake a housing needs analysis (under Criterion 1 ‘Economic Growth and Housing Need’). However, as noted above, the requirements will be confirmed and included in the final Program Guidelines.

(3) Affordable home ownership and affordable rental for low and moderate income earners is included under the Building Better Regional Cities program, but social housing is not, as the Australian Government seeks to address this policy area through other measures.

(4) To ensure that the program is responsive to localised needs, the draft Program Guidelines do not specify a single affordability target, and instead place the onus on applicants to identify the most relevant definitions and targets for their region and/or state or territory.

(5) The Building Better Regional Cities program currently has the following funding profile:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Administered ($m)</th>
<th>Departmental ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>-</td>
<td>0.24</td>
</tr>
<tr>
<td>2011-12</td>
<td>30.0</td>
<td>0.933</td>
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</tbody>
</table>
Staff in this division of the department are experienced public servants selected for their skills and experience in designing and delivering programs, including housing affordability programs.

(6) The Australian Government recognises that the provision of local infrastructure such as roads, drainage and sewers contributes to the initial and long term affordability of housing. These costs are often passed on to home buyers either through direct charges, an ongoing contribution via local rates or the purchase price of land and/or property packages.

Funding under the Building Better Regional Cities program will only be awarded to projects that can clearly show how the funding investment made by the Australian Government will result in an increase in the number of homes for sale and rent that are affordable for low to moderate income earners.

Sustainability, Environment, Water, Population and Communities

(Question No. 926)

Senator Joyce asked the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, upon notice, on 17 August 2011:

Can a list be provided of the legislation that the Water group within the department, the National Water Commission and the Murray-Darling Basin Authority are responsible for administering, including all regulations under these Acts?

Senator Conroy: The Minister for Sustainability, Environment, Water, Population and Communities has provided the following answer to the honourable senator’s question.

Under the Administrative Arrangements Order of 14 October 2010 the Sustainability, Environment, Water, Population and Communities portfolio is responsible for the administration of the following water related legislation:

- Lake Eyre Basin Intergovernmental Agreement Act 2001
- National Water Commission Act 2004
- Sewerage Agreements Act 1973
- Sewerage Agreements Act 1974
- Water Act 2007
- Water Efficiency Labelling and Standards Act 2005

The portfolio also administers the following water related Acts which will be repealed when the Statute Stocktake Bill (no.1) 2011 takes effect. The Bill passed through both Houses on 18 August 2011 and will take effect when it receives Royal Assent.

- Chowilla Reservoir Agreement Act 1963
- Dartmouth Reservoir Agreement Act 1970
- Morgan-Whyalla Waterworks Agreement Act 1940
- Western Australia (Ord River Irrigation) Act 1968
- Western Australia (Ord River Irrigation) Act 1980
- Western Australia (South-west Region Water Supplies) Agreement Act 1965

Regulations have been made under these Acts as follows:
· Water Efficiency Labelling and Standards Regulations 2005
· Water Regulations 2008
· Water Amendment (Murray-Darling Basing Agreement) Regulations 2009 (No.1)
· Water Amendment Regulations 2011 (No.1)

**Prime Minister: Calls from Foreign Leaders**
(Question No. 1023)

**Senator Abetz** asked the Prime Minister, upon notice, on 24 August 2011:

On becoming Prime Minister in June 2010, did Ms Gillard receive any calls from leaders of other countries; if so, can a list be provided of:

(a) all the countries of which the leader phoned the Prime Minister;
(b) which calls the Prime Minister was able to take immediately and on what date they were received; and (c) which calls the Prime Minister was unable to take together with the date the call was received and returned.

**Senator Chris Evans:** The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised that my diary reflects that in June 2010 I received calls from the following leaders of other countries:
· President Obama (US)
· Prime Minister Harper (Canada)
· Prime Minister Najib (Malaysia)
· Prime Minister Cameron (UK)
· President Yudhoyono (Indonesia)
· Prime Minister Netanyahu (Israel)

The record does not indicate which, if any, of these calls I was unable to take immediately.

**Prime Minister and Cabinet: Accommodation**
(Question No. 1032)

**Senator Abetz** asked the Minister representing the Prime Minister, upon notice, on 29 August 2011:

Has the department paid for accommodation, venue hire and catering services from the Four Points by Sheraton Sydney, Darling Harbour; if so:

(a) who stayed in the accommodation;
(b) why was the venue hired;
(c) who utilized the catering services; and
(d) what were the itemised costs on the invoice or bill.

**Senator Chris Evans:** The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised that:

(a) In 2010-11, the Department of the Prime Minister and Cabinet did not make any payments to the Four Points by Sheraton Sydney for accommodation. In 2011-12, to 29 August 2011, the department paid $619 for two nights accommodation for a departmental officer whilst attending a conference.
(b) & (c) The department has not paid the Four Points by Sheraton Sydney for any venue hire or catering services in 2010-11 or 2011-12, to 29 August 2011.

(d) $580 for accommodation and $39 for room service.