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SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SIXTH 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 Christopher John Back, Thomas Mark Bishop, Suzanne Kay Boyce, Douglas Niven Cameron, Patricia Margaret Crossin, David Julian Fawcett, Mary Jo Fisher, Mark Lionel Furner, Scott Ludlam, Gavin Mark Marshall, Claire Mary Moore, Louise Clare Pratt and Ursula Mary Stephens
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 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 David Christopher Bushby and Christopher John Back
The Nationals Whip—Senator John Reginald Williams
Australian Greens Whip—Senator Rachel Mary Siewert

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

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

(3) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice Hon. M. Arbib, resigned 5.3.12), pursuant to section 15 of the Constitution.

(4) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J. Adams, died in office 31.3.12), pursuant to section 15 of the Constitution.

(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. B. Brown, resigned 15.6.12), pursuant to section 15 of the Constitution.

(6) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. N. Sherry, resigned 1.6.12), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing

Clerk of the House of Representatives—B Wright

Secretary, Department of Parliamentary Services—C Mills
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<tr>
<td>Prime Minister</td>
<td>The Hon Julia Gillard MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td>Minister for Social Inclusion</td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on Mental Health Reform</td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister for the Public Service and Integrity</td>
<td>The Hon Gary Gray AO MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on the Centenary of ANZAC</td>
<td>The Hon Warren Snowdon MP</td>
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<tr>
<td>Cabinet Secretary</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator the Hon Jan McLucas</td>
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<tr>
<td>Treasurer (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan MP</td>
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<tr>
<td>Minister for Financial Services and Superannuation</td>
<td>The Hon Bill Shorten MP</td>
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<td>Assistant Treasurer</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Rippoll MP</td>
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<tr>
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<td>Senator the Hon Chris Evans</td>
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<tr>
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<tr>
<td>Minister for Industry and Innovation</td>
<td>The Hon Greg Combet AM MP</td>
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<td>Minister for Small Business</td>
<td>The Hon Brendan O'Connor MP</td>
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<tr>
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<td>Senator the Hon Kate Lundy</td>
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<tr>
<td>Parliamentary Secretary for Industry and Innovation</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td>Parliamentary Secretary for Higher Education and Skills</td>
<td>The Hon Sharon Bird MP</td>
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<tr>
<td>Minister for Broadband, Communications and the Digital Economy</td>
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<tr>
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<td>Minister for Community Services</td>
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<td>Senator the Hon Bob Carr</td>
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<td><strong>Minister for Trade and Competitiveness</strong></td>
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<td>The Hon Richard Marles MP</td>
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<td><strong>Minister for Sustainability, Environment, Water, Population and Communities</strong></td>
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<td>(Vice-President of the Executive Council)</td>
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<td><strong>Minister for Finance and Deregulation</strong></td>
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 10:00, read prayers and made an acknowledgement of country.

BUSINESS

Rearrangement

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (10:01): I move:

That consideration of the business before the Senate on Wednesday, 15 August 2012, be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable Senator Thorp to make her first speech without any question before the chair.

Question agreed to.

Consideration of Legislation

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (10:01): I move:

That government business notice of motion No. 2, to exempt a bill from the cut-off order, be postponed to the next day of sitting.

Question agreed to.

BILLS

Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (10:02): After careful consideration, the opposition has decided to oppose this bill. We do so mindful of the considerations recited by the coalition members of the House of Representatives Standing Committee on Social Policy and Legal Affairs. We see it as an entirely unnecessary expansion of the existing very healthy human rights bureaucracy—unnecessary because there is no function that the proposed Children's Commissioner would discharge which is not already dealt with by like offices in the states and territories.

The Australian Human Rights Commission currently consists of a president and six commissioners dealing with specific areas—namely, the Aboriginal and Torres Strait Islander Social Justice Commissioner; the Age Discrimination Commissioner; the Disability Discrimination Commissioner; the Race Discrimination Commissioner; and the Sex Discrimination Commissioner—as well as the human rights responsibilities that vest in the president. The coalition has supported the expansion of the remit of the Australian Human Rights Commission to deal with particular sectoral areas. In particular, most recently the coalition supported the amendment to the Human Rights Act to include as an additional commissioner an age discrimination commissioner, so it cannot truthfully be said that the opposition is not disposed to supporting expansion of the human rights apparatus of the Commonwealth in appropriate cases. But each of the cases where the government seeks to expand the human rights apparatus must be an appropriate case. It annoys me, I must say, that when in a simple-minded fashion some politicians say, 'This is a human rights issue' there is a presumption for that reason alone, merely because it is given a rhetorical label, that there is an obligation to support it rather than to ask the intelligent questions which careful legislators ought to ask—that is, whether this genuinely is a human rights issue, whether there is an unmet human rights need identified and
whether that unmet human rights need will be suitably or properly addressed by the legislative measure being propounded.

In this case the answer, on a careful consideration of the bill, is no, there is no unmet human rights need which this bill addresses. There are of course human rights needs of children—there is no question about that—and the opposition supports the United Nations Declaration of the Rights of the Child. In fact one of the prime movers for the creation a quarter of a century ago of the United Nations Declaration of the Rights of the Child was an Australian Liberal, a friend of mine, the late Robert Nestdale, who was at the time the chief executive officer of UNICEF Australia. So on our side of the aisle we not only support appropriate measures to protect the rights of children within the human rights framework; but it was to a significant degree because of a member of the Liberal Party of Australia operating through international agencies, in particular UNICEF, that we have the United Nations Declaration of the Rights of the Child. We oppose this bill because it is unnecessary. It does involve an additional expenditure of Commonwealth money—$3.5 million over four years. That is not in the scheme of things an enormous amount of money; however, at a time of budgetary constraint due to four years of profligacy and awesome waste any new expenditure measure should begin with a presumption against it. But we oppose this bill because this commissioner will have no work to do that is not already being done in the Australian public sector. Every state and territory has an equivalent office. The protection of children in this country is exclusively a function of the state and territory governments, and in each state and territory there is an officer and a department of children's services responsible for the guardianship of children, the protection of their interests, their removal from circumstances in which they may be in physical, emotional or moral danger, and such other protective measures as are dictated by the acts of the various state parliaments.

I know from my own experience as a legal practitioner in Queensland that those state departments of children's services, however described in the various states and territories, are very busy. They have a great deal of work to do. They have a large caseload and their resources are stretched. This commissioner, the Children's Commissioner, will have no caseload at all—none. The relatively modest amount of money, $3.5 million over four years, which the government proposes to spend on this commissioner could, in the opposition's view, be better spent were it contributed to the financial support of those state and territory agencies which actually do protect children. Let me say that again: they have a large and busy caseload. They are underresourced. The child protection function with which they are charged by state and territory acts of parliament could be better fulfilled if they were better resourced. If you were seriously interested in the protection of children, you would properly resource the agencies which have an actual caseload rather than spend the money on an advocacy role—because that is, in effect, all this legislation provides for: an advocacy role.

I said a moment ago that this legislation duplicates what the states and territories do. Not only do the state and territory children's services departments or equivalent officers have a caseload, not only do they look after children in distressed and necessitous circumstances; they also have an advocacy role which, within the limitations of their resources, they discharge fully. So, again, it is not as if the importance of advocating for
the human rights of children is an unmet need in this country; it is a need that is being fulfilled at the state and territory level.

So we come to the question that we must always ask whenever a government proposes to create a new statutory office or to expand an existing bureaucracy: what is this person meant to do? Well, not very much. What this person is meant to do is to engage in advocacy and, in particular, it appears, advocacy of the United Nations Declaration of the Rights of the Child. Advocacy unaccompanied by casework that actually deals with the needs of children in distressed circumstances amounts to very little other than pieties. I am sure we will hear some pieties from the government and perhaps from the Greens about how important this role is. Resource the states to deal with children who are in distress, if you want to protect human rights. Too much of the human rights dialogue in this country is based entirely on pieties which do not translate into practical action on the ground to look after the interests of those in whose name the need for the new bureaucracy is invoked.

The opposition, as I say, oppose this measure. We support an appropriate apparatus of human rights protections in those areas where the Commonwealth can do something useful. We support the state and territory agencies which handle the caseloads of children who actually need the intervention of government to protect them. It is actually quite an old function of government, intervening to protect children who need that protection. We regret the fact that the state and territory agencies are insufficiently resourced. But, for as long as the human rights debate in this country is conducted only at the level of pieties and without sufficient emphasis on the importance of results, care for those in need and the application of actual resources to specific individuals—in this case, to specific individual children who need the help of government to be protected from circumstances beyond their own control—we will have a degraded human rights discussion. So many of the human rights discussions we have in this chamber have that degraded, abstract quality: they are not about people; they are about airy sentiments which somehow never translate into helping the people in need in real communities. It is because we are concerned that the debate about the rights of children seems to be taking that turn that we are unpersuaded by the need for this bill.

**Senator HANSON-YOUNG** (South Australia) (10:14): I rise today to speak in strong favour of the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012. It is high time that this legislation passed through this place. We know, just looking back through history, that Australia signed the UN Convention on the Rights of the Child in 1990—that was under Hawke government—thus enshrining our commitment to children's rights, not just here in Australia but also around the world.

One of our obligations when we signed that convention was to establish a national position such as this—a Commonwealth commissioner who could advocate for, look after, represent and speak for the best interests of children and young people in Australia. That was over 20 years ago and we are still here debating this issue. In 2012, it is well and truly time for this position to be established. It was only in March this year that I stood in this chamber to debate my own bill to establish a children's commissioner. I am thankful to see the government adopt this position and now to see legislation passing through the parliament. I listened to Senator Brandis's speech and, while I note what he said, I am
extremely disappointed that the opposition will not be supporting this legislation. But, regardless of that, with the Greens supporting this legislation, it will pass the parliament today.

It is absolutely important that we give our youngest citizens an ability to have somebody to speak for their rights and speak in their best interests. We know that this position will be housed under the Australian Human Rights Commission. That body already has a number of commissioners who speak for those who are vulnerable in our community, those with special needs, whether it is the Disability Discrimination Commissioner, the Race Discrimination Commissioner, the Sex Discrimination Commissioner or the Age Discrimination Commissioner. All of those positions speak and advocate for the best interests, and shine a spotlight, on what as decision makers we could do better to look after those in our communities who are vulnerable simply because of—through no fault of their own—who they are. Children and young people in this country deserve a similar person to speak up for them. We are here as elected representatives, voted for by our communities. Young people in this country do not get an opportunity to vote until they turn 18. They have no-one who is officially there in any capacity to stand up for their rights and in their best interests.

Human rights organisations, children's support and welfare organisations around this country have been pushing long and hard for this position to be established. It is down to their hard work that this position will become a reality, that we will now have a National Children's Commissioner. When you look at the statistics, there would be no good reason not to have somebody advocating and shining a spotlight on what it is that governments—whether federal or state—and other elected representatives and decision makers in this place and in the other place just over the corridor, should be doing to strengthen the opportunities and the protections for children and young people.

We know that the highest number of people who are homeless—day in, day out—are young people. Those under the age of 18 make up the highest number of people living homeless on our streets in the cities and in our country towns. It is paramount that we start to do something to offer support and actual change to the realities that these young people live by. We know that the statistics of young Indigenous people are horrific when you compare those with the statistics of non-Indigenous children. Their health and education rates far outstrip the vulnerabilities of other children in this country. Of course, that is something that this role can specifically focus on.

Children with disabilities are in a particularly vulnerable category. While we have a commissioner for disabilities being able to advocate for people to become more able in their communities and looked after, represented and treated with dignity, it would be wonderful to see a children's commissioner work side by side with their fellow human rights commissioners to lift the standard of care and protection for children with disabilities. Young people who have come here as noncitizens—recently arrived migrants, those on refugee visas, those seeking asylum or simply new arrivals—are at a particular risk as well. This position could and should advocate specifically for their needs.

This bill in its current form did go to a brief Senate inquiry. We heard directly from organisations who wanted to see this position established that we needed to make sure that this role focused on the most vulnerable young people in our communities: those who are here as recent arrivals, Indigenous
children and children with disabilities. They are the three key categories of children who are at risk. We know that those children who are in out-of-home care tend to fall into a number of those three categories. We know that the levels of mental illness amongst Australia's young people is skyrocketing out of control. We know that the issues and the struggles of young people battling mental illness are growing day by day. Statistics come out almost on a weekly basis about how dire and insufficient our community services are at dealing with the rising level of mental illness amongst Australia's young people and children. It is important that this particular role pinpoints what it is that government and decision makers should be doing to increase how we care for our most vulnerable young people and children.

I spent a good length of time talking to advocates in relation to the role of the Children's Commissioner when I first introduced my bill into this place. I distinctly remember having a discussion with young people who said: 'We don't feel like we have a voice. We want to know there is somewhere that we can go and someone we can talk to about the things that concern us the most, and engage with us about the things that we want to see dealt with in our communities.' These are amazing young people. They got together as a group and got themselves to Canberra, to Parliament House, and said on behalf of other young people: 'We want to see a special advocate for our rights and our needs, and for the needs of our peers who are in a more vulnerable position.' These young people knocked on the doors of parliamentarians in this place for many years, and that is why this position is being established. Organisations like UNICEF Australia, in particular, put a lot of time into the creation of this position. We know that various different youth services—for example, SNAKE, the organisation that advocates for Indigenous young people—put a lot of time into this bill, and they all support this bill going forward, which I think is absolutely fantastic.

It has taken us 20 years to get to this point. I would have liked to have seen this legislation passed a long time ago. But, finally, today, it seems as though it is going to happen. It is significant that last year when the United Nations Human Rights Commissioner, Navi Pillay, was in Australia she called directly on political leaders here to establish this position. She urged the government directly that it was time Australia stopped dragging its feet on establishing a children's commissioner and simply got on and delivered. It is something that we had not done and there was no explanation for it as far as she could see. It is fantastic that we are now in the position where we will be able to report back to the United Nations and say: 'We have done this now. We've taken our obligations seriously. Yes, it took us 20 years, but we have now established this position.'

A number of comments were made by the Human Rights Commission in relation to this bill when it was first introduced into the House of Representatives. They spoke of making sure that the legislation for this position was underscored by the various international human rights instruments, to give it strength, understanding and direction. The Human Rights Commissioner, Catherine Branson, noted in her submission on the bill the key areas where this commissioner should focus its time—that is, of course, in relation to the various protocols and optional protocols under the UN Convention on the Rights of the Child.

We also know that the only way to make this position really work and to give it the ability to deliver fruitful outcomes is to
ensure that it is properly funded. While there is some money in this year's budget for the Children's Commissioner, I directly urge the government to make sure that they give it what is needed to allow this position to do its very, very important work. Do not fall foul of the criticisms of those opposite, who have made it very clear that they do not want this position to go ahead. Make sure you fund it properly so it can do the work, deliver the outcomes, contribute positively to human rights and provide for the best interests of children and young people right throughout the nation, particularly those from the most vulnerable groups.

I commend the bill to the Senate. It is high time this legislation was passed. It is high time Australia took the rights of children seriously. This is the future of our country. These young people will become the workers of tomorrow. They will ensure that our economy ticks over when the rest of us are getting older and are not able to contribute as perhaps we once did. This is a crucial role in being able speak up for the most vulnerable children in our community. When there are, as Senator Brandis pointed out, various different roles in relation to guardians and commissioners across the different states, let us have somebody at a national level who is able to bring together the best practices from around the country to make sure that, regardless of which state or territory the young person lives in, their rights are important and that the care that the government of the day has for them is clearly understood by all decision makers. Our younger citizens, the future leaders of our country, must have the ability to contribute and be the best they can possibly be, and that will be strengthened and underpinned by decision makers acting in their best interests. That will come from having somebody shine the spotlight on where we can do things better, what the best practice is and what we should adopt, which will ensure that in the eyes of the rest of the world Australia is putting the rights of our younger citizens first and foremost. I commend the bill to the Senate.

Senator SINGH (Tasmania) (10:29): I rise to speak to the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012, the culmination of a long-held Gillard Labor policy designed to strengthen human rights and to improve the lives and treatment of children and young people right across Australia. Promoting the rights, wellbeing and development of all Australians is a fundamental priority for the Gillard Labor government. Since Labor came to government, it has undertaken a number of substantial policy and cultural shifts that emphasise the importance of human rights. The evidence is in the nationwide conversation that Labor began on how to strengthen human rights, which led to each bill that comes before parliament being scrutinised for compatibility with our human rights obligations. The evidence is in the much-needed investigations into the culture and sexual misconduct and bullying in the defence forces now being carried out by the Department of Defence, with the assistance of the Sex Discrimination Commissioner, Elizabeth Broderick. The evidence is also in the Labor government's preparedness to strengthen the investigative infrastructure we have in this country to protect against abuse and ill treatment in detention through the optional protocol to the convention against torture.

This bill provides a much-needed focus on the rights, safety and needs of children and young people, who are amongst the most vulnerable in our community to neglect and ill-treatment. They are a group of people who are amongst those most at risk of falling through the cracks without strong
institutional support and oversight. We know that our nation's future depends on their reaching their full potential, and their reaching their full potential means fully enjoying the rights to live and participate in our society so that they can one day become our future leaders.

Labor came to government with a longstanding policy for supporting and protecting families and children. Across all areas of government, including family law, education and early childhood, youth health policies and programs of child protection and welfare, we are working to improve the wellbeing, rights and safety of Australia's children. In 2009, Labor delivered the first ever National Framework for Protecting Australia's Children. The national framework outlines an ambitious, long-term national approach to ensuring the safety and wellbeing of Australia's children. It aims to deliver a substantial and sustained reduction in levels of child abuse and neglect. In February 2011, Labor delivered Australia's first National Plan to Reduce Violence against Women and their Children. The national plan focuses on preventing violence by raising awareness and building respectful relationships between young people to foster attitudes and behaviours that reject violence against women.

We have made unprecedented investments to close the gap and address the unacceptable levels of disadvantage faced by too many Indigenous children. The Labor government is committed to working in partnership with Indigenous families to deliver better opportunities for Indigenous children. But children and young people also need a voice at the national level that speaks out for their interests and their rights. Labor has sought to do this in a number of ways. We have given young people new ways to speak out for themselves, by providing forums for young people to organise, to lobby and to advocate, like the Australian Youth Forum, and by funding the Australian Youth Affairs Coalition. These reforms allow young people to represent themselves and speak about the things they truly value that are affecting their lives and about which they are most concerned. But the truth is there are many young people who do not have the capacity to speak out for themselves. They need an independent voice, one who is able to monitor and oversee the treatment and the system that affect young people.

The National Children's Commissioner is designed to be that advocate. It will be a strong and forceful voice for Australia's children and young people and will play a proactive and positive role in their wellbeing and development. The bill places that advocate within the Australian Human Rights Commission, the right place for this role to be and the right place to complement the other commissioners and responsibilities of the Australian Human Rights Commission. The National Children's Commissioner will raise public awareness of nationally significant issues affecting children and young people, through discussion, research and educational programs. The commissioner will examine relevant existing and proposed Commonwealth legislation to determine if it is adequately recognising and protecting the rights of children in Australia and will report on its findings to government. The commissioner will consult directly with children and their representative organisations, which will ensure they can influence the development of policies and programs that affect them at the Commonwealth level. This will signal to children and young people that we as adults think that they matter, that we value their childhood and that we listen to their needs, hopes and aspirations.
Importantly, the National Children's Commissioner will have a clear focus on vulnerable or at-risk children, such as children with disability, Aboriginal and Torres Strait Islander children, homeless children or those who are witnessing or subjected to violence. The commissioner will give a voice to those groups of vulnerable children that have not had one in the past. A National Children's Commissioner will also provide an annual report to government on key issues affecting the human rights of our children, their wellbeing and their development, and that will be tabled through the parliament. The position will also contribute to meeting Australia's obligations under the Convention on the Rights of the Child and reinforce our commitment to our international obligations and relationships with the United Nations. It is another example of how Australia is turning commitments made during its Universal Periodic Review at the UN into a reality.

I want to recognise the contribution of the previous speaker, Senator Sarah Hanson-Young, and her interest in this issue, including her private member's bill on this topic. This bill differs from that of the Greens in that it does not seek to duplicate the roles of state and territory children's commissioners, but the National Children's Commissioner will seek to work with them to identify issues of national importance. The commissioner will not have a guardianship role or a complaint-handling role or a role in dealing with individual children, including individual children's cases in the context of child protection or family law, as that is already carried out at the state level. However, the Children's Commissioner will have a limited role to seek leave to intervene in court proceedings which raise significant children's rights issues, but this will not extend to representing individual children. Instead, it is very much a system-wide policy role, one that is vitally needed as more and more institutions become, I think rightly, more focused on human rights in Australia. As that conversation on the role of human rights in this country continues to gain momentum and exposure, many institutions will be looking for guidance on how to best protect the rights of the patrons—their stakeholders, the people—that their activities and policies affect. I do believe that the National Children's Commissioner will be able to fill that role.

The Gillard Labor government is implementing important policy reform that complements this role and redoubles the recognition of human rights in our legislative and policy framework. One of the other examples, which is also likely to result in greater responsibility for the Australian Human Rights Commission in monitoring and investigating situations of potential human rights abuse, is the Australian government's ratification of the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, or OPCAT. Australia has been party to the optional protocol to the convention against torture since 1989, along with most other nations.

Senator Brandis: Mr Acting Deputy President, I rise on a point of order related to relevance. We are debating an amendment to the Human Rights Act to create a Children's Commissioner—we are not debating the optional protocol to the convention against torture or other human rights instruments. I accept that it is proper for a senator to provide context but providing context does not extend to dealing in detail with measures that are unrelated to the measure before the chamber.

The ACTING DEPUTY PRESIDENT (Senator Edwards): A wide interpretation
of relevance has always been a feature of this chamber. There is no point of order.

Senator SINGH: If Senator Brandis continues to listen to my contribution, he will see how OPCAT is very much relevant to the bill before us. The convention against torture, which we have been a party to since 1989, creates an obligation for states to prevent torture within their jurisdiction. But the optional protocol goes a step further. It requires states to establish national preventative mechanisms to monitor the places—particularly places of detention—in which there is a high risk of torture. It also establishes an independent international Subcommittee on Prevention of Torture with the responsibility of visiting nations and inspecting and monitoring those same places.

Under the Howard government, the coalition rejected OPCAT, as it rejected the concept of multilateralism and of learning from our partners across the globe. I am pleased that the Labor government has reversed this short-sighted policy, signed OPCAT and announced its intention to ratify the protocol. The experience of the many nations who have ratified OPCAT and implemented an NPM—which can be a new institution or an existing body—is that OPCAT has helped them deliver better human rights protections and administrative and judicial detention systems that are less liable to litigation and risk. In jurisdictions similar to Australia, like the United Kingdom and New Zealand, ratification has helped to create useful standards or identify system-wide and recurrent issues in detention facilities. This experience provides a firm, evidence based argument for countries like Australia, and I hope allies such as the United States, to accede to the protocol.

In these cases, OPCAT has served to emphasise the notion that torture and cruel and degrading treatment is neither acceptable nor helpful. There can be no excuse or justification for practices that hurt or humiliate people in order to intimidate, punish or coerce them. No matter what the suspicion, conviction or circumstance, people are entitled to have their human dignity respected.

There was considerable discussion within the Joint Standing Committee on Treaties, of which I am a member, about the OPCAT recommendations, and I want to thank all members for their engagement with the issue. The committee's recommendations reflect very much what has gone on in other jurisdictions. For example, I know that in my home state of Tasmania Breaking the cycle: strategic plan for Tasmanian corrections explored options for the establishment of an independent prisons inspectorate.

I have no doubt that Australian authorities and agencies will be able to use the new functions that will flow from OPCAT to learn how to deliver police, judicial and correctional practices that are more aware of human rights and the risk of torture, inhuman and degrading treatment. A more human-rights-aware community, especially in those areas where the risk of human rights breaches is elevated, can only be a good thing. OPCAT will have implications for children who remain in detention in Australia, and the valuable information sharing that will go on with the new commissioner is important in relation to OPCAT and those other human rights instruments that fall under the jurisdiction of our Australian Human Rights Commission.

I would like to thank the various non-government organisations such as UNICEF and a number of other youth organisations for their support along this journey to bring this bill to the parliament. As I said at the outset, the bill provides a much-needed focus on the rights, safety and needs of children.
and young people, who are amongst the most vulnerable in our community to neglect and ill-treatment, giving them advocacy and a voice. I also commend this bill to the Senate as it is the culmination of so many people's work for so long—people who have dedicated their lives to protecting children and young people in often incredibly difficult circumstances. Our focusing on the rights of people, especially vulnerable young people, in Australia as well as elsewhere in the world, is overdue. I am very pleased that human rights has received much more attention in the last four or five years than it did in the previous decade.

We know we are talking about a group of people who are amongst the most vulnerable, who can fall between the cracks. Without our strong institutional support, which is provided through the introduction of a National Children's Commissioner, which this bill provides for, they could continue to fall through the cracks. Providing for the best interests of children and young people in Australia through this advocacy of a National Children's Commissioner is something that we should commend and support, and we thank those who have worked for and supported the bill along its journey to the parliament.

Senator MASON (Queensland) (10:45): Senator Singh is right: the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012 is an important bill. It is very important that members of the coalition talk about human rights. We—the Liberal Party and the National Party—are the trustees of the liberal democratic heritage. In the end, it was liberals and conservatives who invented human rights. Human rights might be a new infatuation of the bourgeois left, but in the 17th century it was liberals and conservatives that invented them. It is true that since World War II the bourgeois left has spoken a lot about economic and social rights. But it was liberals and conservatives who invented civil and political rights in the 17th century. They did so because we recognised—and this lot still do not—that the greatest threat to human rights is the state and government.

We continue to recognise, while the left never quite have, that the greatest threats in the world today to individuals in the end are the government, the military and the state. This lot have never quite realised that. I would have thought that after the bloodbath that was the 20th century we all would have recognised that one thing: that the greatest threat in the world today to human rights is the state. I never appreciate anyone from the bourgeois left trying to tell a conservative or a liberal about human rights. We invented them. We have some particular heritage when it comes to human rights.

I accept, however—and I suspect that the shadow Attorney-General agrees with me—that sometimes the Liberal Party, at least, has not spoken enough about human rights. At times we have run away from the field, and we should not have. We should have spoken more about what we invented and the importance of human rights because in the end, when it comes to criminal procedure and the rights against the state, we invented them. I agree with Senator Singh that perhaps in recent times the Liberal Party and indeed the coalition should have spoken more about them and we should have been far more aggressive in our advocacy of human rights in certain contexts. You can take this from me: the days when the Liberal Party were embarrassed—if they ever were—by human rights are well and truly over. We invented them and we intend to talk about them.

If human rights are important, they are particularly important for the most
vulnerable people in our society, our children. As Senator Brandis outlined before, the Australian Human Rights Commission currently has six commissioners with particular responsibility for age discrimination, disability discrimination, race discrimination, sex discrimination, Aboriginal and Torres Straits Islander affairs and social justice. This bill would establish another commissioner specifically to promote children's issues.

On the face of it, you might ask: 'What is wrong with that? What is wrong with another commissioner to address the rights of the most vulnerable in our community, our children?' On the face of it, you would think that is a pretty good idea. The coalition opposes the establishment of a children's commissioner because it does not believe that its establishment will assist in any material sense the protection or the promotion of the rights of children. We think that there are abundant protections elsewhere. That is the problem.

The issues addressed by a children's commissioner would be quite different to the issues addressed by other specialist commissioners, whether the issue be race or sex discrimination. Those issues are administered by Commonwealth legislation reflecting landmark United Nations treaties of the 1970s, the signing of which I remember very well. It is true that issues such as sex discrimination, race discrimination and discrimination against Aboriginal and Torres Strait Islanders quite rightly have come to dominate any federal human rights context. The question is whether the rights of the child are more appropriately protected through federal legislation or better protected and advocated for elsewhere. I have no doubt that legislation reflecting those landmark human rights treaties on sex and race discrimination should be reflected in Commonwealth legislation. The question for the Senate is whether the rights of children should be so reflected.

The rights of a child in this country, given that we are a federation, are addressed largely by state commissioners and state guardians. They have been since federation. I know that the Coalition members of the House of Representatives committee wrote a dissenting report in which they recommended opposition to the bill, concluding:

… the AHRC, in cooperation with the relevant state and territory commissioners and guardians, already adequately perform the functions envisaged for the new Commissioner.

In other words, the rights of children and their protection are already adequately guaranteed by state and territory guardians and commissioners. The Commonwealth's role, other than through the Family Law Act, is largely one of advocacy. As I understand it, the Commonwealth commissioner in this case will have no case load. Rather, its role will be one of research and some advocacy. And that is important; I am not saying it is irrelevant. But, of course, it is a matter of whether it is appropriate and whether it adds anything. There is plenty of other research by the federal government that is going on— in family law and other contexts—that that looks at children and children's rights.

In the end it comes to this: in human rights protection there is a lot of grandstanding. Often people make great landmark statements, and there is a lot of— how do I put this?—cheap symbolism. But I have learnt, as someone who worked for the United Nations, indeed in the human rights context, many years ago—about 20 years ago—that in the end the protection of human rights is far more about action on the ground, coordination and those simple things than about grand statements and cheap symbolism. Any insinuation that the
coalition is somehow cheap or does not care about children's rights is, of course, rubbish. The question for the Senate really is: will it make any difference? My sense is that it will not, and that is why we are opposing it. The history of liberal democrats in the area of human rights in the last 500 years is unparalleled. This side says no to human rights protections only when we think it will not work, that it is symbolic and that it is not worth it—and for that reason we oppose this bill.

Senator BOYCE (Queensland) (10:54): I was involved in the inquiry conducted by the Senate Legal and Constitutional Affairs Legislation Committee into the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012. One of the recommendations we have strongly made to the government is that, in the event that it intends to proceed with this legislation, it assures that the children's commissioner is known as the National Children's Commissioner. We need to make sure we have a very strong distinction between the roles that need to be conducted by state and territory children's commissioners and by a national children's commissioner. I think we can all appreciate that the dissenting contributions made to the inquiries conducted into this report were not based on any lack of concern for the rights of children; they were based on a caution about the need to ensure that a national children's commissioner position complements and supports the work of the state and territory children's commissioners, who currently vary—I think we could say—in terms of the funding they receive and the cut-through they get in state support and funding of their roles.

So I think we need to consider very carefully the role that will be undertaken here. I appreciate what the government has said in the legislation itself, but we are talking about the expenditure of $3½ million. We need to be monitoring very carefully (a) that the money is spent effectively and efficiently on a national children's commissioner and (b) that what often occurs when the states think they can shove something back at the federal government does not occur—that we do not end up with cost shifting whereby states and territories cut back their expenditure in the area of the children's commissioner, thinking that perhaps the federal government will pick up the tab for it. This, of course, would lead to some very serious concerns, because the national children's commissioner is not designed to undertake specific advocacy work.

I hope that if the government proceeds with this we will have a very effective, efficient system that can work in a federated way. But, given the long-term record of COAG and COAG-type agreements, there would be concerns about how efficiently this worked. I know that the best outcome we could get for our $3½ million would be if the state and territory children's commissioners were seamlessly feeding the information to a national children's commissioner so that we could end up with some nationally systemic advocacy in the area of children's rights. I certainly think there would be some fertile ground for a children's commissioner and a current disability rights commissioner to cooperate to ensure that some of the extraordinary cases of the children with disabilities not being met that currently exist—and therefore cases of the rights of their parents as ordinary citizens in Australia not being met—are examined more carefully and examined within a rights framework. If this starts to occur, once a rights framework is put around the needs of people with disabilities—children, carers and others—we could have a situation whereby we will get some national consistency, where there will
be an impetus to get things right and to get real funding delivered into the areas where it is needed.

There are some shocking cases, as I said, of the rights of children being completely overridden, almost to the extent of their life being threatened by the lack of available benefits. I think this is a genuine human rights issue that genuinely needs to be taken into account. I hope that if this national children's commissioner legislation is to proceed that this is the area on which the government would be concentrating to ensure that policies are clearly set out and adopted for the marginalised children of Australia. I hope that it would be based on very good research and good advocacy that has come through the states and territories at the practical level and then used to develop good national policy and funded properly to ensure that this is an effective use of funds.

The ACTING DEPUTY PRESIDENT (Senator Edwards): Order! The time allotted for consideration of this bill has expired. The question is that the bill be now read a second time.

The Senate divided [11:04]

(The President—Senator Hogg)

Ayes...................... 34
Noes,...................... 29
Majority.................. 5

AYES

Thistlethwaite, M
Urquhart, AE
Whish-Wilson, PS

AYES

Thorp, LE
Waters, LJ
Wright, PL

NOES

Abetz, E
Boswell, RLD
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Heffernan, W
Johnston, D
Kroger, H
Madigan, JJ
McKenzie, B
Parry, S
Ronaldson, M
Sinodinos, A
Williams, JR (teller)

NOES

Birmingham, SJ
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fifield, MP
Humphries, G
Joyce, B
Macdonald, ID
Mason, B
Nash, F
Payne, MA
Scullion, NG
Smith, D

PAIRS

Brown, CL
Conroy, SM
Evans, C
Siewert, R
Stephens, U
Wong, P

PAIRS

Ryan, SM
Back, CJ
Ferravanti-Wells, C
Fisher, M
Boyce, SK
Bernardi, C

Question agreed to.
Bill read a second time.

Third Reading

The PRESIDENT (11:06): The question now is that the remaining stages of this bill be agreed to and this bill be now passed.

Question agreed to.
Bill read a third time.

COMMITTEES

Environment and Communications Legislation Committee
Report

Senator McEWEN (South Australia—Government Whip in the Senate) (11:07): On behalf of the chair of the Environment
and Communications Legislation Committee, Senator Cameron, I present the report of the committee on the provisions of the Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012, together with submissions received by the committee.

Ordered that the report be printed.

BILLS

Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012

Second Reading

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

Senator BIRMINGHAM (South Australia) (11:07): I rise to speak on the Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012. At the outset of my remarks, let me reflect on what we just saw in the chamber. I am not referring to the division we just saw, although the division was of course like groundhog day in this place at present, where day after day, session after session, we face this situation of guillotines being applied to bills, quite unnecessarily. This bill falls into that category. But, immediately before we commenced this debate on this legislation, we saw the government whip in the Senate table a committee report into this piece of legislation. That is an unusual thing. It is unusual to have a committee report tabled just before the second reading debate commences, because usually these things are done in a proper process. The committee report would usually be tabled at the time of day for committee reports to be tabled.

But there has been nothing about this legislation that seems to involve proper process. It was introduced into this chamber only last Thursday, on 21 June. It was then shunted off for a rapid-fire committee inquiry. No witnesses were heard from and there were no public hearings. There were just a couple of submissions from those who were able to get them in quickly. There was nothing that would reflect decent or extensive consultation. Here we are, on Monday, with just one working day in between, and the committee has reported. The legislation is now here for debate and it will be voted on today, because it is subject to the guillotine. A bill introduced last Thursday will be guillotined by this government and their partners, the Greens, today. Is this bill a budget measure that has really special and particular budget considerations to it? No, it is not. Is there something that is terribly urgent about this bill that must see it pass soon, for very quick reasons? No, there is not. It is an important bill and it deals with important issues, but there is no particular reason why this bill should be subject to the type of processes we are seeing in this chamber at present and why there is the abuse of process we are seeing in that regard.

This bill is important. It seeks to amend the Broadcasting Services Act 1992 to increase the level of captioning available on free-to-air and subscription television services. It also introduces new obligations on broadcasters to transmit emergency warnings in the form of text and speech, and captions, where reasonably practicable. There are obviously a number of interested stakeholders in this. There are of course the free-to-air television broadcasters and the subscription television broadcasters. There are obviously those who are hearing impaired, and those in the disability sector in particular, who have a direct interest in the captioning services. There are also the emergency service providers, who have an interest in the transmission of emergency warnings. All of these stakeholders deserved
to have a proper hearing about this legislation, yet all of them have effectively been denied the opportunity to have a proper hearing because of the processes being applied in this chamber.

Ultimately, the aim of this bill is to achieve 100 per cent captioning of a commercial broadcaster's core or primary channel during the viewing hours of 6 am to midnight. This is achieved over a number of years. The bill also seeks to increase the captioning of subscription television services. The aims of this bill have wide support both in the community and across the parties in this place. My beef, such as I have one when I rise to speak on this legislation, is not with the aim or intent of this bill; it is purely with some elements of the detail and some elements of the detail that could have been properly thrashed out had this bill be subjected to the usual process of Senate scrutiny. But the government appears to have decided to throw the rule book out when it comes to everything, so instead there is no proper scrutiny and no opportunity to thrash through the detail of the bill and reach a point at which the parties and stakeholders can agree as to how it could be improved with some technical changes to it that would ensure a bill with good intentions also ends up being a bill with good outcomes.

Captioning is an especially important service for people with a disability, especially for those with hearing difficulties. Television is an important means of communication and entertainment, and I believe it is important to ensure that people with a disability have access to this platform to the greatest extent possible. That is not just my belief but also that of the coalition. The coalition strongly supports these types of reforms to assist those in the disability sector broadly. I believe reforms such as this will be of benefit in enabling people with a disability to more fully engage with the broader Australian community through the broader range of television services that will be forced to provide captioning. I know that both of my colleagues with an interest in this—the shadow communications minister, in the other place, Mr Turnbull, and the shadow minister for disabilities, in this place, Senator Fifield—have had extensive discussions with the disability sector about this and about the need to see this legislation passed. The coalition support it, but in doing so we have explained some of our concerns with the detail, which we believe could be improved, not just for the benefit of the industries that will have to comply with this legislation but also for the benefit of the disability sector. So, while the ambitions of this bill have our support, it is worth considering the detail of the regulations proposed. In looking at that detail the coalition has found that broadcasters have several concerns about the regulatory burden of this bill and concerns about whether it will deliver the best possible outcome for those it is intended to benefit as well. I think it is important that we ask the question: can we achieve the goals set in this bill with less regulatory impact on the broadcasters and with better outcomes for those in the disability sector? As I have indicated, it would have been nice for senators from all parties to have been able to properly consider the details of these proposed regulations and their impacts, but instead we had a shotgun Senate inquiry with no hearings, with submitters being offered just two days to lodge a submission, and a draft report being presented to committee members just a day and a half after those submissions were received. Pretty much all of it happened over the weekend. This is an absurd situation and it is an affront to the proper processes we should have in this place, an affront to the disabilities sector and an affront to the
television broadcasters that they are all being treated in this way. It has not been possible to provide the full and proper scrutiny of the issues within this legislation, and I think those opposite when they make their contributions to this debate should reflect about the failings of the legislative process in this regard. But I do take the opportunity to highlight the coalition's additional comments on the committee's report on this bill:

While agreeing with the general drive of the Broadcasting Services Amendment (Improved Access to Television) Bill 2012, the Coalition adds additional commentary to the report in order to raise some legitimate concerns with the Bill. Our consultations with industry suggested there were several areas where imprecise drafting or insufficient clarity in the Explanatory Memorandum created a potentially unfair and uncertain situation for broadcasters in relation to reporting requirements, programs finishing after midnight, international pass-through channels, and strict liability for certain breaches.

The Coalition therefore moved amendments in the House to that effect that the Government was nonetheless unwilling to consider. The Coalition is of the belief the Bill could be improved upon without in any way reducing the level of service and assurance that is provided to users of this service. We acknowledge the importance of the provision of the captioning service to people in the hearing impaired community, and recommend the Bill not be opposed.

So, despite our concern at some of the detail, despite our attempts in the other place to try and address some of the detail, we will not oppose this legislation. But I do want to go through some of those concerns, in the hope that those opposite will reflect on them and consider whether this is an appropriate way to get the best possible outcome for all stakeholders.

First, let me say that in all submissions and all the consultations the coalition has had, the broadcasters have made it clear that they respect their role in providing captioning services and understand the importance of captioning for people with a hearing impairment or a disability. They are, however, concerned that in certain respects some of the new obligations are overly burdensome. It is important to note that captioning services cost around $750 per hour to provide. That is very expensive in terms of the cost of provision of this service across the number of channels involved across the number of networks and of course across both free and pay TV. For live broadcasts of programs such as news and sports, that $750 per hour cost is significantly greater still.

Expanding on the points highlighted by coalition senators in our additional comments, I am concerned that there have been several oversights in the drafting of this bill. The bill provides very rigidly for captioning between 6 am and midnight but it is silent on requirements for programs that begin broadcasting before 6 am but finish after 6 am or programs that begin broadcasting before midnight but finish after midnight. As drafted, this bill would likely see, and certainly would only appear to require, the captioning of programs within those rigidly defined hours of 6 am to midnight. There is a possibility that captioning could either stop or start halfway through a television program. While the government may not think that this is not an issue, there are many people, and I have been one, who might stay up late to watch tennis finals or other major sporting events or indeed other significant programs that may well go past the hour of midnight, or they may get up early to look at something that starts before 6 am before they head off to work. Indeed, just this weekend many Australians would have tuned in to watch a live broadcast from Royal Ascot on Saturday night that went well past midnight. It would not have been unrealistic that under this
legislation some people would have tuned in, started watching, been able to have captioning services provided for all of the warm-up to Black Caviar’s race but that the captioning would in fact have ended before the race occurred. What a ridiculous situation. The broadcasters have suggested that there could have been a more sensible approach, which would have been to allow some flexibility in the operation of the legislation, where they could count an entire program towards a captioning target so that if a program went beyond midnight and they continued captioning for an hour or so after that they could then, if there was a program likely to have less viewer demand on a different date, have not started the captioning between 11 pm and midnight. This type of sensible flexibility could provide a better outcome not just for the broadcasters but also for those benefiting from the captioning service.

Another area of concern is the provisions requiring the captioning of international pass-through services. What are these? They are the types of services particularly dominant on pay TV, where we see CNN, BBC or Al Jazeera broadcast as part of a Foxtel package. Under the provisions of this bill, these types of international news services could fall under the captioning requirements, whereas before they might not have because they would not have been regarded as Australian services.

The Australian Subscription Television and Radio Association stated in its submission to the farcical inquiry on this bill that captioning quotas for pass-through television channels would be:

… an expensive process and will significantly add to the cost of delivering these services into Australia. This is then likely to mean that it will become unviable to offer those services in Australia, resulting in a loss of differentiation.

I and the coalition are greatly concerned about the threat of imposing the expense of captioning on these services. Going from no requirement to full requirement would be a significant expense. These are live broadcast services—rolling news channels. So the live broadcast services would come with the very high expense of a captioning service. The risk is that we may see some of these services become unviable and, as a result, subscription television providers will simply cease to offer them. This would be a terrible outcome for viewers. At a time when particularly those opposite are railing against a perceived concern about increased consolidation of voices in news, it seems remarkable that they would risk passing legislation that could further reduce competition and diversity in the news media. It would be a blow particularly to those multicultural communities who may rely on services like Al Jazeera or the BBC to keep in touch with news from home, and it would also be a blow to the diversity of news media voices in Australia.

I would encourage the minister, as the coalition has done before, to revisit this issue before this bill passes and to return to the previous arrangements, which were agreed by the subscription television industry and the Human Rights Commission. The cost imposition here is clearly unreasonable. While I am informed that the government has indicated that it would be willing to negotiate for a reduced target which would be financially achievable, I understand this would have to be a negotiation done and enacted each and every year for each and every channel. This seems like a bureaucratic and administrative approach. Common sense—and I know there is not a lot of it on the other side—would surely suggest that it would be better to have the service actually operate and be guaranteed its continual operation without full captioning
requirements than to have it not operate at all and be inaccessible to all Australians.

The government claims that technology will make captioning cheaper in the future and so service providers should not worry. This is a fine argument to make, but of course logic again would suggest that the time to bring legislation like this back to this place and to say that international channels, these international pass-through services and indeed all others should all require captioning is when captioning becomes cheap enough. I hope we do see a time when captioning service provision, because of technological advances, can be done in such a cost-effective way that it is made available 24/7 across the networks. That would be the ideal outcome. But, of course, it will only be achievable when it becomes cost-effective to do so. In the meantime, it is a matter of getting that balance right between cost, regulation and administration and the importance of providing these key services to the communities who need them.

Broadcasters are also concerned about clause 130ZUB, which will find them to be in breach of their requirements if, for some reason beyond their control, captioning is unable to be provided. For instance, if a third-party source contracted to provide captioning fails in some way, even temporarily, to provide the contracted service, it could be the broadcaster at fault and facing penalty. By contracting for experts to provide captioning services, broadcasters are acting honestly and in good faith. It would not be unreasonable to think that there might at least be some recognition that there could occasionally be faults in the captioning process which are not necessarily of their own making.

My final concern is about new and onerous requirements which will drastically increase the reporting requirements for broadcasters. This bill requires excessive new detail, which, quite frankly, has not been shown to be necessary and will impose additional new costs for broadcasters. Free TV Australia stated in its submission to the shotgun inquiry on this bill:

This provision could result in a broadcaster having to keep a running audit of captioned programs. This would require a broadcaster to review every single captioned program (over 6500 hours per year for each broadcaster) and make subjective assessments about matters such as comprehensibility. This would have significant resourcing implications.

Even SBS highlighted the absurdity here, saying that it:

… considers that it would be a particularly onerous burden to require broadcasters to report on their compliance with captioning standards when there are currently no standard industry measures.

The coalition did put forward amendments to this legislation in the House. I regret that they were rejected. I urge the government to reconsider those amendments and to reconsider them in light of the shotgun approach we have had to the legislation before us. But, ultimately, the coalition will not be opposing this legislation and we welcome the benefits it provides to communities. (Time expired)

Senator LUDLAM (Western Australia) (11:28): I rise to add a few comments on behalf of the Australian Greens, who will also be supporting the Broadcasting Services (Improved Access to Television Services) Bill 2012. The bill is about equitable access to news, information and entertainment on TV for people with hearing impairments. It updates the Broadcasting Services Act and it implements the equal opportunity and access for people with a disability found in the Disability Discrimination Act.

According to Hearing Loss Australia, one in six Australians suffers from hearing loss.
According to the Australian Bureau of Statistics, the figure is about one in eight people who have some form of hearing loss. Ten times more Aboriginal people suffer from ear diseases and hearing loss than non-Aboriginal people. We were reminded just last week about the concrete impacts that hearing loss has for the education of children, when a Western Australian parliamentary committee visited the Kimberley and Pilbara and described the shocking incidence of chronic ear infections in Aboriginal schoolchildren, with the AMA calling for urgent funding for services in Aboriginal communities.

This bill has been in formation and under discussion for at least five years. It is a very long discussion and negotiation period that has brought together people who use, need and provide captioning services with broadcasters. Between 2008 and 2010, the department conducted a review, issued a discussion paper and a final report, with 22 recommendations to improve audio description and captioning levels. To inform those negotiations, research conducted by ACAAN in 2010 revealed that 30 per cent of Australians use closed captions at least some of the time while viewing television. Although I acknowledge the concerns that Senator Birmingham raised about the haste with which this bill is being put through the parliament, it is not as though this bill just dropped out of the sky yesterday. The bill does have quite significant consultation and work behind it.

The bill addresses a real need in our community, ensuring higher quality of closed-captioning services and greater certainty both for the broadcasters and for the viewers who rely on them. The Greens support the bill for these reasons, because it strikes a balance whereby broadcasters can still apply for exemptions to ACMA. Right now, under the Broadcasting Services Act our commercial TV stations and the national broadcasters must provide captioning for TV programs aired between 6 pm and 10.30 pm and for news and current affairs outside those hours. The subscription TV stations indicate where captioning is available in their program guides. This bill will increase the hours from 6 pm till midnight from 1 July 2014 in addition to news and current affairs, except for programs in a language other than English or shows that are wholly music. Programs on the multichannels will not need to be captioned unless they have already been captioned on the primary channel. Under the new bill, subscription TV stations are required to increase by a certain percentage to achieve captioning in nine categories of content; however, the bill does place a cap on the number of programs that require captioning. Again, TV stations are able to apply to ACMA to not caption programs and ACMA will have the discretion to decide on the applications after a degree of public consultation.

This bill is an important piece of legislation. It represents the greatest advances in access since the introduction of digital TV, which brought the first formal caption quotas to free-to-air TV. It is supported by the Australian Human Rights Commission. While the sector obviously hoped for more, such as audio description services for blind people, it is a positive step forward and I commend the bill to the chamber.

Senator STEPHENS (New South Wales) (11:31): I rise to support the Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012 and I am very pleased to do so in my role as patron of cap that!, an education campaign that encourages teachers around Australia to turn on captions to benefit all students. In the lead-up to National Literacy and Numeracy Week, the campaign is also raising awareness of
captions and how they can help not only hearing impaired students but all students, particularly those with English as a second language, those with learning disabilities, those who are visual learners or those who are struggling to read. This is the second year of the cap that! initiative. Teachers and students became very engaged last year with the website, which contains videos, teaching resources and lesson plans to help teachers bring their multimedia teaching resources and electronic whiteboards to life in their classrooms for the benefit of all their students. I encourage all senators to, in turn, encourage principals and teachers in their electorates and communities to become caption champions and join the cap that! campaign.

Using captions has proven benefits for students. Captions improve literacy, comprehension and inclusion in learning processes. For those who may be unsure about what I am referring to, captions are the text version of audio—including speeches, sounds and music—which can be found on TV, DVDs, online videos and at the cinema and theatres. Around 55 per cent of new-release DVDs are captioned. Media Access Australia's Accessible Education Database and the National Library of Australia provide listings of captioned educational titles. Captioned programs have the closed captions symbol. I encourage senators to turn on captions in their offices and at home and to encourage community organisations, clubs, venues and facilities to turn on captions in their public areas. This is easily done through device menus. I also urge senators and members who regularly add content to their own websites using programs such as YouTube or Vimeo to turn on the captions as a matter of course because it will increase their audience, and it may even make their presentations more comprehensible. More widely, the international campaign Don't Leave Me Out! is promoting the need for captioning in everyday life, and the expectations that captions will be available across the range of media used every day is becoming far more commonplace. Senator Ludlam highlighted in his speech the importance of dealing with captioning and assistive technologies for Indigenous children, in view of the hearing losses we reported on last week; but the benefits of using captions are critically important for every learner.

Access to electronic media more broadly is important to all members of our community. The influential nature of television on our society should not be underestimated; it is an important tool for building national identity. We have only to see the reaction to the recent ABC movie Mabo to understand that, and I am quite sure we will see that again during the Olympics and Paralympics in the next few months. Increasing media access levels is consistent with Australia's international obligations under the United Nations Convention on the Rights of Persons with Disabilities as well as with the government's social inclusion policy. The United Nations convention sets out the obligations on countries to promote, protect and ensure the rights of people with a disability, and in all areas of life it specifically prohibits discrimination against people with a disability. The convention also sets out obligations in relation to participation in cultural life and specifies that countries take all appropriate measures to ensure persons with disabilities can access cultural materials, such as television programs, in accessible formats. Improving access to television is an important component of the Australian government's response to the United Nations convention.

It is expected that by 2020 hearing loss is likely to affect more than five million Australians. That is an indication that now is
the time to act in legislating to provide important services for a growing portion of our population. Senator Birmingham expressed his concern about the lack of consultation, but in fact the bill before us implements the government's response to a number of recommendations from the Media Access review and from investigation into access to electronic media for people with hearing and vision impairment. The review involved significant public consultation, and its final report, titled *Investigation into access to electronic media for the hearing and vision-impaired*, was tabled in the parliament on 3 December 2010. Since that time, the government has been working with the broadcasting industry to address a series of recommendations and provide for greater access to free-to-air and subscription television for the hearing impaired by, where applicable, increasing existing requirements for captioning on commercial, national and subscription television broadcasters.

Captioning is an important tool for people with a hearing impairment, providing the text version of speech and other sounds during television broadcasts. This bill sets out a way to achieve 100 per cent closed captioning between 6 am and midnight for non-exempt programs for free-to-air broadcasters' main channels. As Senator Ludlam said, if the main channel is captioned, then the requirement is there for subsidiary channels; if the main channel is not captioned, then the requirement is not there for them. It also sets out a path to achieve 100 per cent closed captioning of non-exempt programs for subscription broadcasters. Again, the legislation describes how that will come into play. The suggestion by Senator Birmingham that there are not standards for this is a nonsense. These captioning targets are comparable with international best practice. The US, Canada and the UK require 100 per cent of non-exempt television programs to be captioned. We are seeking to reach this target through gradual, incremental increases.

Importantly, the bill will improve access to televised emergency warnings for people with a hearing or vision impairment. The bill requires that emergency warnings broadcast on television be transmitted in the form of text and speech, and captioned where reasonably practicable. Again, this is also in keeping with international best practice.

What can frustrate most of us in using captions is the issue of caption quality. This too is addressed in the bill. I recently had a very bad experience in Canada with a captioned news service that could not quite cope with English in a French accent. It was incomprehensible captioning. But the Australian Communications and Media Authority will determine standards relating to the quality of captioning in terms of readability, comprehensibility and accuracy and ensuring that captioning is legible—because, for those who rely on captions, there is little value in captions that are of such poor quality that they cannot be understood. There are a number of programs that broadcasters are not currently required to caption for practical reasons, and these exemptions will be maintained. These include television programs that are not in English and music-only programs. This makes the increased targets achievable for broadcasters.

The bill will prescribe the new captioning requirements in the Broadcasting Services Act 1992 under the Disability Discrimination Act 1992, which will provide both consumers and broadcasters with a level of regulatory certainty through one set of clear future targets, one overarching regulatory system and a clear and cost-effective compliance and complaints mechanism. The Disability Discrimination Commissioner and
the Australian Human Rights Commission are supportive of this approach, as having one regulatory system will remove the current need for the commission to negotiate with broadcasters recurring temporary exemptions under the Disability Discrimination Act 1992.

The bill reflects recent developments. I am very pleased that, on 1 May this year, an agreement on the targets for increased captioning levels across existing subscription television channels and minimum captioning levels for new channels was finalised by the Australian Human Rights Commission and the Australian Subscription Television and Radio Association, so the agreement was taken into account when developing the new legislative requirements in the bill.

There are ongoing significant technical developments in the area of access technologies, and government initiatives have the potential to transform the media landscape in Australia. We will see that through the introduction of the National Broadband Network—and, as Senator Ludlam said, the switch to digital television is already making that happen. But we need to be very clear about our obligations as a nation and the extent to which the government and the broadcasting industry can be brought to account. For example, the National Association of the Deaf recently won a significant lawsuit against the online movie provider Netflix, with the District Court of Massachusetts holding that the Americans with Disabilities Act applied to website-only businesses. That is just an example of the changing environment that we are in.

As we move to convergence issues in our media, these matters will be more important in the future. I commend the bill today as a meaningful commitment to improving levels of media access for people with hearing and vision impairment and achieving it in a way that is practical for both broadcasters and content producers.

Senator McKENZIE (Victoria) (11:42): In the 7½ minutes left—and I hope you excuse me as I quickly run my pen through over half of my speech—I will attempt to make some brief but, I hope, significant contribution to the debate on the piece of legislation before us today. I rise to speak on the Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012. As we are aware, this bill looks to improve access to commercial and subscription TV for Australia’s hearing-impaired community, which is projected to be five million by 2020. In fact, one in eight Australians has some form of hearing loss, so it is a worthy aspiration and, as Senator Stephens mentioned, fulfils our obligations under the United Nations requirements and also our own disability act.

The bill seeks to amend the Broadcasting Services Act to increase captioning targets on free-to-air TV and introduce captioning targets on subscription television; mandate broadcasters to transmit emergency warnings in text and speech and caption them where practicable; and enable ACMA to develop a captioning standard to legislate compliance reporting, recordkeeping requirements and a statutory review and to make compliance with the captioning requirements a licence condition.

Last week—and I heard Senator Birmingham refer to this as the ’shotgun inquiry’; I am a member of the Senate Environment and Communications Legislation Committee, and it most definitely was a shotgun inquiry—the Senate referred the provisions of this bill to the committee and required it to report back today. In fact, I think it was about 35 minutes ago, so I hope everyone has had a chance to
peruse that report before contributing to this debate. Electronic media is central to modern social and economic life. We all acknowledge the importance of equitable access to electronic media services as a matter of social justice. The coalition supports this broad objective of the bill, though we believe that more practical changes could have been made. We have gone through those. One was the issue of timing: that with a caption program beginning before midnight and finishing the next day, the proportion of the program broadcast after midnight is taken to have been broadcast during designated viewing hours and thereby counted towards the broadcaster's target. Imagine how frustrating it would be for hearing-impaired sports fans if they were in the third quarter of a sports game.

The second amendment that the coalition attempted to move in the other place was the insertion for a general exemption for international pass-through channels such as CNN and BBC. There is quite a significant cost attached to captioning—$750 per hour, which obviously increases for live broadcasts because of the level of skill required to make that happen. Our own public broadcaster, the ABC, mentioned the increased cost. The ABC submission to the committee said:

Extending captioning on ABC1 will cost the ABC as much as an estimated $800,000 extra annually by 1 July 2014. The increased cost occurs not just as a result of increasing the percentage of hours captioned to 100 per cent. Costs will increase as a result of new requirements to caption each of the regional (state and territory) break out programs through which the ABC delivers coverage of local events (such as regional sporting competitions and other state based events).

As a Nationals senator, I would hate anything to affect that and the ability of hearing-impaired Australians who live in the regions to have the availability of local content. I hope the government allows additional funding for the ABC in order for them to deliver this great service to the hearing impaired throughout our nation. I look forward to that.

I also mention a submission from a hearing-impaired mother living in regional Victoria. Louise expressed some frustration at not being able to effectively share the viewing experience with her family and friends when captions are not provided, a point that particularly stood out for me as a senator with a particular interest in regional Australia. Louise felt further disadvantaged in her regional setting when she was unable to access deaf TV programs as shown in our capital cities.

I have only 2½ minutes, so I will go to the one issue within the legislation that goes particularly to matters in which I am interested. It goes to the requirement that pass-through channels be subject to captioning quotas. In the submission by ASTRA they made a pertinent point about the unintended consequences of this bill. According to division 3, section 130ZV, if a provider has over 18 general entertainment services, such as Foxtel, they are categorised as a category C provider. Foxtel's annual captioning target percentage for their programs as of July 2012 is 15 per cent. But if you have less than 18 general entertainment services you are categorised as a category A. Such a provider might be a company called TransACT, which delivers services into regional Victoria—showing that we see that are shown by other subscription providers—and their quota is 40 per cent, despite the fact that both Foxtel and TransACT could be offering the same service. One has to provide a 40 per cent captioning service; the other one provides 15 per cent. I am sure it is an unintended consequence. It is one of those things that flows out from a one-size-fits-all policy, but...
I am sure my regional constituents would not like to see a reduction in regional content or competition in the subscription TV market due to an increased cost burden for one provider in the regional market over the other.

Finally, I touch on the matter of emergency warnings, one that Victorians are highly cognisant of after our Black Saturday event and recent floodings. We think that will be a great provision for us. Aside from the matters I have mentioned and those mentioned in the report, I welcome this work as it provides access to those in our community who are unable to participate fully in the digital world unless services like these are provided in our urban and rural communities.

The ACTING DEPUTY PRESIDENT (Senator Boyce): Order! The time allotted for consideration of this bill has expired. The question is that the bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT: The question now is that the remaining stages of this bill be agreed to and that this bill be now passed.

Question agreed to.

Bill read a third time.

COMMITTEES

Economics Legislation Committee

Report

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (11:50): On behalf of the Chair of the Senate Economics Legislation Committee, Senator Bishop, I present the report of the committee on the Clean Energy Finance Corporation Bill 2012 together with submissions received by the committee.

Ordered that the report be printed.

BILLS

Clean Energy Finance Corporation Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator CORMANN (Western Australia) (11:51): The Clean Energy Finance Corporation Bill 2012 is part of the Labor-Greens carbon tax—the carbon tax we were promised before the last election that we would not get; about which the Prime Minister said five days before the last election there would not be a carbon tax under the government she led. Of course, now we have a massive carbon tax which will push up the cost of everything—an electricity, the cost of living and the cost of doing business in Australia—which will make us less competitive internationally, which will shift jobs and emissions overseas, which will lead to lower real wages and which will have a $1 trillion impact on our economy between now and 2050. On top of that, as a price the Prime Minister had to pay for the support of the Greens political party, we have a $10 billion slush fund. And, in order to give it a cloak of respectability, the government have dressed it up as the Clean Energy Finance Corporation. Labor may be in government, but it is very clear that the Greens are in power. We know that Senator Milne, the new Leader of the Australian Greens, very much enjoys the use of the word 'power'. She likes to talk about power-sharing arrangements and so on. But we know that it is the Greens who have really been the power behind all of these bad initiatives that have come out of the
government around carbon pricing and the clean energy slush fund and the like.

This is effectively another $10 billion in expenditure from a government that have already delivered $174 billion worth of accumulated deficits and $145 billion worth of government net debts, and this is a government which in part because of this bill before the Senate today will have to seek the approval of the parliament to yet again lift the debt ceiling—on this occasion to $300 billion. This so-called Clean Energy Finance Corporation involves a commitment of $2 billion per annum over five years, with the first instalment due to be paid on 1 July 2012—$10 billion in total. Will we find that $10 billion reflected in the budget papers? No, we will not. Will that $10 billion hit the budget bottom line, the underlying cash balance of the government? No, it will not.

The government have taken into account $57.3 million in operating and set-up costs over the forward estimates and they have also taken into account $750 million or thereabouts in money that they think is not going to be recovered after it is invested, so-called, by the Clean Energy Finance Corporation. This is because this Clean Energy Finance Corporation will supposedly make investments but it will make investments in highly risky projects. It will make investments in projects that are unlikely to survive and thrive. If the projects that the Clean Energy Finance Corporation was putting taxpayers' dollars behind were sensible, commercially viable projects, they would of course be able to attract private investments and they would be able to attract investment from the markets. But no. The government are recklessly wasteful with taxpayers' money. They are setting up a slush fund to pick winners that are so risky and so speculative that no private investor will put their own money behind them, but the government are quite happy to put taxpayers' money behind them. That is why the government are in the fiscal mess that they are in.

The coalition have been very clear that we oppose the carbon tax. We are opposed to it because it is bad policy, it is bad for families, it is bad for business and it is bad for Australia. We are also opposed to this Clean Energy Finance Corporation because it is a complete waste of taxpayers' money. There are precedents around Australia, example after example around Australia, which demonstrate very clearly why this sort of approach of governments picking winners—putting billions and billions of dollars taxpayers' money on the line, pursuing ventures that essentially only have a very small likelihood of success—is a very bad idea. But the government have never come across a bad idea that they did not want to fully embrace. When the government come across a bad idea which is likely to cause the loss of taxpayers' dollars, they fully embrace it and try to make it law.

This Clean Energy Finance Corporation is bad policy which came out of a bad process. It eventually came out of a dodgy deal between the Labor Party and the Greens. It demonstrates yet again that Labor just cannot be trusted with money. If the investments, so-called, that the Clean Energy Finance Corporation will get involved in were sensible investments, they would attract private investment. We can only assume that the Clean Energy Finance Corporation will invest in inferior projects which are not good enough to attract private finance on commercial terms, where the risk-reward equation is properly balanced.

This is again about the government and the Greens picking winners at the expense of taxpayers. The mandate that the government is giving to the Clean Energy Finance Corporation explicitly is to invest in risky
renewable energy projects. In all likelihood this will be a complete waste of $10 billion of taxpayers' money. If the projects were truly likely to be winners, as the government want us to believe, the government would not have to throw taxpayers' money at them. Given that they probably will not be, the government should not be throwing money at them.

Minister Combet and the Treasurer have been trying to make it look as if this is a commercial venture. They have been trying to give the Clean Energy Finance Corporation a cloak of commercial venture that is all pretence, asserting that the Clean Energy Finance Corporation will 'apply a commercial filter when making its investment decisions'. It will not do that. We need look no further than the government's own explanatory memorandum, which makes the point that this so-called filter will:

... not be as stringent as the private sector equivalent ... and

... may accept a lower rate of financial return.

So the Clean Energy Finance Corporation will offer concessional loans and absorb additional risk. The government have already written off 7.5 per cent of the money that it is going to invest, and they hasten to add that the 7.5 per cent is a conservative estimate. So there is $750 million already out the door which we know is going down the drain. But, of course, there will be more. There is no way that that $10 billion will ever achieve a commercial return for taxpayers, because investments will be highly risky, highly speculative, and chances are that none of the $10 billion will ever be recovered. The accounting treatment, similar to what is happening with the NBN, hides the true impact on the budget of this reckless fiscal decision by the government. The reason they hide it is that the government do not want the Australian people to know the full extent of the debt burden that they are imposing on future generations of Australians. Future generations of Australians will have to pay the price for this fiscally reckless and wasteful era of government spending that we are currently going through. The period 2007 to 2013, when Labor and the Greens were running the show, will go down as one of the most reckless fiscal periods in our history.

There are a whole series of other very serious and significant concerns about this bill. The Clean Energy Finance Corporation will have distortionary impacts on the market and at the same time will not stimulate tangible results for progress in renewable energy projects. Nobody expects that the $10 billion that is to be provided to the Clean Energy Finance Corporation will be successfully invested. Even if it were—which, of course, is highly unlikely—there would be no new renewable energy generated, as the renewable energy target has already been set at 20 per cent, and this legislation does not change that. We have a renewable energy target which is currently driving investment in the renewable energy sector, and instead of letting it play out we have the government throwing $10 billion of taxpayers' dollars into the mix, distorting the market—making it harder for viable investments to thrive and survive. It is widely accepted in renewable energy markets that the introduction of the government's Clean Energy Finance Corporation will actually have an adverse impact on existing renewable energy projects and on new renewable energy projects into the future. It is widely accepted that the insertion of the government's Clean Energy Finance Corporation into the renewable energy market could effectively undercut finance on existing large-scale renewable energy projects that have sought and obtained commercial financing.
What that means is that newcomers to the sector who are lucky enough to be handpicked by the government's so-called Clean Energy Finance Corporation will have the benefit of a direct subsidy through the government's slush fund, in turn compromising the viability of existing commercial investors. The Clean Energy Finance Corporation—or the Labor-Greens slush fund—is also not charged with investing in the lowest-cost technologies to produce the cheapest emissions reduction. Its remit is to find the technologies which the market considers to be unproven, too speculative or too risky for commercial financing. This has got bad news for the taxpayer written all over it. Why is the government pressing ahead with it? There would be some sensible people on the Labor side of the parliament, I am sure, when it comes to fiscal discipline and sensible fiscal policy. How can anyone in the Labor Party let the Greens get away with this? How can anyone in the Labor Party let the Greens set up a slush fund like this, which essentially is throwing $10 billion of taxpayers' money out the door?

It is very clear—and even the government concedes—that not all investments by the Clean Energy Finance Corporation will provide a commercial return. The explanatory memorandum notes:

The fiscal and underlying cash balance impacts include a prudent recognition that some investments will not be recovered, and interest revenue. The fiscal balance impact also includes the concessional component of loans.

All up, just under $1 billion out of $10 billion has already been written off. I ask: how is that a sensible use of taxpayers' money? And people across Australia are asking: how is that a sensible use of taxpayers' dollars?

Why do people have to pay more for their private health insurance? Why do people have to pay higher tax when they are trying to save to achieve self-funded retirement? Why do people have to pay more as they travel overseas, when the government has got so much money to burn? Why do we need to have 20 or so Labor Party increased taxes and charges when the government has got so much money to burn that it can throw $10 billion at this sort of waste? Why is the Australian Labor Party happy to impose additional cost-of-living pressures on the families of Australia, when it has $10 billion to throw out the window? Why do we have to have $174 billion worth of accumulated deficits and $145 billion worth of government net debt? Why do we need to increase the government's debt ceiling to $300 billion to fund something like this? I hope that the government has had a close look at the experiences in various state governments in the 1980s, when they sought to pick winners through government finance corporations. It all ended in tears.

This is an absolute recipe for disaster. This government has a very bad track record when it comes to investing in these sorts of energy projects. The government's $700 million Solar Flagships program in Moree and the Queensland Solar Dawn project struggled to gain industry support. Along with the Bligh government, this government presided over more than $100 million of losses in the ZeroGen project, despite clear warnings from both the opposition and experts. In fact, when our shadow minister, Mr Ian Macfarlane, the member for Groom, warned the government that the ZeroGen project was at serious risk of failure, the former Queensland Labor Premier, Mr Beattie, said that Mr Macfarlane was on drugs. It turns out that Mr Macfarlane was 100 per cent correct. The Clean Energy Finance Corporation has many of the hallmarks of Labor's Victorian Economic Development Corporation, which left
Victoria in a disastrous state only two decades ago. Programs of this nature have similarly experienced massive failure and controversy in the United States. The failure of the $700 million Solyndra project, as well as those of Beacon Power and Enerl, occurred under a similar program to the Clean Energy Finance Corporation. These instances were recently joined by the collapse of Solar Trust of America, which had a $2.1 billion loan guarantee from the US energy department.

Wherever you look, whatever you read, whatever consideration you give to this proposal, this has got bad news written all over it. This is going to be the next pink batts; this is going to be the next overpriced school halls disaster; this is going to be the next hallmark of a terrible, incompetent, dysfunctional government yet again wasting taxpayers' money to such an extent that it has to call up all these new ad hoc taxes. If this legislation comes into effect and if this Clean Energy Finance Corporation is able to spend money on projects which are clearly inferior, projects which are by the government's intent not exactly where they would attract commercial investment, you wait—if Labor is to have the opportunity of providing another budget—for the next series of tax increases from this high-spending, high-taxing Labor government. This is a government which over the last 4½ years has spent too much, has taxed too much and has prosecuted and pursued and attacked Australians who are successful. It is anti success, it is anti those people who make commercial investments in order to achieve a commercial return, and now it is throwing money at ventures that are not commercially viable and that are competing with those projects that are trying to make a success of things. That is the reason this bad Labor government is in the fiscal mess it is in.

As I mentioned in my introduction, this bill is part of the government's carbon tax package. The coalition have not only committed to vote against the carbon tax in opposition; we have also made a clear commitment that we will rescind the carbon tax package in government. I would not be surprised if the Australian Labor Party voted with the coalition after the next election, whenever that is, to rescind the carbon tax package in government. I would not be surprised if the Australian Labor Party voted with the coalition after the next election, whenever that is, to rescind the carbon tax and bad budget measures like this. After the next election—should we be successful, should the Australian people express the sort of judgment about the carbon tax and bills like this that we hope and expect they will—I would not be surprised if, rather than remaining attached to the Greens, the Labor Party finally see sense, finally start focusing on the national interest, finally start focusing on what is in the interests of families and businesses across Australia and vote with the coalition to rescind the carbon tax.

**Senator MILNE** (Tasmania—Leader of the Australian Greens) (12:11): I support the Clean Energy Finance Corporation Bill 2012. We are living in an era of revolution in energy and, contrary to the remarks of Senator Cormann, those who get ahead of the game are the ones who will profit most. Those who try to lock their economy into the old fossil fuel sector will be the losers. In the Australian context, the Australian Greens have said clearly that global warming is a catastrophic circumstance that will lead to enormous costs to us as we proceed through this century. There will be costs in lives and costs in ecosystems, and we have already witnessed that with extreme weather events around Australia—whether it is the intensity of the fires in Victoria, the intensity of Cyclone Yasi or the intensity of rainfall events and flooding, we have seen extreme weather events costing lives and destroying infrastructure. The cost has been enormous already. Take the flood levy, for example.
We never hear anything from the coalition about the documented cost of extreme weather events and drought caused by global warming. When we lived through the extremity of the drought in the Murray-Darling system, everybody was aware of the long-term cost of global warming.

The opportunity is to transform the economy as quickly as possible to sever the link between economic growth and adverse environmental impact and resource depletion. It is time now to look at a future based on an investment in education and training and innovation, at a future which is transformative, that transforms Australia so that we power ourselves with renewable energy. We are one of the luckiest countries on earth when it comes to our ability to power ourselves with renewable energy. We had a German administrator here recently who pointed out that the west coast of Tasmania would probably be the lowest solar opportunity in the nation, and yet it is better than most of Germany, where they have managed to back in an incredible transformation in renewable energy, where they have done a massive U-turn recently on getting a phase-out of nuclear. The German government has invested so heavily in energy transformation that renewables have pushed down the wholesale price of energy to the extent that they now have to subsidise traditional generation in order to provide balance and security in the system until they get to 100 percent renewables. Our aim in Australia ought to be to address the failures of the Howard government administration. They failed to invest in education and training and allowed the manufacturing sector to be hollowed out. They transferred dependence of the economy disproportionately to resource extraction. Now we are suffering the consequences. Now is the opportunity to invest heavily in the brains base in Australia and that is in our universities. Overwhelmingly, there is the huge potential to transform this country as quickly as possible to a country powered by 100 per cent renewables, whether in our homes, our offices, in tourism complexes or in our transport systems.

To do that, we need to roll out renewables not just at residential scale but at utility scale. What we are seeing is a pushback from the vested interests of the old economy. Senator Cormann talked about a so-called slush fund and about billions thrown out of the door. There is $7.2 billion thrown out of the door every year in Australia and Senator Cormann is a big supporter of that. They are fossil fuel subsidies: $7.2 billion a year thrown out the door in order to keep the coal-fired generators and the gas industry and so on operating. There are massive subsidies for oil and gas exploration. Here we have a $10 billion fund to support the establishment of clean energy in Australia, with half of it to go to renewables and the other half to low emissions technologies. Those operating in the renewable energy field can bid for that funding.

Senator Cormann completely misrepresented the authority. This authority will depoliticise it. The Greens are tired of political interference in energy decisions in this country all designed to continue to prop up the old fossil fuel sector, with poor decisions continuing to be made about investments in the grid, for example. We want to depoliticise the provision of commercialisation support for new renewable energy and clean energy technology.

That is why the Clean Energy Finance Corporation will be a statutory authority. It will be independent of government. It will not be directed by any political party. As it clearly says in the legislation, while the Clean Energy Finance Corporation will
apply a commercial filter when making its investment decisions, it will also have a public policy objective and will seek to value positive externalities arising from the project. Compared to an ordinary bank, for a given financial return the corporation may take on higher risk and for a given level of risk may accept a lower financial return. The positive externalities include achieving policy objectives like a reduction in greenhouse gas emissions by 80 per cent or more by 2050. The Greens would like to see us get to zero net carbon by 2050. That is the objective.

This is also a massive jobs driver in the Australian economy, especially where those jobs are needed, which is in rural and regional Australia. This massive investment in renewable energy will see the rollout of jobs in the construction phase but also in maintaining the new power stations. This will bring to rural communities a level of dynamism that they desperately need.

As to the suggestion that the coalition were critical of ZeroGen, that may well be the case now, Senator Cormann, but I remind you that it was John Howard, the former Prime Minister, who stood up with George Bush and enthusiastically welcomed FutureGen in the United States. FutureGen was going to lead the way in carbon capture and storage; it was going to be marvellous. John Howard stood there and made a fool of himself in relation to FutureGen. I totally agree on ZeroGen. The Greens were out there saying that ZeroGen would be equally as stupid as FutureGen was and it has been.

The fact of the matter is that, if the coal industry was so confident about carbon capture and storage, it would be investing its own money in that. As it is, we have a flagship with $500 million sitting there for carbon capture and storage while the industry is not matching any dollars because it knows that it is a technology that has not rolled out to date and renewables are running over the top of it. The fact is that it is going to come down to what is economically viable into the future and the renewables are getting cheaper by the day as carbon capture and storage makes no progress. Treasury modelling demonstrates that carbon capture and storage is very unlikely ever to be commercially viable. People will give up on it as they see appropriate investment in clean energy technology, distributed system and demand side management winning out. We will see an abandonment of those technologies because they are too expensive.

Let me get to why we need to have a Clean Energy Finance Corporation. The Greens would have liked to have seen a nationally consistent feed-in tariff regime where you have a number of different feed-in tariffs for different technologies with the most generous being for those technologies that are the furthest away. We would have done that for solar thermal, for example. However, neither the government nor the coalition want to back the most effective financial mechanism in the world for rolling out renewables. Everywhere you go in Europe where the roll out of renewables has been successful, that has happened on the basis of feed-in tariffs. We see from the German experience that, as you get to critical mass, the feed-in tariff gets scaled back and there are tremendous benefits to the economy.

However, in the absence of a nationally consistent feed-in tariff, we have had all sorts of poor public policy initiatives that have been badly implemented, such as by being changed along the way. These initiatives have caused a level of distress across the renewable energy industry such that we want to do the exact opposite of what Senator Cormann was suggesting. We want an independent statutory authority to
depoliticise the industry to stop governments interfering by, for example, changing rebates overnight, changing programs, ending them at different times and so on. The wind industry is booming globally but it has now stalled in Australia. The PV industry has been through countless utterly unnecessary and damaging boom and bust cycles. It is now growing in confidence because it is reaching the point where its reliance on government support is coming to an end. All it needs is a fair price for the electricity it produces, and the Commonwealth refuses to grapple even with that. As yet we have no utility scale PV in Australia, despite being the sunniest industrialised nation on Earth. Yes, it is coming, but there is only one major project, and the design of the Solar Flagships Program was fundamentally flawed and delayed the rollout.

So we desperately need to show in Australia that we can do solar thermal at scale. We now have the ability to store heat and continue to generate electricity into the evening with the molten salt. I look forward to seeing the day when the Clean Energy Finance Corporation will, I hope, get behind solar thermal. We also have geothermal and ocean energy in Australia. Technology is brilliant; technology is the area in which people are still looking at going overseas because they cannot get support at home. When you do go overseas and look at renewable energy facilities around the world you see that they are headed up by graduates from Australian universities. The questions people always ask are: ‘Why are they leaving the country? Why aren't they at home?’ The reason is that we have not had consistent support for innovation and for this transformation in Australia that would make us one of the leading nations on the planet in the case of renewables, instead of constantly throwing money at fossil fuel subsidies. You only have to look at Zhengrong Shi, for example, who is now a billionaire several times over. He was a graduate of the University of New South Wales and went to China to make that investment because of the lack of support here in Australia.

So why do we need a Clean Energy Finance Corporation? It will address several financial barriers related to both the availability and the cost of finance, including constraints due to the lingering impacts of the global financial crisis; constraints on the availability of debt capital, heightened by the withdrawal of many foreign banks from the Australian market; the fact that commercial banks facing look-through, or aggregation exposure, to some counter parties to power purchase agreements with renewable energy generators; and a general lack of demand within commercial banks for clean energy projects that have resource risks or technology risks. There are also scale constraints, whereby many projects may be too small or too large to secure funding on suitable terms and may have forecast return outcomes on investment projects that are not considered by equity and debt investors to provide adequate compensation for the risks inherent in these projects.

We think the Clean Energy Finance Corporation will address some of those barriers, but it will also address non-financial barriers that are constraining the development of a low-carbon industry in Australia, including things like the technology risks, grid constraints and challenges associated with deploying new transmission lines, particularly across state borders and into remote areas. It will also address the lack of availability of long-term power purchase agreements—and this is an issue I raised with the ACCC. Again, it is this issue of the old vested interests not wanting to sign power purchase agreements with the renewables because many of those vested interests have the majority of their
investments in old fossil fuel generation, particularly gas, and they are not prepared to bring on the technologies that will undermine the current asset value of their particular investments. Scale is also an issue, as I mentioned before. When we have talked to people about why the Solar Flagships Program did not roll out as we would have liked it to, the problem was that the scale they were being asked to build at was such that they were not able to persuade investors that they could go from a pilot stage right up to a large scale without having demonstrated an ability to scale up anywhere in between.

The Clean Energy Finance Corporation is going to provide the ability to leverage private sector finance and to make a substantial contribution. One area I am concerned about is the connection with the renewable energy target. I am concerned—but rather pleased—to hear that Senator Cormann is also concerned about that. Clearly, if he is committed to reducing greenhouse gas emissions, if he is committed to new jobs in Australia, then he would support us in increasing the renewable energy target and overcoming the problem. We have argued, and I still argue, that it should be a matter of choice between the Clean Energy Finance Corporation and receiving renewable energy certificates. One of the problems is the possibility that these large projects will achieve renewable energy certificates and that will crowd out the renewable energy target. The best way of fixing that is to increase the ambition of the renewable energy target. What a perfect outcome. Now that I have heard that the coalition is concerned about that, I am looking forward to the review of the RET in the second half of this year, when I would fully expect that the coalition will support a massive increase in the renewable energy target so that we will see a much more efficient interaction, if you like, between the Clean Energy Finance Corporation projects and the renewable energy target.

The Australian Greens have worked very hard to deliver a comprehensive package in Australia: the Clean Energy Finance Corporation, the carbon farming initiative, the Biodiversity Fund and an emission trading scheme. This is the most comprehensive package we have ever put before the parliament to address greenhouse gas reduction in Australia. It is something the nation can build on. Every aspect of the package is a platform that lends itself to greater levels of ambition. The overwhelming imperative is to reach net zero carbon emissions as quickly as possible, to reach 100 per cent renewables as quickly as possible, because we are facing a catastrophic future with accelerating global warming if we fail to do so. In addressing the challenge in front of us we can either pretend it is not happening and condemn our future generations to shocking dislocation, both economic and personal, and to shocking loss, or we can do the best we can to put them on a footing that will grow new jobs, new innovation and a new economy in Australia. That is clearly the path the Greens want to take.

This Clean Energy Finance Corporation is a major achievement of the Greens through the Clean Energy package. Of course, it is going to go out there and talk to project providers—and you would expect it to do so—to work out the best way to support each individual project, and in every case it is likely to be different. But the exciting thing, from my point of view, is that it will be an independent statutory authority, with the finance available to finally bring to fruition in Australia some large-scale renewable energy projects which demonstrate to Australians the kind of future we can expect in this country.
This energy revolution is going to be disruptive. The worst thing that could happen in Australia is that we lock in support for the old economy, spend massively on carbon capture and storage, maintain $7.2 billion in fossil fuel subsidies and pretend we can somehow stay stuck in the past in order to protect the investment in the old economy. The fact of the matter is that the old economy is losing every day to the new renewable powered economy, the low-carbon economy, and we need to get onto it—we need to get behind it; we need to grow the jobs; we need to keep our best and brightest at home; and we need to invest in education, training, innovation and excitement. That is what will provide confidence in Australia. That is what will make us proud as a nation about the contribution we can make, regionally and globally, to addressing global warming. That can be a major contribution of ours; it ought to be one that a sunny nation like Australia, with so many renewable energy sources can make. We have been constrained in Australia by the lack of imagination and by being stuck in the past, particularly by the coalition, and I would like to think that we will now get the recognition around the world that we ought to be getting for this investment. (Time expired)

Senator PRATT (Western Australia) (12:31): I am delighted to speak today on the Clean Energy Finance Corporation Bill 2012, because I believe that in time it will be looked back on as a key Labor reform and one that is part of an overall transformation of the Australian economy towards a clean-energy future. We know that it is vital, because all credible economic analyses say that, if you believe climate change is real—and I certainly do—and therefore that economies around the world must adapt, put themselves on a low-carbon footing and de-link their economic growth from their carbon intensiveness, then these are the kinds of steps that we must take in order to reach that goal.

This package of reform, which I recognise has been worked on by many groupings across the parliament, includes, of course, a price on carbon and the Clean Energy Finance Corporation. These are very important steps for our nation to take, not just to stay ahead of the game but, frankly, to catch up—because many countries around the globe have made far more substantive steps than us already to transform their economies. So I think that the Clean Energy Finance Corporation, in conjunction with a price on carbon, and the renewable energy target, are absolutely fundamental to our nation's economic future. But, more to the point, they are also important in our global effort to address climate change and to encourage other nations to do the same.

We know that the renewable energy target and the price on carbon will not actually be enough to get the job done. Because, we know what we face in this nation—and, indeed, globally—is a market failure when it comes to getting renewable and low-emission technologies off the ground. Those crucial reforms, expanding our renewable energy sector, will require a significant level of capital investment in our nation, so there are some barriers we need to overcome in order to do that. These barriers include Australia's access to low-cost fossil fuels, new technology risks and the costs to early movers. These are things that we need to adjust for.

As confirmed in the report of the expert panel into the Clean Energy Finance Corporation, Australia's large reserves of low-cost fossil fuels, like coal, have made Australia slow to move on clean energy. That leaves our economy in grave danger, because if you accept that climate change is
real, and that we need to de-intensify the carbon in our economy, then you accept that at some point we need to work out how to transition the carbon intensity that is there in our cheap fuel. These are the kinds of steps that we can take in order to do that: pricing carbon, our Clean Energy Finance Corporation and renewable energy targets.

Expanding our renewable energy sector will require significant capital, and renewable energy companies are competing with large, well-established carbon-intensive energy producers. So we now want to make these transitions in a way that will protect and create Australian jobs. We know that we will have compulsory industry participation plans for all CEFC funded projects. That means that, as we transition to a low-carbon economy, Australian companies and Australian jobs will be considered front and centre as part of those plans—and that means the sourcing of materials, parts and equipment for these clean-energy projects.

So while we have an opposition that is crying foul over a carbon price, which they claim will cost Australian jobs, the truth is that the green economy, de-intensifying carbon in our economy, is actually about the creation of jobs—and new green jobs that will be embedded right throughout the economy. Participation plans will make sure that Australia not only 'greens' its economy but that our workforce is also developing these skills in well-paid jobs—greens skills in jobs right throughout the economy. It means that our workers will develop the skills to construct green buildings and to retrofit existing building, and we know that that is the way of the future for our nation.

We know what we confront as a nation in relation to investment in clean energy infrastructure is a significant capital market barrier that has, thus far in our nation's history, really hindered the financing, commercialisation and deployment of renewable energy, energy efficient and low-emissions technologies. So we have here a smart Clean Energy Finance Corporation, which will be brought together to do that properly.

The CEFC will not provide grants. It is intended to be commercially oriented and make a positive return on its investments. We know that it will invest in firms and projects, as well as manufacturing businesses, utilising technologies that focus on producing the inputs required. It will not invest in carbon capture and storage technologies. The CEFC is not intended to compete directly with the private sector in the provision of financing to these businesses. The CEFC will act as the catalyst to private investment which is currently not available and therefore contributing to reducing carbon emissions and cleaner energy.

I would like to note that the provisions in this bill stand in stark contrast to the coalition's policy. Their alternative is simply to set up a $1 billion fund, without the rigorous commercial guidelines that we think should be there. They would set up a $1 billion fund to provide grants, presumably to those people who can convince the coalition that their proposals are worthy of support. If ever there were an example of anyone trying to get in there and pick winners, that is the coalition's policy in their $1 billion fund. Labor has a market price mechanism, renewable energy targets and a robust process within the Clean Energy Finance Corporation, so that we can transition our economy in a responsible way. As we know, the coalition is quite divided, in many instances, on their belief in climate change. It makes a mess in relation to their policies on how to responsibly go forward on this question, because they have turned their back on market based mechanisms. Their billion-
dollar energy fund does not meet the kinds of thresholds that would give us any confidence that we are going to be able to transition our economy into a low-carbon future. Absent from their policy, I believe, are commercial principles that would even require you to examine your return on investment.

This legislation has come before us after significant and important work done by the expert committee. I would like to commend the work done by Ms Jillian Broadbent. She is an eminent Australian who has 30 years of experience in banking and business. She is also linked with universities. I believe she is the Vice-Chancellor of the University of Wollongong. I think she is very well placed to lead the expert panel and to consider their submissions. I am pleased with the landing point that this legislation has arrived at.

There are indeed some alternative proposals to the legislation before us today. For example, one would involve us doing nothing. But what are the consequences of doing nothing? It would mean that our economy would fall behind. As was highlighted in Senator Milne's remarks, we are facing an energy revolution globally. We know there will be massive changes in the global economy pushing us towards investments in renewable and low-emissions technologies. We already have seen many of our great technologies go offshore without the investment being made in that technology here in Australia. If we miss the boat on this, it would be like missing the IT revolution. It would be like being left behind on all of the enormously important economic investments and changes that have already happened in our world. We simply cannot afford to be left behind on that front. So it is perfectly reasonable that we should have a clear strategy, through a clean energy finance corporation such as this, to work through which companies have a lot to offer in the renewable energy space and to work out which of those companies deserve our investment so that we can catch up on the game and then get ahead of it and not leave the Australian economy behind.

The alternative could be to do nothing, but the consequence of that would be to leave behind Australian inventions, research and jobs. It also would mean leaving behind the Australian economy, because we would be stuck in a dead-end economy that is highly dependent on dirty energy. In the long term, when the globe finally decides it must act on climate change—and many are already acting—that would leave all of those industries at a complete dead-end because they would not have the money or the investment there to suddenly move from one to another. They would be locked into the old way of doing things while the rest of the world has changed. I do not want to see Australian jobs left behind, so it is high time that the coalition caught up on this front. I do not want to see this massive dislocation in the future. I believe the nation will hold the coalition to account.

In closing, I want to say that I am very proud of this package of reforms. I believe that clean energy will be the way of the future for our nation. It is about the supply chain that feeds into all of the clean energy projects around our nation. At the moment, there are too many risks associated with investing in these technologies on a commercial basis. But we know that there is a commercial basis for these investments, and it will be in the best interests of our economy.

Senator BIRMINGHAM (South Australia) (12:44): I rise to speak on the Clean Energy Finance Corporation Bill 2012. I have been listening to Senator Pratt's comments and I listened to Senator Milne's contribution prior to that. The chamber just received a lecture from Senator Pratt about
how this bill was going to support projects that were too risky to be supported by private or commercial finance. If they are too risky to be supported by private or commercial finance, it begs the question of why should they be not too risky to support with taxpayers' hard-earned dollars. Why is it that this government is willing to risk and gamble and be reckless with taxpayer dollars when the finance market demonstrates that the types of projects that are being discussed are too risky for anybody else to invest in?

Senator Pratt also gave a lecture railing against the coalition's direct action policy and proclaiming the government's deep belief in market mechanisms and market based mechanisms. I am a little confused there, because I am not sure whether Senator Pratt realised what she was talking about here in terms of the legislation before us. The Clean Energy Finance Corporation Bill is in fact something that you could describe, if you wanted to, as direct action. There is nothing about this that remotely resembles a market based mechanism, nothing that comes close to being part of a market based mechanism. It is simply a billion of taxpayers' money put out there for people to spend on so-called investments that hopefully, for the taxpayer, might pay off but, as we have heard, are too risky for anybody else to invest in. So this is very clearly about direct action, this whole 'green bank', this CEFC proposal. The difference, however, between it and the coalition's direct action policy is that the coalition's policy is based on the premise that it will fund activities, via market tender, that deliver the lowest cost abatement. It is a pretty clear proposal. It is the same way that water is bought back and the same way that many tender based activities operate. In this case, it will be funded and operate by the government going out to tender to purchase X amount of abatement and funding the lowest cost abatement. There is no requirement for that, no guarantee of that, with this CEFC, this green bank—and indeed it is far more likely to be the opposite: it will not be funding lowest-cost abatement; it will be funding far more expensive abatement. So it will be risking taxpayers' dollars and it will be funding abatement that comes at a higher cost than could otherwise be achieved. It is a failure on numerous fronts.

The CEFC comes into effect as a result of this legislation, and the bill seeks to give it powers to invest in financial assets for the development of Australian based renewable energy technologies, to invest in low-emission technologies and energy efficiency projects. It gives it the power to enter into investment agreements itself and make investments through subsidiaries. It gives it a duty to ensure that, as of 1 July 2018, half the funds invested at that time for the purposes of its investment functions are invested in renewable energy technologies. That is the mandate. It has some $10 billion of taxpayer funds going into it, at least half of it to be invested by 2018 in renewable energy technologies. This of course is part of the government's overall carbon tax package. There was nothing like this in Mr Rudd's emissions trading scheme that was proposed in the previous parliament. This is simply a case of the government having to buy off the Greens. This is Senator Milne's baby, and I extend my congratulations to Senator Milne. It is not every day that a member of a minor party can manage to get the government to spend $10 billion of taxpayers' money in this kind of reckless way. So to Senator Milne and the Greens I extend my congratulations that you have managed to achieve what is obviously to your constituency something you think is beneficial. But in this place we should be looking beyond the rather narrow constituency of the Greens to be looking at
what is in the Australian national interest. This clearly is not, nor is the broader carbon tax that is being considered.

The carbon tax has been described by some as being like a giant money-go-round. The government goes out there with its carbon tax, it raises about $9 billion a year and then it spins it and churns it around government and dishes most of it back out again afterwards through all types of different mechanisms and means. This happens to be one of those means. If you look at the money-go-round that is the carbon tax, this Clean Energy Finance Corporation or green bank is in many ways like the big dipper of the money-go-round, because we are taking a big gamble and a big punt with where this $10 billion will be spent and how it will be spent.

You need no further evidence of the money-go-round nature of the government's climate change policies and carbon tax policies than the situation of the Alcoa plant just outside Geelong at present. We have seen the miraculous situation in the last couple of days where Alcoa has been granted some $40 million from the government. The government professes that this has nothing to do with the carbon tax that Alcoa will have to pay. If that is the case, it is a remarkable coincidence that it is receiving this $40 million in grants just before the carbon tax will make that same Alcoa plant pay approximately $40 million in carbon tax. It is a remarkable coincidence from the government that, unrelated to the fact that they have imposed a new $40 million cost on Alcoa's operations, they have decided that they need to give them $40 million to keep those doors open. A simple person might suggest that Alcoa could have managed to keep its doors open in the first place were it not having to pay a $40 million carbon tax. Also, it would not have needed a $40 million grant from the government—which will no doubt come with all manner of bureaucratic conditions attached to it and which of course will be churned through the public sector, chewing up a few dollars along the way.

This bill also sets out that the Clean Energy Finance Corporation special account be created. This special account will have appropriated to it some $2 billion per annum for five years, with the first instalment due to be paid on 1 July 2013, up to the total investment of $10 billion. Now $10 billion is a remarkable sum of money, and under this legislation not just this government and this parliament but potentially future governments and future parliaments will be tied to it. Such is the contempt that those opposite have for the views of the Australian people that it is not enough for Ms Gillard to have gone to the last election promising that there would be no carbon tax under the government she leads; it is also the desire of her government, having broken that promise, to go to the next election after having locked in, under this legislation, billions of dollars of funding to come out of that carbon tax. It is a desire to tie the hands of future parliaments and future governments to maintain a type of funding which would normally be provided without direct legislation appropriating the money so far in advance.

Normally, you would expect these types of appropriations to come through in a more timely manner, where the appropriation legislation is tied to the timing of when the grant is made. But we are appropriating, in 2012, funds to be provided right the way through to 2018. But there you have the attitude of this government. Although the Australian people may choose at the next election to reject these types of policies, it is trying—no doubt because of the pressure applied by Senator Milne and the Greens—to lock people in, to lock future governments in, to this spending and to make it as hard as
possible for them to back out of it. This will not deter the opposition. Where we see bad spending, we will do what is necessary to make sure that we reject that bad spending in future.

It is notable that the government's own bill, this bill, already envisages a loss to the taxpayer from this investment—and not just through its operating costs. It certainly has significant operating costs, as there are in the entire suite of carbon tax bills. Across the board, these carbon tax bills establish numerous new bureaucracies that will see over the forward estimates period the expenditure of some $400 million plus. We already have the new Clean Energy Regulator or 'carbon cop' operating with more than 300 staff in place to manage the carbon tax. That is no reflection on those hardworking public servants, because I have no doubt that they are working hard. It is a reflection on the complexity of policy and the administrative incompetence of this government that it puts in place policies that see such a ballooning and burgeoning of the bureaucracy that we end up with several new entities established out of the carbon tax package, hundreds of extra public servants employed and hundreds of millions of dollars of taxpayers' money spent purely on the administration of these policies. The Clean Energy Finance Corporation will be one of the new entities that will see millions of dollars spent on its administration as well.

But the loss does not just occur through operating costs; it also occurs as a result of the write-downs that have been set out. Write-downs are, of course, a nice way of talking about failed projects. We will no doubt see taxpayers' money invested in failed projects as a result of this legislation. The legislation tries to give the perception of having a very independent statutory board making all of the decisions. That is the perception it tries to give, but when you dig down into the detail you find that there is an awful lot of ministerial discretion for this new green bank. The bill requires the shareholder minister to issue an investment mandate for the corporation. The bill's explanatory memorandum stipulates:

The investment mandate may include, but not be limited to, directions on matters of risk and return, eligibility criteria of investments in renewable energy technologies, low-emission technologies and energy efficiency projects, allocation of investment, limits on concessional investments, types of financial instruments in which the Corporation may invest and broad operational matters.

I particularly like those last four words—'and broad operational matters'—where the bill refers to the capacity for the minister to give investment mandate descriptions to the corporation. It seems as though the relevant minister is able to give instructions to the CEFC board on just about anything they so please—just about anything they want.

So, far from it being an independent statutory board, we instead seem to have a situation where a so-called independent statutory board has been established but the minister has the most sweeping of capacities to provide criteria and stipulations to that board. Ultimately, they may be able to independently select the investments, but the criteria for that investment selection, its suitability and all of the other operational matters have the potential to be heavily influenced by the relevant minister and government of the day—almost to the point where the CEFC will be under effective government or ministerial control. This investment mandate does not take the form of a disallowable instrument; it is, instead, a written non-disallowable legislative instrument. Once this bill has passed through the parliament, under the sweeping powers of the bill ministers of the day will be able to give investment mandates sweeping
direction to the CEFC, regardless of what the parliament may think. That is not appropriate; it is not appropriate for this parliament to grant a blank cheque to future ministers for the expenditure of such vast sums of public money. When it comes to blank cheques, we see yet again—as we did last week and as we will through this week—the government constantly guillotining bills. In all cases it seems to be quite unnecessary, had they managed the legislative program in a sensible way. The pending establishment of the CEFC was made clear in July last year, yet it is only now that the Senate, under serious time management, is allowed a few hours of debate on this legislation, when we are talking about the expenditure of such vast sums of public money.

In kicking off the debate, my colleague Senator Cormann highlighted some particular concerns that we have about how this $10 billion policy interacts with the bipartisan Renewable Energy Target, which seeks to achieve 20 per cent renewable energy by 2020. Of course that target is already mandated; that target is already in place. The expectation is that by 2020 Australia will have 20 per cent renewable energy. The Renewable Energy Target does far more to transform Australia's energy supplies, far more to transform our energy market and far more to reduce greenhouse gas emissions than does the government's carbon tax in the same period, to 2020. We do actually know that the RET is making a difference. It is not without costs, and some of those are concerns; nonetheless, it is making a difference. But we are now moving along, and this legislation will allow $10 billion to be spent in the exact same space as the RET. That means that where the commercial case for projects out there today has been built up, where people have found the money to invest and are going through the final approvals, people will suddenly find themselves competing against other projects that are going to be subsidised by government loans. Suddenly, under the RET the fair playing field which is meant to encourage development of the lowest cost renewable energies to a 20 per cent target for Australia by 2020 will be thrown out the window and instead we will have competing against those RET projects companies that have not been able to get a commercial case to stack up and that are too risky to get commercial finance. They will now, suddenly, get government finance instead to get them there. What will that mean for the RET? The 20 per cent will still be met; it is just that it will be met by businesses that have received government subsidy rather than private investment. It will mean that that 20 per cent will probably be met from less efficient energy sources rather than from the most efficient energy sources. That seems to fly in the face of all the rhetoric we hear from the government about the way these market mechanisms should work.

I have to say I am baffled by this legislation and why the government is doing this. I noted that Senator Milne's answer earlier to the problems with the RET was that it has dramatically increased the 20 per cent target. Of course we all know that that will come with even more dramatic increases to electricity prices right around the country. At its heart, this is just a $10 billion expenditure by the government on risky projects—projects that are too risky for anyone else anywhere else to want to invest in—which means that this government once again is putting the funds of the Australian taxpayer on the line and, in doing so, risking the hard earned dollars of the Australia taxpayer, which are so hard to come by. That is why we still have such massive debt in this country.

Senator THISTLETHWAITE (New South Wales) (13:04): I am pleased to rise in
support of the Clean Energy Finance Corporation Bill 2012. The establishment of the Clean Energy Finance Corporation will be an important aspect of building Australia's future economy. It is part of the suite of reforms that make up the Labor government's clean energy future package and is an important body which will support the transition our economy will make over future decades from a heavy-polluting industrial based economy into a clean energy future. This bill establishing the corporation will ensure that into the future Australia has a viable clean energy industry and an attractive destination for investment in research and development, manufacturing and clean energy production. With that will come growth in jobs and rising incomes for members of our economy, which are things that should be supported. It pleases me that the government is enacting this legislation. The Clean Energy Finance Corporation is an institution that will play a vital role in our nation's successful journey to becoming a more prosperous and environmentally responsible country.

The bill gives effect to the government's commitments made in respect of the clean energy future package to establish this corporation. The corporation will assist and commercialise clean energy projects in this country. The fund will be a $10 billion fund dedicated to an investment in a future in clean energy in Australia. On 17 April 2012 the Gillard government released the expert review panel's report on the design of the corporation. The government has accepted the recommendations of that report and is implementing them through this bill. Clean energy technologies unfortunately face a range of obstacles in attracting financing in Australia at the moment. Current global financial market conditions, the complex nature of Australia's electricity markets, the costs of renewable energy and the preference of investing institutions for liquid assets inhibit the financing of the clean energy sector. This bill will ensure that Australia has a corporation dedicated to the support of investment and the commercialisation of clean energy projects in this country. The corporation will invest in financial assets for the development of Australian based renewable energy technologies, low-emission technologies, energy efficiency projects, and businesses that supply the required inputs.

The bill requires the corporation to have at least half of the corporation's investments in renewable energy technologies by 30 June 2018 and then on an ongoing basis. It is expected that the corporation will apply a commercial filter when making its investment decisions, focusing on projects and technologies that are in the later stages of development. The filter will not be as stringent as some private-sector equivalent, as the corporation does have a public policy purpose and values any positive externalities that are generated through this process, but, by using a commercial filter, it is expected that the corporation will invest responsibly and manage risk so that it is financially self-sufficient and achieves a targeted rate of return. The responsible minister will issue an investment mandate to the board, setting out the government's broad expectations of how the corporation invests and is managed by the board, but the corporation's investment decisions will be made independent of the government.

The corporation will be a central pillar of this country's successful clean energy future and play a major role in the development of the renewables sector. It will ensure that Australia, with its abundant natural resources, is a viable country for investment in clean energy projects and technology into the future. The bill and the suite of reforms in the clean energy future package are
conscious of the fact that the world is moving to a regime of limiting carbon emissions in not only our economy but other developed economies throughout the world. In doing so, the world is moving to a renewable energy future. But at the moment, unfortunately, in Australia, a lot of these projects are not commercially viable.

That is the purpose of the carbon-pricing legislation. Under our regime, a price will be established for the externality that is created by corporations and individuals that pump carbon pollution into our economy. Initially under the scheme it will be $23 per tonne, before it moves to a market based price, pricing that externality in our economy. That will send a price signal to the market and over time will change behaviour because, in market based economies, the price allocates the capital. So gradually, as dirty, coal fired pollution becomes more expensive, the capital will move into more economically viable renewable energy projects, which will of course ensure that Australia has a cleaner environment and, importantly, is able to meet its international commitments to reduce carbon emissions in its economy. In doing so, we will ensure that we have a viable clean energy sector in this economy.

I have often said that the change that our economy is undergoing at the moment is the equivalent of the change that the economy undertook 100 years ago when we moved from an agricultural basis into an industrial era. During that change, capital was reallocated from farmlands and farming projects into an industrial economy, and we saw the benefits that flowed to our economy from that change that occurred over the last 100 years. Similarly, the next phase of our economic development is in a clean energy future. If we make that transition, then, over the course of the following decades, investment will follow—investment in research and development and investment in manufacturing and ultimately the production of cleaner energy in this country. With the investment will flow jobs growth and incomes growth for our economy and those who live within it.

Unfortunately, this seems to be an argument that the conservative side of politics in this country have not yet grasped. Despite the fact that they are advocates for free-market economics, they fail to grasp this important distinction and characteristic of the government's clean energy future package: the fact that the price will allocate the capital as we move forward into the future on this issue. You need look no further than the opposition's direct action policy on reducing emissions to see that they fail to grasp the notion of the market setting the price for carbon emissions, the capital flowing and the jobs, the investment and the growth in our economy over the future. Unfortunately, the direct action policy is akin to the opposition throwing money in the air and hoping that Mother Nature takes the bribe.

Australia's clean energy market is, of course, at an early stage of development categorised by incomplete knowledge and limited experience of risk. This means that there are barriers inhibiting the effective allocation of capital. The expert review chaired by Jillian Broadbent identified a number of common barriers that inhibit financing in the clean energy sector. The key issues are availability, cost and tenor of finance.

This corporation will leverage private-sector financing for renewable energy, low-emissions and energy efficiency technologies, investments critical to the transformation of the Australian economy. The corporation will act as a catalyst to private investment which is currently not available and thereby contribute to carbon reduction and cleaner energy. It is not the
intention that the corporation will directly compete with the private sector but rather that it will seek to leverage more private-sector investment through more support for the development of cleaner energy in this country. The corporation is just one of a raft of this government's initiatives designed to take us on what will be the next stage of our nation's economic development. Whilst those opposite continue their irresponsible campaign to drive fear and to scare Australians away from doing what is right, the Gillard government will continue to strive to achieve these reforms. Not only does this bill mean jobs for Australians; it also means a promising future in which Australia will take its place in the new economy, in an economy where in 20 to 30 years time investment and capital will flow to those countries that have made the transition to a clean energy future, that have a viable research and development capacity for clean energy and that have a domestic manufacturing base for clean energy.

We have all heard the figures in the international market at the moment and the massive investment that is occurring in China in wind power, in solar power and in the electrification of cars. Economies that invest in these areas, that support the establishment of a domestic renewable energy sector, will be the ones in the future that benefit, where investment and jobs will flow, where incomes will flow.

Australia must act now. The suite of reforms in this bill will ensure that we are on our path to a clean energy future with the commensurate benefits for our economy. I commend this bill to the Senate.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (13:16): The electric car was first recommended as the car of the future in 1901. It was going to overtake all other cars. From 1901 until now, we have been waiting a little while for the electric car to turn up. What we hear in this debate on the Clean Energy Finance Corporation Bill 2012 is that, in the marriage between the Australian Labor Party and the Greens, there was a dowry to be paid. It is being paid by the Australian taxpayer. That dowry cost $10 billion and is being paid off in instalments of $2 billion a year. It is the most absurd piece of theoretical rubbish that has been foisted on the Australian people.

Every country has its time of social engineering. The most extreme examples were China's cultural revolution and Pol Pot. Now we have Australia financing its own little cultural revolution. Absurd ideas which do not stand up have become part of our debt. Where do you think the first instalment of $2 billion will come from? Where on earth is this money? I will tell you: we are going to borrow it. You will borrow it like you borrow every other piece of money. The country is currently $233.4 billion in debt. There is no money sitting around—it is borrowed money that you have to pay interest rates on.

We know that this scheme will go out the back door; it is going to lose. Even in their own area they are estimating a loss of about 7½ per cent. If you look at what has happened in the United States with their clean energy corporation where they are about to write off $10 billion, that would mean a loss in their instance of about 23 per cent. It is one of these mad ideas. The Labor Party talks of the sunny economic uplands, the so-called 'spring in your step'. Everybody has a spring in their step—no doubt one like there is in Fairfax or News at the moment. They have a real spring in their step at the moment. The economic conditions that are before us are more like a fettered gait.

In this nation we have to get away from these whacky theoretical, nirvana-like
monkey ideas. Instead, now we are putting $10 billion towards them. One thing I can assure you of is that we are about to invest in not the cheapest but the most expensive forms of energy. There are people in the world who are love renewable power—they are probably the 400 million in India who do not have a light bulb. They like renewable power. Cow dung is renewable, and straw—there is lots of renewable power around, generally in the Third World. We have this thing called civilisation. I am a bit old fashioned and I kind of enjoy it. Here we are talking about renewable power. Look at this joint. It is almost luminescent. But we all sit here, and people have their threads, their nylon, made of oil based substances, but we live in an absolutely whoopee nirvana-like world. It would all be interesting reading except that it will just send us out the back door. This crowd is sending us out the back door.

Robert Bryce in his book *Power Hungry: The Myths of 'Green' Energy and the Real Fuels of the Future* wrote that countries that can provide cheap and reliable electric power to their citizens can grow their economies and create wealth. Those that can't, can't. That is basically it. You have a choice in the end: cheap power or cheap wages. If you want dear power, you better have cheap wages or no jobs. We see that in the aluminium sector at the moment. There is no alternative. Where are these green jobs? They keep telling about these green jobs but where are they? Why do we now believe that it is better for a fitter and turner to become a maintenance man at the park? What are they going to do? We have $10 billion to try to assist further people out of jobs. There are 1.6 billion people in the world who live without electricity. Is this a noble outcome? Are we intending to join them?

Even the head of the IPCC, Rajendra Pachauri, talks of the 400 million people who live without a light bulb in India. What is the purpose of what we are trying to do? Everything they talk about, even when they say we will have photovoltaic cells—they are imported—and wind turbines—they are imported—means we are shutting down our own capacity to get a highly subsidised or vastly more expensive order on us to buy an imported product to make us all poorer. It is this new world plan to turn Australian into a nation of CDEP workers, where we can all have environmental jobs but no-one actually ever does anything and no-one actually ever creates anything.

The average wage in the mining sector at the moment is $118,000 per year. The average in the electricity and utilities industry, the second highest, is $85,000 a year. What are the jobs that they want to get rid of? Those jobs are the jobs that they are hoping to get rid of. Replace them with what? They would replace them with these fantastic jobs they talk about—a fantasia that they can never actually point to it. We always hear about it but we can never find it. There is this amorphous concept of the green job. I have never found someone who has a green job. I do not know where these people live. Maybe it is the politicians. Maybe we have the green jobs. Maybe we are the green people.

In Spain we know that, rather than creating a job, every green subsidy costs 2.2 jobs. For every so-called green job you create, you will take out almost 2½ jobs. In the United Kingdom the figure is 3.7 jobs. In Italy the figure is almost five jobs. But apparently this is where we want to go. This is the new world under the Labor Party and the Greens. This is what they are creating for us. Theoretically it works well—wonderful theories. We hear of how we can no longer have an aluminium industry because it is not worth it anymore. We have to tell these people to evolve. They have to evolve with
the Labor Party. They have to move on and realise that Victoria does not need an industrial sector anymore. They do not believe in blue-collar workers anymore. They have to evolve into green workers. They have to understand enlightenment, that shining orb of light that can be found at Nimbin. Who needs an industrial heartland? Who needs metalworkers these days? It is just so old-fashioned.

Of course we can run an aluminium plant on wind power. We can run an aluminium plant on photovoltaic power. It all makes so much sense! They are going hand in glove with the same people who want to shut down the timber industry, who want to shut down the fishing industry, who want to shut down the live cattle industry, who want to shut down the poultry industry, who want to shut down the irrigation industry and who want to bring back death duties and who believe in a top rate of tax of 50c in the dollar. What do they get for this wisdom? They get $10 billion in $2 billion-a-year instalments. From there, we can instruct the destruction of Australia, paid for by the Australia taxpayer. It is so absurd.

If you want to become the richest person in the world, invent the photovoltaic cell with an efficiency of 50 to 60 per cent. People will do that because they want to become wealthy. They do not need a subsidy. I have heard we are going to bring forth the electric car. They have been bringing that forth since 1901. It has arrived; it is called a golf buggy. We used to have some of the cheapest power in the world. Now it is disgusting where we see ourselves. A country that is like ours and has a vast area like ours—but in fact which has to deal with more stringent environmental circumstances—is Canada. Their power price is about half of ours. Greece's power price is now cheaper than ours. We are up there with the price of power of Switzerland, Poland and New Zealand. We are putting ourselves out of work because of these mad policies of this mad, mad government as it grinds us into the dirt, destroys what we are and takes us down this path to oblivion.

We are getting the carbon tax and we are paying $10 billion to the Greens for their green bank, where they will invest in completely dippy ideas. We are promised green jobs but we never actually find them. We do this on the back on a massive debt—$233.4 billion. Queensland's credit rating has been downgraded and they are going to $100 billion in debt. South Australia has lost its credit rating and is going out the backdoor; New South Wales too. They are all racking up with these massive debts. It does not matter because the lemmings are running the show. They have closed their eyes and it is over the cliff we go together.

What exactly does this nation do when we shut down everything that they want shut down, when this madness finishes? They do not believe in aluminium—aluminium is evil because it uses power. They do not believe in steel. They do not believe in most of the agricultural industries. They do believe in this sort of new bank—I do not know what to call it; come up with a crazy idea and they will give you money as long as it loses money. This green power collects an amazing coterie of acolytes. Probably one of the best ones is Heidi Fleiss, the Hollywood 'businesswoman', let's put it that way. She thought there was such a future in the green industry that she decided to give up her plans for a stud farm—and we can understand what that stud farm was all about! She said that green energy was where it was, that that was the way of the future. There are such pre-eminent brains that sit at the front of this. Then there is wind power. If you want to go down the path of wind power, what you cannot do with this green fund is to go into something serious. If you want to reduce
emissions, and you are in the Greens, there are certain things you are not allowed to talk about. You cannot talk about things that actually bring about zero emissions. They do not believe in nuclear energy; they cannot believe in that; it is evil. They do not believe in thorium; they cannot do that. They do believe in geothermal, but they have not quite twigged that the reason the rocks are hot is not that they are near the centre of the earth—which is what one of them said in a Senate estimates—but that there is a slow degradation of genetic material, which has a latent radioactivity about it. That heats the water. We have our own nuclear reactor, but we are not allowed to call it that—we have to call it geothermal.

Wind turbines have been such a huge success. That is what the Labor Party believes. People just love wind turbines. There are so many people who want so many more wind turbines. They are the most expensive form of power, and people hate them. Wind turbines, whose name shall not be mentioned by the Greens but they are going to support fields and fields of wind turbines. In fact, if you really look at it, wind turbines are also one of the greatest absorbers of land space. A power station is a nice compact thing, and even a coal mine is a nice compact thing, but we just cover the land with wind turbines. If you jump in a plane to Sydney you see wind turbines everywhere. As you fly along, you see them all there, out the starboard side, turning along. That is what you want—subsidised power. Wind power requires almost four times the amount of land that natural gas does and about seven times as much as coal. For each megawatt of wind power that is generated, 870 cubic metres of concrete and 460 tonnes of steel are required. By comparison, each megawatt of natural gas requires 27 cubic metres of concrete and 3.3 tonnes of steel. Whereas wind turbines, even if we go into the green credentials—I know you are probably not interested in this over there—

Senator Crossin: I cannot understand what you're talking about. You are talking such rubbish.

Senator JOYCE: She is interesting, isn't she? You might be interested to know that it is estimated in America that between 75,000 and 275,000 birds are killed each year by wind turbines. Renewable energy projects often do not even reduce emissions as they claim. Wind projects typically generate 10 to 20 per cent of their maximum capacity, because the wind blows intermittently and, when it does blow hard, it is often at times when electricity is not required. So, this bill will be completely ineffective at either encouraging more renewable energy or reducing carbon emissions. We will waste lots of money; the government has admitted that in this case Treasury has estimated that, on average, loans from the Clean Energy Finance Corporation will make a loss of around about 7½ per cent. Once this bill passes today we are set to waste $750 million at least, but this amount is likely to be a vast underestimate.

Senator Crossin interjecting.

Senator JOYCE: Madam Acting President, I think she needs an ambulance. She is in some pain over there.

Senator Crossin: I know, but the pain will be gone when you sit down.

Senator JOYCE: What will we do? I suggest we get her a new lily pad, because that one seems to be sinking. I am sure you will be interested to hear the views of Larry Summers, formerly Bill Clinton's Treasury secretary and President Obama's director of the National Economic Council: 'The government makes a crappy venture capitalist.' We are going to have such shining lights as Senator Crossin helping us out. Now there is a shining orb of economic
light! Just look at her. You know she is right up the top there. She would be a great example of economic literacy. People like Senator Crossin are going to be such an asset to the investment profile of this nation. I cannot wait for people like Senator Crossin to be advising us on the direction this nation should go, because they are so clever.

Senator Crossin: That is right. That is the best thing you have said.

Senator Joyce: You can tell, because in between the intermittent grunts that emanate from the corner where she resides on her lily pad—

The Acting Deputy President (Senator Pratt): Senator Joyce, please direct your remarks to the bills under discussion.

Senator Joyce: If we want to know about green power, we can see the energy that it takes to eat flies and bring up tadpoles. Maybe we can have a caucus with Senator Crossin and some of the Greens—Senator Rhiannon—that would be good. We will be able to listen to them grunting along, talking about windmills and photovoltaic cells, as we blow $10 billion. You might think $10 billion is irrelevant, Senator Crossin, but there are a lot of people who think $10 billion is a lot of money. You do not really care about $10 billion anymore, because you do not care about money any more, as long as you bring the whole show down. What we are seeing now is basically the financial destruction of Australia, as you tear it down, as you bring it to its knees. It has all become so pathetic, so ridiculous. It goes on and on from one fiasco after another fiasco in an eternal rotating circus of fiascos and in the centre of that fiasco is the emanating light of Julia Gillard, Wayne Swan and Senator Trish Crossin.

Senator Urquhart (Tasmania) (13:36): I rise to speak in favour of the Clean Energy Finance Corporation Bill 2012—a bill that will establish the Clean Energy Finance Corporation and the Clean Energy Finance Corporation Special Account and that appropriates funds to that account. The Clean Energy Finance Corporation will be a $10 billion fund that will provide a new source of finance for the development or commercialisation of Australian based clean energy technologies and projects. This includes renewable energy technologies, low-emission technologies and energy efficiency projects.

All we have heard from the opposition today is negativity, and all we ever hear from the opposition about transitioning to a low-carbon economy is negativity. After Senator Joyce's contribution, I would like to share with the Senate today the story of Chicken Little's adventure. Once upon a time there was a tiny, tiny chicken named Chicken Little. One day Chicken Little was scratching in the garden when something fell on her head. 'Oh,' cried Chicken Little, 'the sky is falling. I must go and tell the king.' So Chicken Little ran and ran, and she met Henny Penny. 'Where do you travel so fast, Chicken Little?' asked Henny Penny. 'Ah, Henny Penny,' said Chicken Little, 'the sky is falling, and I must go and tell the king.' 'How do you know that the sky is falling, Chicken Little?' asked Henny Penny. 'I saw it with my eyes, I heard it with my ears, and a bit of it fell on my head,' said Chicken Little. 'I will go with you to the king,' said Henny Penny. So they ran along together, and they met Ducky Daddles. 'Where do you travel so fast?' asked Ducky Daddles. 'Ah, Ducky Daddles,' said Chicken Little, 'the sky is falling, and I must go and tell the king.' 'How do you know that the sky is falling, Chicken Little?' asked Ducky Daddles. 'I saw it with my eyes, I heard it with my ears, and a bit of it fell on my head,' said Chicken Little. 'I will go with you to the king,' said Henny Penny. So they ran along together, and they met Ducky Daddles. 'Where do you travel so fast?' asked Ducky Daddles. 'Ah, Ducky Daddles,' said Chicken Little, 'the sky is falling, and Henny Penny and I go to tell the king.' 'How do you know that the sky is falling, Chicken Little?' asked Ducky Daddles. 'I saw it with my eyes, I heard it with my ears, and a bit of it fell on my head,' said Chicken Little. 'I will go with you to the king.'
'Where do you travel so fast, Chicken Little?' asked Goosey Loosey. 'Ah, Goosey Loosey,' said Chicken Little, 'the sky is falling. Henny Penny and Ducky Daddles and I go to tell the king.' 'How do you know that the sky is falling, Chicken Little?' asked Goosey Loosey. 'I saw it with my eyes, I heard it with my ears, and a bit of it fell on my head,' said Chicken Little. 'I will go with you,' said Goosey Loosey. So they ran along together, and they met Turkey Lurkey. 'Where do you travel so fast, Chicken Little?' asked Turkey Lurkey. 'Ah, Turkey Lurkey,' said Chicken Little, 'the sky is falling, and Henny Penny and Ducky Daddles and Goosey Loosey and I go to tell the king.' 'How do you know that the sky is falling?' asked Turkey Lurkey. 'I saw it with my eyes, I heard it with my ears, and a bit of it fell on my head,' said Chicken Little. 'I will go with you to the king,' said Turkey Lurkey. So they ran along together, and they met Foxy Loxy. 'Where do you travel so fast, Chicken Little?' asked Foxy Loxy. 'Ah, Foxy Loxy,' said Chicken Little, 'the sky is falling, and we go to tell the king.' 'Do you know the way to the king's house?' asked Foxy Loxy. 'No,' said Chicken Little. 'No,' said Henny Penny. 'No,' said Ducky Daddles. 'No,' said Goosey Loosey. 'No,' said Turkey Lurkey. 'Then come with me and I will show you,' said Foxy Loxy. Just as he was about to lead them into his den to eat them, the sky fell on him. 'Oh dear,' said Chicken Little. 'We're too late,' said Henny Penny.

Senator Williams: Madam Acting Deputy President, I rise on a point of order. Is this a chamber of fairytales or are we actually debating an issue? I draw your attention to the issue of relevance. This is not a preschool, although some on the other side seem to act like preschool students. Can you draw the issue of relevance to Senator Urquhart's attention?

Senator McLucas: On the point of order, Madam Acting Deputy President: we had a presentation from the Leader of The Nationals which we allowed to continue. People talk about fairytales, but there were a lot of fairytales told by him, too. I think that Senator Urquhart is making a debating point and I suggest that there is no point of order.

The ACTING DEPUTY PRESIDENT (Senator Pratt): Senator Urquhart, I am sure you will draw this story to a conclusion and come back to the bill.

Senator URQUHART: I will, Madam Acting President. Those listening can draw their own conclusions about the connection between Henny Penny's adventure and the opposition's rhetoric on pricing carbon. I thought that was a much easier story to follow than the story we heard from Senator Joyce in his presentation.

As we are all aware, manufacturing in Australia is under pressure from the resource-fuelled high Australian dollar and overseas competition as the manufacturing industries in our big Asian trading partners mature. But Australian manufacturers and manufacturing workers want to do their part for the environment and for the future, and they realise the opportunities that our changing world presents. Australia is a late starter in the transformation to clean technology due to its access to low-cost fossil fuels. Current global financial conditions, the complex nature of Australia's electricity markets, the cost of renewable energy and the preference of investing institutions for listed assets inhibit the financing of the clean energy sector.

Unfortunately, traditional avenues of finance can often be out of reach for companies looking to make sustainable capital investments in their operations and to
commercialise innovative products. The corporation is a mechanism to help mobilise investment in renewable energy, low-emission and energy efficiency projects and technologies in Australia. The corporation will finance Australia’s clean energy sector using financial products and structures to address the barriers currently inhibiting investment. Ultimately, Australian manufacturing will get ahead of the game because of the government’s willingness to back them in making this important transition. Shell Global CEO Peter Voser rightly noted on ABC TV’s 7.30 program last Thursday, ‘...

Shell as a company is actually very much advocating that we need a price for carbon on a worldwide basis ... we take a very long-term view that the carbon will be priced ...

Global carbon pricing will occur. Smarter, greener technologies and manufactured goods will emerge around the globe. Australia is uniquely placed to capitalise on first-mover advantage by making sure our manufacturers are equipped to produce and are capable of producing solar cells and windmills and the associated infrastructure, and it is necessary to assist producers get their products to market while meeting the demands of a low-carbon future and changing consumer patterns.

We cannot afford to miss this opportunity because our banks and other finance companies are not prepared or able to back Australian innovation and know-how. In terms of lifting our manufacturing industry’s competitiveness and getting ahead of the game on a global scale, the Clean Energy Finance Corporation is an essential piece of the picture. This transformation will require substantial capital which the private sector alone may not be able to provide. I am a member of the Senate’s Economics Legislation Committee, which held an inquiry into this bill. Submissions to the inquiry all supported the creation of the Clean Energy Finance Corporation. In its submission to this inquiry, the Clean Energy Council suggested that the challenge of developing new energy technologies is not unique to the clean energy sector. The council argues:

... other technologies such as coal and gas generation have enjoyed decades of public support to get to where they are today. Some level of government support is warranted when long-term investments requiring large amounts of capital are needed to kick-start promising first-of-kind technologies. In the clean energy sector specifically, the Clean Energy Council indicates:

To overcome current market constraints and accelerate commercialization and deployment of low carbon technologies, support is needed in the construction of financial transactions in a way that will enable use of conventional capital markets products such as debt financing, private equity, venture capital and capital from longer term equity investors (like superannuation funds) at an affordable cost.

While all the evidence received by the committee supported the concept of the Clean Energy Finance Corporation, there were a range of options shared to the House of Representatives Standing Committee on Economics. In its evidence to the committee, Treasury stated that it was not aware of concerns from either the finance sector or the green energy sector about how the framework for the Clean Energy Finance Corporation, as contained in the bill, has been designed. I quote:

There is a spectrum of views: ‘We need to do it now and we need to do it quickly’ to ‘We should do more’ to some sectors that question the need for the corporation. So there is a broad spectrum of views, but the bill ... reflects the findings of the expert review panel into the Clean Energy Finance Corporation, which was chaired by Jillian Broadbent. Also on that panel were Ian
Moore and David Paradice. All three members have extensive experience within the financial sector and the corporate sector.

In its submission to the inquiry, Hydro Tasmania stated that the Clean Energy Finance Corporation offers significant opportunity to build on Hydro's established capabilities in the renewable energy sector. As they are the largest clean energy producer in Australia, I am inclined to listen to them rather than the negativity espoused by those opposite. As a well-established clean energy producer, Hydro Tasmania is continuing to invest in additional renewable energy as well as in the maintenance, upgrade and refurbishment of their existing hydro assets. Hydro concluded their submission calling for:

Expedient passage of the Clean Energy Finance Corporation Bill 2012—

which—

will provide certainty to industry and investors and allow the CEFC to begin assessing eligible clean energy proposals in a timely manner.

I turn to the submission provided by the Beyond Zero Emissions organisation. In particular, the Beyond Zero Emissions organisation is advocating the take-up of concentrating solar thermal power with storage technology to power our country. Concentrating solar thermal is a commercial technology able to provide reliable power 24 hours a day. However, as it is a less mature technology, it is currently not cost competitive with other fossil and renewable technologies. Given the large capital cost component of the cost of solar thermal energy electricity, Beyond Zero Emissions highlight that the Clean Energy Finance Corporation could help this technology be deployed in Australia. And, excitingly, we could build the infrastructure here in Australia using our existing manufacturing expertise.

As with most renewable energy technologies, the up-front capital cost of concentrating solar thermal power represents over 90 per cent of the levelised cost of energy. Consequently the cost of capital, or the effective interest rate on capital investment, has a substantial influence on the economic viability of a project. Using the government bond rate through finance from the Clean Energy Finance Corporation may be able to deliver investment in concentrating solar thermal power. However, to do this, Beyond Zero Emissions state that the Clean Energy Finance Corporation must be allowed to provide at least 75 per cent of the capital investment for concentrating solar thermal power plants. This represents as much as $500 million to $1 billion. At current commercial rates, the levelised cost of electricity for concentrating solar thermal power is over $250 per megawatt hour. If the Clean Energy Finance Corporation allowed 75 per cent of the capital cost to be financed at the government risk-free rate, with the remaining 25 per cent financed at the commercial rate, the levelised cost of electricity could approach $150 per megawatt hour. This composition of debt to equity is typical finance leverage for power infrastructure projects. And this leaves concentrating solar thermal power about $12 to $25 per megawatt hour more expensive than other renewable energies. To achieve investment in concentrating solar thermal power in Australia, we need the Clean Energy Finance Corporation to significantly consider a larger than traditional investment in concentrating solar thermal power.

I thank Hydro Tasmania, Beyond Zero Emissions and all organisations for their submissions to the Senate inquiry. I urge all senators to support this bill and not be spooked by those opposite and their attitude to this most serious issue.
Senator FIERRAVANTI-WELLS (New South Wales) (13:49): I rise to also speak on the Clean Energy Finance Corporation Bill 2012 and what is really a complete and utter folly. The clean energy fund is absolute and utter folly and it simply will end up being another slush fund exposed as a complete waste of taxpayers' money. When you look at this fund you see all the hallmarks of the Victorian Economic Development Corporation, which left Victoria in such a disastrous state only two decades ago. I want to take the Senate through some observations that the shadow minister for climate action, environment and heritage, Mr Hunt, has made in relation to this fund. He has outlined that there are four basic things that we need to know about the structure of this fund which are very important. Firstly, this $10 billion fund will create absolutely no new renewable energy. Incredible—it may seem impossible—but this is the fundamental flaw which is at the very heart of this fund. Prior to the creation of the clean energy fund, the Renewable Energy Target was 20 per cent by 2020. And guess what? After the $10 billion will have been spent it is intended that the target will still be 20 per cent.

So then what is the nature and purpose of this fund? And is it, then, merely to displace existing technologies and go to much higher risk technologies that are more likely than not to fail? Therefore it is not surprising that there is some disquiet, even within green stakeholders, in relation to this operation, most importantly because of the distortions in the market that it will create. Here is the thing that surprises me most. What are the terms of reference that ultimately define for us today, before the creation of this fund, what actual benefit, if any, will result as a consequence of this fund?

Is the fund charged with investing in the lowest cost technologies to produce the cheapest emission reductions? No. It is basically there to fund technologies that are uneconomic, unproven and too speculative for the private sector to finance.

What will happen is that we will see $10 billion borrowed on behalf of the taxpayers of Australia so that that money can be given to speculative ventures with absolutely no prospect that they will deliver some environmental benefit at the end of the process. Let us not forget that these will be technologies that the market itself will not be financing because they are high risk. One can make all sorts of assertions about the board of this fund and all sorts of assertions about the skills that the board could have, but no amount of skills of the board is going to insulate the Australian public against what is likely to be a series of untested, untried and likely high-risk technologies, which have all the hallmarks of being complete and utter failures. Of course, all of this will be off-budget and inevitably it will be a lot of money lost.

Cynically, like many of the things this government does, the fund is due to start paying out public moneys only weeks before the next federal election is anticipated.

Senator Cormann: I wonder why that is.

Senator FIERRAVANTI-WELLS: I wonder why that is, Senator Cormann. Absolutely. One does not want to be too cynical, of course. Unfortunately for the taxpayers and unfortunately for the voters of Australia, who would really like an election today but will very likely have to wait until next year, the three-year mark for this very, very bad government will be 21 August next year. If there is an election then, the caretaker period starts in July. Therefore we will start seeing payments of moneys and potentially $2 billion rolling out in the weeks just before the election and during the caretaker period.
Of course, we have seen massive failures on this front before and I will point to a number of these. There was the government's $700 million Solar Flagships program in Moree and Queensland's Solar Dawn project's struggle to gain industry support. Along with the Bligh government, this government also presided over more than $100 million of losses in the ZeroGen project despite clear warnings from both the opposition and experts in the field. I remind the Senate of comments by former Premier Beattie when he described Mr Macfarlane as 'on drugs' for his warning that ZeroGen would fail. Clearly Mr Macfarlane has been proven to be very correct. As I indicated, this had all the bad hallmarks of the Victoria Economic Development Corporation, which left Victoria in a disastrous state. Programs of this nature have had massive failures and there has been considerable controversy in the United States. There were the failures of the $700 million Solyndra project as well as those of Beacon Power and Ener1, which occurred under a similar program as that proposed under this fund. These companies were recently joined by the collapse of Solar Trust of America, which had a $2.1 billion loan guarantee from the US energy department.

I now turn to some work which has been undertaken by the Centre for Independent Studies Research Fellow, Dr Oliver Marc Hartwich, who released a report entitled, *A waste of energy: why the Clean Energy Finance Corporation is redundant*, in relation to this fund. It has been exposed well and truly by Dr Hartwich as inherently wasteful, and will achieve precisely zero in terms of real CO₂ savings under the carbon tax. These were the damming conclusions reached by Dr Hartwich in his report. He said:

The physical effect of energy subsidies is precisely zero in an environment where the total emissions are pre-determined by a trading scheme. Not a single gram of carbon dioxide is saved by pumping money into renewables.

Of course, all this is a futile waste of taxpayers' money. This is yet another example of this government bowing to the demands of its green alliance partners. In this case it is $10 billion to pump into what is nothing more than a giant slush fund.

I will now turn to some specific comments that were made by Dr Hartwich. He states in his report:

The establishment of the CEFC is a questionable political venture for a number of reasons. The very nature of the corporation is unclear: Is it a grant-giving institution or a commercially operating capital provider or both? This inconclusive dual nature, which is implicit in the government's plans, will make it virtually impossible to evaluate the success or failure of the CEFC.

Further, Dr Hartwich comments:

… investment risks, which ought to be borne by private entrepreneurs, are relegated to taxpayers. Private capital providers are outcompeted by cheaper finance made available through the CEFC. The distortions for capital markets are plain to see.

… … …

The billions of dollars that are set to flow into this most dubious political entity ...

Debate interrupted.

**QUESTIONS WITHOUT NOTICE**

**Gillard Government**

**Senator ABETZ** (Tasmania—Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Prime Minister, Senator Evans. I refer the minister to the three priorities the Prime Minister set for herself at her first press conference following her deposing Mr Rudd as Prime Minister two years ago yesterday. Those priorities were to win broad community support for pricing carbon, to
stop the boats and to fix the mining tax. Given that there is broad and growing community opposition to the carbon tax, that boats are arriving and that the mining tax is under challenge in the High Court and is likely to raise a lot less than predicted, can the minister advise which of these three self-selected policy areas has been the Prime Minister's greatest success?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:01): I think Senator Abetz answers his own question. What Senator Abetz referred to, firstly, was the question of placing a price on carbon. It is, in fact, the case that the Australian parliament has legislated for a price on carbon. We have delivered what John Howard sought to do and what successive Liberal election commitments were to achieve but which saw the Liberal Party change its mind on the value of putting a price on carbon. What we know is that from 1 July there will be a price on carbon. We will have a massive change in the economic and environmental policies of this country that will allow us to deal with this major challenge of carbon pollution in our economy. That is a very real achievement and one which I think increasing numbers of Australians are coming to recognise is not the sort of doomsday scenario that the Liberal Party have been keen to press. In fact, it is interesting that the rhetoric of the Liberal Party has changed so much in recent days. They no longer talk about the 'Armageddon' of 1 July; now they are talking about a slow strangulation as they come to realise that the carbon price will transform our economy in a very positive way, will allow us to continue to grow jobs and will allow us to continue to grow our economy. We have an economy that, despite the impact of a carbon price coming in on 1 July, is growing very strongly, and we are seeing record investment, including in mining—a record pipeline of investment. As the mining sector realise, they will continue to have great opportunities in the Australian economy.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:03): Mr President, I ask a supplementary question. How does the government honestly claim success in these three areas when more Australians than ever oppose the carbon tax, the boats keep coming in unprecedented numbers and the mining tax is both the subject of a High Court challenge and unlikely to raise the revenue predicted?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:03): It is all rhetoric from the Liberal Party. The mining tax is a classic example. The mining tax was going to destroy the mining industry in Australia; it was going to mean the end of mining investment. Now what do we see? Record investments and acceptance by the major companies that paying a fair share of the superprofits from their mining operations is a reasonable thing. So what do we get now? We now get the argument that the tax that was going to destroy the mining industry is now not going to raise anything at all. They have gone completely full circle. The other thing is that those that were running around saying, 'It's constitutionally invalid,' have gone quiet, apart from who? Twiggy Forrest. But where are the other supporters? Where are the state governments? 'Oh, well, it may not be quite as unconstitutional as we first said.' All we hear is rhetoric and negativity from the Liberal Party. We hear nothing positive, and as each deadline approaches their rhetoric becomes even more meaningless. (Time expired)
Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:04): Mr President, I ask a further supplementary question. Given the great successes to which the minister has referred, can the minister advise the Senate if the government is planning any wild and uninhibited celebrations of the second anniversary of the assassination of Mr Rudd and the implementation of carbon tax, boats and mining tax policies?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:05): I think Senator Abetz, as I say, reveals himself in his questions—a low-level political attack with nothing to offer the Australian people in terms of policy and nothing constructive to say about any of the big policy issues of our time. The ALP is very proud of its reforms on carbon pricing. We absolutely think it is good for the economy and good for the environment. I will make a bet today: I bet that the Liberal Party, if they get their chance, will never, ever roll back the carbon price, because they will realise how important that reform is. So I am happy to see the Liberal Party twist on the positions they have got themselves to, because they will never, ever remove the carbon price in the Australian economy. (Time expired)

Honourable senators interjecting—

The PRESIDENT: Order! I remind senators that, if you wish to debate it, the time is after question time.

Asylum Seekers

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:06): My question is to the Minister representing the Minister for Immigration and Citizenship, Senator Lundy. Before I ask the question, though, I would acknowledge on behalf of the Greens the tragedy that has occurred off our shores and the lives lost, and also acknowledge the efforts of the rescue personnel.

I move to the question: does the minister agree with Amnesty International and the UNHCR in their calls for all countries in the region, including Australia, to redouble their efforts to find a regional solution, to find safe pathways for asylum seekers and to offer better protection to asylum seekers?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:07): The government’s attention remains fully focused on the welfare of the survivors from this terrible boat tragedy, and I too acknowledge those who are assisting with the rescue and express my empathy for those families that are suffering.

Late last year the government approached the coalition in good faith to sit down to negotiate a compromise and to discuss what we could do to stop the flow of boats and save lives. We offered to set up a processing centre on Nauru as well implementing the Malaysia arrangement and an independent review into the effectiveness of temporary protection visas. That offer remains.

As the government has said countless times, without a genuine deterrent more people will risk their lives at sea on dangerous boat journeys. The government remains committed to implementing policies that will save lives and deliver a safer and more orderly refugee system for Australia. We remain prepared to work with the coalition and the Greens to see offshore-processing legislation pass through the parliament and prevent asylum seeker deaths at sea.

As things stand, there is a consensus in the parliament that, following the High Court decision last year, offshore processing is not possible without legislation. Mr Abbott, the
Leader of the Opposition, has eventually come around to that way of thinking, which is why he outlined border protection legislation as a priority for a coalition government during this year's budget reply speech. There is also a consensus across the parliament on the need for offshore processing. We note the positive comments of Dr Mal Washer, Russell Broadbent and Judi Moylan, and the push for compromise and bipartisanship. We hope this spirit prevails.

We also welcome the comments of Mr Oakeshott—(Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:11): Mr President, I ask a supplementary question. I ask the minister further: since offshore processing is contrary to international law, does it undermine regional cooperation and discourage other countries from signing the refugee convention if Australian is seen to be abandoning it?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:10): I do not accept the premise of that question, and I would like to point out that, as I was saying, we also welcome the comments of Mr Oakeshott and Mr Windsor about ending the impasse over offshore-processing legislation so we can implement an effective deterrent to prevent asylum seekers from risking their lives on dangerous boat journeys to Australia.

There is legislation currently before the parliament that would allow both the coalition and Labor to implement both our offshore-processing policies. We are not asking Mr Abbott to support the Malaysian arrangement, but we are, and we have been, asking him to support legislation on offshore processing. But without offshore-processing legislation there will be no guarantee that the tragedy we saw over the last week will not happen again.

It is extremely concerning, but we do know the opportunity for making real progress on this issue stands alive and well. It is up to the coalition to come to the talking—(Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:11): Mr President, I ask a further supplementary question. Further to the UNHCR call for safe pathways, I would ask the minister: do safe pathways include the same application of safety-of-life-at-sea principles and actions as would apply to all other vessels at sea?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:11): Of course Australia remains committed to all of our obligations in that regard. I can assure the Senate that the government is focused on supporting the whole-of-government efforts to combat people-smuggling activity and irregular people movement, and is collaborating across the region on immigration matters at both the operational and technical levels and on ongoing work to increase protection space in our region.

As Senator Milne would be aware, Australia is co-chair with Indonesia of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime. The Bali Process is the only grouping in the Asia-Pacific region that brings together representatives from source, transit and destination countries to address irregular migration. As I said before, this is a process we are committed to and we encourage all parties to continue an open negotiation with government to resolve this matter once and for all.
Burma

Senator STEPHENS (New South Wales) (14:12): My question is to the Minister for Foreign Affairs, Senator Bob Carr. Can the minister brief the Senate on the outcomes of his recent visit to Myanmar?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:13): My visit to Myanmar from 5 to 8 June provided me with an excellent appreciation of the reform effort underway in that country.

During the visit I met with figures from the government and with figures from the opposition, including representatives of the 'Generation 88' movement, who had served 22 years in prison; with Aung San Suu Kyi; with representatives of civil society, including journalists, NGO workers, doctors and teachers; as well as with the president, government ministers and the lower house speaker, Shwe Mann. All of these meetings provided me with greater firsthand appreciation of the challenges the country faces in implementing its reform agenda.

I announced in Myanmar that Australia will lift its remaining targeted travel and financial sanctions. We plan to double our aid to the country from $48.8 million this year to $100 million by 2015, including a new package of support for education. This is very important in a country where something like 50 per cent of students will not complete primary school. We will help around one million children to gain better access to education. We will provide life-saving vaccines for over one million men, women and children. We will support new initiatives to build peace in regions affected by ethnic conflicts, to help conflict-torn communities recover and to build confidence in the peace process. This part of our aid package will assist the resettlement of ethnic minorities returning in the wake of peace agreements to their regions. And we will support new initiatives to strengthen the country's respect for human rights, including a package of assistance to be delivered in partnership with UNICEF to strengthen the rights of children.

I invited both President Thein Sein and opposition leader Aung San Suu Kyi to visit Australia. They were appreciative of the invitation. (Time expired)

Senator STEPHENS (New South Wales) (14:15): Mr President, I have a supplementary question. Can the minister outline the rationale for Australia lifting the sanctions against Myanmar?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:15): The point had been reached where the government judged that lifting sanctions was the best way to promote further progress. It was the strong advice of our ambassador that constructive, responsible engagement is more likely to help Myanmar with its political, economic and social development plans. Indeed, Aung San Suu Kyi said to me that she believed the country must find an impetus within itself to proceed with reform, rather than relying on coercion from outside.

Responsible engagement will enable us to work more closely with the government to raise health and education standards. Engagement through exposure to international standards and best practice will also help improve accountability and transparency. In this context we are able to increase our aid spending. We could not have done that if the country had been mired in an unaccountable military dictatorship. (Time expired)

Senator STEPHENS (New South Wales) (14:16): Mr President, I have a second supplementary question. Minister, can you outline to the Senate what Australian aid is
doing for the people of Myanmar and any other information you might want to provide to the Senate about your visit?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:16): This country is one of the poorest in the world. As I said, only half of all children will actually complete primary school. That means a lot of them are not going to be in a position to absorb messages about personal health, family planning, business development or the management of farms. Also, 70,000 children under five will die each year from largely preventable causes. Around 10 per cent of children under five are severely malnourished.

With the doubling of our aid program, as I said, from $48 million this year to $100 million by 2015, we will help around one million children to gain better access to education by providing essential school supplies, teacher training and food aid to schools in remote areas. I visited one school where, I can report with pride, the teachers were trained by Australia and the blackboards and textbooks were provided by Australia. (Time expired)

Carbon Pricing

Senator RONALDSON (Victoria) (14:17): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Will the minister confirm that Alcoa's review of its Point Henry aluminium smelter operation in Geelong considered the price of the government's carbon tax on the costs of production? Will the minister also confirm that Alcoa's carbon tax bill for its Point Henry smelter is in the order of $40 million?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:18): In relation to the carbon price liability, I can confirm that aluminium would be included amongst the most emissions-intensive trade exposed industries and therefore would receive the maximum amount of free permit assistance under the scheme. The advice I have is that aluminium smelters would only face an average carbon price of $1.30 per tonne of emissions for their core smelting activity. That assistance has been provided to that sector, recognising the trade exposed nature of the industry and the fact that it is emissions intensive.

In relation to the review, obviously I would suggest the senator look to the statements from the company which have made clear that the high Australian dollar and the low world price of aluminium are the reasons for the review of Point Henry's operations. What is disappointing from the opposition, who wanted to link the Fairfax job losses to the carbon price, is that every time there is some concern about any firm in terms of its viability, given the international trading conditions it experiences, you see the opposition jumping on board not to protect jobs, not to support jobs, but to try and make a political point. They try and make a political point with the jobs of Australians. Unlike those on that side, we on this side are serious about jobs.

Senator Ronaldson: A point of order on relevance, Mr President: I asked the minister quite clearly whether the carbon tax bill for Alcoa was going to be $40 million. I ask the minister to answer the question.

The PRESIDENT: I believe the minister is being relevant to the question. The minister has 27 seconds remaining to address the question.

Senator WONG: That point of order was made—if I may say, Mr President—without listening to the answer.

Senator Brandis: No, you may not say, Minister!

Senator WONG: I commenced the answer with a discussion of the liability and
the free permits. I commenced the answer with a discussion of the assistance that the government is providing. I commenced the answer with a discussion of the Point Henry review. You just do not want to listen, do you, Senator Brandis?

Senator Cameron: He wants to talk about Fairfax!

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

Senator Brandis: Mr President, in the time that has gone by since you ruled on Senator Ronaldson's point of order, the minister has done nothing other than comment on the point of order. That is plainly out of order for two reasons: firstly, the point of order was disposed of by you and, secondly, a critique of a point of order that has been ruled on has nothing to do with answering the question. In the eight seconds remaining, you should require the minister to address the narrow question Senator Ronaldson posed.

Honourable senators interjecting—

Senator Jacinta Collins: On the point of order, Senator Wong was highlighting how she had quite clearly been relevant in answering the question. She went back and covered how at the start of the question she commenced with the carbon price liability of aluminium. I cannot see how she could be clearer.

Honourable senators interjecting—

The President: Order! I had ruled on the point of order and there is no need to debate the outcome of a point of order once the ruling has been made. I draw the minister's attention to the question. There are now eight seconds remaining to answer the question.

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:22): We know that Senator Brandis is sensitive; he is clearly pompous as well. We have made clear that we support—(Time expired)

Senator Ronaldson (Victoria) (14:22): Mr President, I ask a supplementary question. Given that the government's $40 million carbon tax bailout for Alcoa will pay for its $40 million carbon tax bill, can the minister confirm how many other Australian industries could be saved from destruction if the government scrapped its carbon tax?

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:23): First, I do not accept the proposition in the question. I would again remind the opposition that the Treasury modelling shows that we can continue to grow the number of jobs in this country with the carbon price. The assumption in the question that the carbon price will somehow mean the end of various industries is really a reiteration of the scare campaign that Mr Abbott has been engaged in—which ranged from the carbon price being the death of the coal industry and the death of the mining sector to the town of Whyalla being wiped off the face of the Earth. I anticipate that Whyalla will still be there after 1 July. I would point the opposition to not only the increased investment in coal and mining but also the shares that some of their colleagues have invested in since the carbon price became legislation—because it flies in the face of the scare campaign. (Time expired)

Senator Ronaldson (Victoria) (14:24): Mr President, I ask a further supplementary question. Given that Labor's toxic carbon tax is still six days away yet the government has already been forced to bail out Alcoa's Point Henry aluminium smelter, why won't the government do the right thing for Australian industry and manufacturers in the Geelong region and scrap the toxic
carbon tax—which the people of Geelong know was based on a lie?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:24): Unlike those opposite, we are a government focused on protecting jobs and supporting jobs; and, unlike those opposite, we are not going to try to play politics with industries that are grappling with a high dollar and lower world prices. What is occurring is: those on that side grasp onto any commercial challenge as a result of industry's dealing with a high dollar and world prices being at lower levels, and they try to make political mileage out of it. We are the government that have seen the creation of over 800,000 jobs since we came to government. We will continue to do what we have done, which is to focus on policies which support employment. We are not going to be distracted by the sort of craven politicking around people's jobs that we see have seen from the other side.

Remand Population

Senator WRIGHT (South Australia) (14:25): My question is to Senator Ludwig, representing the Attorney-General and the Minister for Justice, and it is about the unprecedented growth in Australia's remand population over the last 30 years, which was about one in 10 in the early 1980s and is now more like one in four. Given that the number of people on remand in my home state of South Australia is even higher, at 32 per cent or one in three prisoners, can the minister please tell me: how is the Attorney-General's Department working with the states and territories to develop policy options for reducing the large number of prisoners held on remand across the country? In particular, has the Justice Reinvestment Working Group, which sits under the National Justice CEOs Group, considered or made any recommendations about addressing the remand situation as a cost-effective means of reducing overall prison populations in Australia?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:26): I thank Senator Wright for her question. As Senator Wright correctly identified at the outset, this is primarily a matter that is a state issue. Of course, remand is one of the matters that falls directly within state and territory jurisdictions, including in the types of court action that are taken. I can add that if the meeting of the Attorneys-General is able to provide any additional information, I will seek that from the Attorney-General. In terms of addressing the matter of the over-representation of Indigenous Australians in the criminal justice system, Indigenous rates of imprisonment are influenced by complex interactions of Indigenous disadvantage. Ms Macklin is working through closing the gap to improve those issues that sometimes lead to incarceration rates being increased within Indigenous populations, such as the standard of living, employment levels and literacy and numeracy. More importantly, getting back to the primary issue of remand and the opportunity for the Attorney-General to contribute to working with state and territory governments on those issues, it would be better that I seek further and better particulars from the Attorney-General as to the nature of work in that field.

Senator WRIGHT (South Australia) (14:28): Mr President, I ask a supplementary question. I thank the minister for the answer. Given the clear human rights implications of large numbers of Australians being held on remand, many of whom will ultimately be found not guilty, can you please provide an update on the progress of the national justice CEOs working group on justice reinvestment in working with the Australian Bureau of
Statistics to improve national corrections datasets and in particular national prisoner and offence data?

Senator Ludwig (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:29): I thank Senator Wright for her supplementary question. Having examined the various briefs, I think that I would be at a stretch to detail an answer to so specific a question. On that basis, it would be far better for me to take the matter on notice and ask the Attorney-General whether or not she can contribute an answer to the question that has been asked by Senator Wright, which goes to some very narrow issues and the role that the Commonwealth plays in this field.

Senator Wright (South Australia) (14:29): Mr President, I ask a further supplementary question. I thank the minister for taking that question on notice. One of the key reasons people are held on remand is the lack of stable accommodation that they can return to. That particularly affects the most disadvantaged in our society, the homeless and Indigenous Australians. Is the Attorney-General’s Department working with FaHCSIA to develop a bail hostel pilot project that would provide supported accommodation for such people who are not considered a flight risk and for whom the police do not oppose bail?

Senator Ludwig (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:30): I thank Senator Wright for her second supplementary question. Much of the question goes to what I would regard as state issues. States would work through their various community departments to assist those people who have been remanded in custody or have experienced a term of imprisonment and then seek accommodation. State and territory governments have a range of assistance for those people. It is a question that should be directed to state and territory governments. To the extent that the Attorney-General can provide additional information in respect of that particular question, I will seek that additional information. In addition to that, I would point out that this government has a separate housing minister who is interested in this field. (Time expired)

Department of Human Services

Senator Pratt (Western Australia) (14:31): My question is to the Minister for Human Services, Senator Kim Carr. Given the growing demand for Centrelink, Medicare and Child Support Agency services, can the minister advise the Senate what the government is doing to ensure that all Australians get the help and support that they need?

Senator Kim Carr (Victoria—Minister for Human Services) (14:32): I thank Senator Pratt for her question. The service delivery reform program that we often speak about has to be more than just a PR slogan; it has to have real meaning for the improvement of lives of people who depend upon the work of departments like the Department of Human Services. Today I am very pleased to be able to announce a new deal that will help remake the telecommunications programs of the Department of Human Services for the 21st century. Over the next five years, Telstra will provide some $474 million in telecommunications to the Department of Human Services. This will allow for the merger of 20 current contracts into one, which will provide a much better deal for taxpayers. This is precisely the sort of benefit that the government envisaged when it brought together Centrelink, Medicare and
the Child Support Agency. This is a major win for Australian battlers.

First, it will be a faster service. For the first time, voice, image and data services will be managed across a single data network. The new centralised scheduling system will help staff manage day-to-day demands more effectively. It will also allow callers to set the time that is available for call back services, which will mean less time waiting on hold.

Second, it will be cheaper. There will be secure and free access for Telstra mobile phones for callers in critical, Indigenous, income management, rural agent and Abstudy lines. This will be extended to all callers by 2015 as a result of the reforms that Senator Conroy has initiated. Third, it will be smarter, because the new arrangements will take advantage of next generation technology, including speech analysis and video conferencing. It will be a more modern network for the needs of a modern life. Fourth, it will be more reliable.

Senator PRATT (Western Australia) (14:34): Mr President, I ask a supplementary question. Can the minister please explain how this new contract will change the experience for people who need to deal with the government?

Senator KIM CARR (Victoria—Minister for Human Services) (14:34): Every day, one million Australians make contact with the Department of Human Services: one million. Every one of them is entitled to a response that is timely, accurate and genuinely helpful. This agreement will help government meet those obligations in the years ahead. For some, we have ensured free access to services that they need. We have targeted that support to families that are doing it tough, including people in regions and Indigenous Australians. But they are not the only beneficiaries of this deal. We will have a better system to manage the demand. We have made home delivery and self-service options more attractive. We will empower more people to speak to the department at a time of their choosing. All callers will see the benefit of these reforms, which will give real weight to the principle of service delivery reform.

Senator PRATT (Western Australia) (14:35): Mr President, I ask a further supplementary question. Can the minister advise the Senate what action the government has taken to ensure that Australian industry will have a fair go in competing for work through this contract?

Senator KIM CARR (Victoria—Minister for Human Services) (14:36): This is one of the biggest telecommunication deals our country has seen in terms of government programs. It is a major investment in public service. The government is determined to make it an investment in the future of Australian workers. Telstra has committed to use Australian based industry for the implementation of and the transition to new platforms over the upcoming period. It will deliver to government an Australian industry participation plan outlining the steps that it will take to ensure that it extends the benefits of this contract to local suppliers. I am confident that local firms will have the skills and the creativity to support this vital work. That in turn will boost their profile on the global stage. This is the Labor approach to public enterprise. This is a win for workers, taxpayers and the citizens of this country, who will get better services from Telstra and from the Department of Human Services.

Mining

Senator CORMANN (Western Australia) (14:37): My question is to the Minister representing the Treasurer, Senator Wong. I refer the minister to modelling undertaken by UBS showing that the government's mining
tax will raise only $4.8 billion over the forward estimates and not the $13.4 billion the government has asserted in the budget. That is $8.6 billion less than the government has predicted over the forward estimates. How will the government fund its $8.6 billion mining tax budget black hole, which will only continue to grow?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:37): First, in terms of the mining tax, the position of the opposition seems variously to be that this is a tax that will end the mining industry and that this is a tax that will not actually raise any money. If it is a tax that will not raise any money, then presumably it will not actually end the mining industry. You cannot even work out which scare campaign is the most convenient, Senator Cormann. You cannot even work out which part of your opposition to this campaign is the most convenient, because you say both that it will end the world as we know it, in terms of the mining industry, and that it will not raise any revenue. I start with making that point, because I think everyone should be very clear about where Senator Cormann is coming from—which is all over the place. He simply wants to say no. It does not matter what the proposition is when it comes to the government's policies. He simply wants to say no. In terms of the revenue that is to be raised—

Senator Cormann: Mr President, I rise on a point of order in relation to the requirement for the minister to be directly relevant. UBS is clearly on to something, because the minister is steadfastly refusing to be directly relevant to the question, which is how the government is going to fund that $8.6 billion shortfall.

The PRESIDENT: You are now debating it. I do draw the minister's attention to the question.

Senator WONG: In relation to the revenue projections, we did revise MRRT receipts in the most recent budget figures. The revision has been to a figure of $13.4 billion over the forward estimates. It is the case, and we have said so publicly, that how much revenue the MRRT will raise will obviously depend on a range of factors, including commodity prices, exchange rates and production volumes. I am also asked about black holes. Senator Cormann should turn around and tell his colleagues how he is going to find $70 billion worth of cuts to services. He asked about black holes. Well, he should know about them. Those on that side—the economic team on the Liberal Party's side, the coalition's side—have done nothing but preside over costings errors and black holes to the self-confessed tune of $70 billion.

Senator CORMANN (Western Australia) (14:40): Mr President, I ask a supplementary question. Given that the minister has just conceded that mining tax revenue will depend on commodity price assumptions, production volume assumptions and various other assumptions coming to fruition, will the government now release all the mining tax revenue assumptions it has used—in particular, the commodity price and production volume assumptions—to estimate its mining tax revenue estimates? Given that the government has so far been desperate to keep these assumptions a secret, what has it got to hide from the Australian people? Is it yet another Labor Party budget black hole?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:41): First, breaking news that the MRRT will depend, amongst other things, on commodity prices! That is a really good get Senator; what a get!

Opposition senators interjecting—
Senator WONG: You would never have noticed that that might have been precisely what we have been saying for quite some time. What is more interesting is the proposition that—

The PRESIDENT: Order! I draw the minister's attention to the question. The interjections on my left should stop.

Senator WONG: What is more interesting is the newfound interest in transparency from a member of the coalition's economic team—the people who use catering companies to do their costings.

The PRESIDENT: Minister, I draw your attention to the question.

Senator WONG: This is from the people who will not commit to using the Parliamentary Budget Office for their costings, the people who had a black hole in their election costings and who now have a $70 billion black hole.

The PRESIDENT: Minister, I draw your attention to the question.

Senator WONG: Thank you, Mr President—and, with respect, I am answering the question. I was asked about the hiding of information, and I have made clear that we have made public the estimates for MRRT revenue. That is unlike the position of the opposition, who refuse to come clean on which services they will cut to meet their black hole. (Time expired)

Senator CORMANN (Western Australia) (14:42): Mr President, I ask a further supplementary question. I ask again: given that an independent economic modeller has now revealed that the estimated revenue for the mining tax will be one-third what the government has forecast, how will the government make up the shortfall? Given yet another multibillion-dollar shortfall, how can anyone believe that Labor will deliver on its promise of a $1.5 billion surplus next financial year after a track record of $174 billion of accumulated deficits?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:43): In terms of estimated revenue, I again point the senator to the transparent and printed budget documents. The MRRT will collect $13.4 billion over the forward estimates. They were revised down; we were transparent about that, and that transparency is in stark contrast to the way those opposite are hiding their $70 billion worth of cuts. So don't come in here, Senator Cormann, and talk to us about transparency.

Landcare

Senator STERLE (Western Australia) (14:43): My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. Can the minister please outline to the Senate the investments the government has made in supporting Landcare? Given the support Landcare has received across successive Labor governments, can the minister outline any further ways the government can recognise and support Landcare in Australia?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:44): I thank Senator Sterle for his question. Labor governments have a strong tradition of investing in Landcare and supporting the flagship Caring for our Country program. Landcare and community groups play a vital role in the delivery of natural resource management rights on the ground. Since 2008 the government has funded nearly 1,000 competitive grants worth over $110 million through Landcare. Former Labor Prime Minister Mr Bob Hawke declared the
1990s as the decade of Landcare. His declaration symbolised the investment that the Hawke Labor government delivered for sustainable agriculture and environmental practices.

This is why I am pleased to be able to announce to the Senate that the Gillard government will be naming a new agricultural honour after former Prime Minister Bob Hawke. The Bob Hawke Landcare Award will recognise an outstanding individual effort in encouraging Australians to adopt sustainable and productive agricultural practices. The winner of this award will receive a prize of up to $50,000 to develop their knowledge and skills in sustainable land management and will have an honorary position on the Australian Landcare Council for a period of two years. This award will support and recognise the hardworking and innovative land managers and volunteers who live and breathe Landcare. It will champion those who create sustainable farm practices for the benefit of local areas and the whole system.

Landcare volunteers range from kids to retirees, surfers to farmers and CEOs to students, with over 6,000 Landcare and Coastcare groups nationwide. Landcare provides an opportunity for like-minded individuals to unify under a shared desire to create positive changes in their communities. These individuals recognise—

Honourable senators interjecting—

The PRESIDENT: Order! The time to debate this is after question time, on both sides.

Senator STERLE (Western Australia) (14:46): That is wonderful, Minister Ludwig. Mr President, I ask a supplementary question. Given the announcement he has just made, can the minister outline the investments the government is making in the Labor flagship Caring for our Country program?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:47): I thank Senator Sterle for his supplementary question. This government was proud to announce in the budget that Caring for our Country would be committed for another five years, securing $2.2 billion in funding from 2013-14 right through to 2017-18. This takes the total funding allocated by this government since July 2008 to over $4.2 billion. This commitment by the Gillard Labor government to continue this program for another five years means that work will continue to be carried out by farming communities to manage and protect our natural environment. It provides certainty to the sector. It is good news for farmers, good news for land managers and good news for the environment. This funding will deliver, for Landcare groups, sustainable agricultural innovation, weeds and pest eradication and management, as well as the regional delivery of better practices that will protect our natural resources for food production for future generations. (Time expired)

Senator STERLE (Western Australia) (14:48): Mr President, I ask a further supplementary question. Is the minister aware of any alternative policy approaches to these successful programs?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:48): I thank Senator Sterle for his second supplementary question. It asked me to address any alternative policy approaches for the flagship Caring for our Country program. I have reviewed the track record of the Liberals and Nationals and concluded that
their policy is simply to continue to peddle fear and misinformation. Before the federal budget the shadow minister for agriculture, Mr John Cobb, was running around like Henny Penny, pushing cheap falsehoods that Caring for our Country was going to be axed. He spared no effort in trying to convince the public that this Labor flagship program would be cut from the budget. But what actually happened in the budget was that the government announced a $2.2 billion investment in the program. That is hardly axing the program! I suppose Mr Cobb was too busy thinking of his own proposed budget to find the $70 billion in cuts to services and—(Time expired)

**Carbon Pricing**

Senator COLBECK (Tasmania) (14:49): My question is to the Minister for Finance and Deregulation and Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. What does the government say to businesspeople around Australia like the operators of a garden nursery and rural supply business in Sorell, in my home state of Tasmania, who are putting up signs telling their customers that they are being forced to increase their prices as a result of the introduction of Labor's carbon tax on 1 July?

Senator Wong: I will take the interjections from the other side, because they really demonstrate a lack of understanding of two things. One is the concept of relative prices—and I suggest they read a very good speech by Mr Turnbull, on the CPRS from memory, where he actually went through this, for those who might have forgotten why price signals are efficient. The second is that the government has always been upfront about there being an impact on prices. It is not a significant impact—as I said, it is substantially less than the GST impact—and that is reflected in the assistance package the government has put into place, which includes, amongst other things, as the senator would be aware, a tripling of the tax-free threshold. I don't have the figures with me about the number of Tasmanians we estimate who would benefit from that, but I would suggest to the senator they would be substantial. We also are increasing the pension and the Disability Support Pension, and there are additional payments to people who receive family tax benefits and other allowances, to reflect the additional price impact.

There is no cost-free way to reduce emissions. The coalition's policy would cost Australians more. The government's policy is economically efficient and lowest cost and ensures, particularly, that low- and middle-income Australia are assisted.

Senator COLBECK (Tasmania) (14:52): Mr President, I ask a supplementary question. Does the minister agree with her colleague Mr Combet that a business, such as this one, displaying such a sign is quite frankly ridiculous? Does she believe Mr Combet acted appropriately when he said, 'If you give me their name and address I will have the Australian Competition and Consumer Commission talk to them today, because that is utterly ridiculous. It is like misleading conduct'?
Senator WONG (South Australia—Minister for Finance and Deregulation) (14:53): Mr Combet is absolutely right in suggesting that—

Opposition senators interjecting—

Senator WONG: Do you want the answer or not?

Opposition senators interjecting—

Senator WONG: Obviously they do not want me to speak.

The PRESIDENT: Order! Ignore the interjections. Interjections are disorderly. I remind senators of that. The minister has 45 seconds remaining on the clock.

Senator WONG: Mr Combet is absolutely right in suggesting that any misleading claims, whether it be in relation to carbon or other—

Senator Brandis: That is not the point. He is assuming it is misleading.

Senator WONG: If Senator Brandis would take a chill pill we could finish the answer.

Senator Abetz: I think we will have to start calling you 'Penny petal'.

Senator WONG: I am being called precious and my mother always told me that I am! What I was trying to say is that Minister Combet is absolutely right in suggesting that the ACCC will obviously consider any misleading statements made by businesses, whether it is in the context of carbon pricing or otherwise, and the government has provided additional resources to ensure that those claims are able to be considered.

Senator COLBECK (Tasmania) (14:54): Mr President, I ask a further supplementary question. Given that the company concerned has spoken to the ACCC and explained that Labor's carbon tax will significantly increase freight costs, because sea freight is subject to the carbon tax—a fact that Mr Combet seems blissfully ignorant of—and Tasmania is surrounded by water, surprisingly, and they have been told there is nothing wrong with their sign, does the minister still agree that Mr Combet acted appropriately, or is this just another example of the jackboot bullying that small business can expect from this government if the carbon tax forces them to increase prices?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:56): I can confirm that I am aware, and I am sure Mr Combet is, that Tasmania is surrounded by water. I reject absolutely the 'jackboot' reference, and I think that is absolutely tasteless.

Opposition senators interjecting—

Senator WONG: I again remind those opposite that they are guilty in this debate of massively overestimating and massively overstating the impact of a carbon price. I think Australians will see next week and beyond that the scare campaign those opposite have been engaged in has been massively dishonest. That is what people will see. To suggest that whole towns would be wiped off the map and whole industries would be shut down will be demonstrated to have been utterly dishonest. (Time expired)

Broadcasting Legislation

Senator CAMERON (New South Wales) (14:56): My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Can the minister inform the Senate about measures the government is taking to improve access to television for all Australians?

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) (14:56): I thank Senator
Cameron for his question. The Gillard government's digital switchover program is ensuring people in regional and remote Australia have access to the same number of digital television channels as people in capital cities, for the very first time. When the switchover is complete—

Senator Abetz: And you invented it, no doubt.

Senator CONROY: No, but I did something about it. When the switchover is complete, in 2013, all Australians will have access to metro-equivalent TV services, whether they live in Bourke or Bundaberg or anywhere else. This is something that those opposite failed to achieve for regional and remote Australia, despite digital TV being available in capital cities since the year 2000.

Under the Labor government's digital switchover program, free-to-air broadcasters have embraced the opportunity to provide a greatly increased number of channels to Australian viewers. The increased channel choice from switching to digital television is a historic outcome for people in regional and remote Australia, where many people have had limited television choices for decades, some with as few as four analog television channels. This is now changing as a result of Labor's commitment to regional Australia.

The government has provided assistance to enable commercial television broadcasters in parts of regional and remote Australia to deliver the full range of digital TV channels to their audiences via terrestrial broadcasts. For those viewers unable to access these—

(Time expired)

Senator CAMERON (New South Wales) (14:59): Mr President, I ask a supplementary question. Can the minister inform the Senate about any other services that will be available on VAST on top of the commercial and national broadcaster channels?

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) (14:59): For those viewers unable to access these digital TV services from a local transmitter, the government funded viewer access satellite television service, or VAST, provides an alternative. The VAST service delivers all 16 commercial and national digital channels throughout Australia. VAST is a cost-effective solution which ensures that many Australians who have poor or non-existent analog reception can now get the same number of channels as those in capital cities. Tomorrow I will join Ministers Plibersek and Snowdon to launch the rural health channel, a major initiative of the Rural Health Education Foundation to close the health gap between urban and rural Australia. Until now this service was available to health professionals in their clinics or workplaces for only two hours per fortnight and the foundation had no way to reach members of the wider community. (Time expired)

Senator CAMERON (New South Wales) (15:00): Mr President, I ask a further supplementary question. Can the minister inform the Senate about any other measures the Gillard government is taking to improve access to television?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (15:00): I am delighted to inform the Senate that just today legislation was passed in this chamber that will greatly improve access to television for people with hearing impairments. It is expected that by 2020 hearing loss is likely to affect more than five million Australians. The bill passed
today introduces new legislative requirements that will increase the amount of captioning on commercial, national and subscription television broadcasters. The bill will mandate that emergency warning broadcasts on television must be transmitted in the form of text and speech. It also requires the ACMA to determine quality standards for captioning in terms of readability, comprehensibility and accuracy. These measures come on top of a technical trial of audio description to be conducted on the ABC which I announced in February of this year. (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Carbon Pricing

Senator RONALDSON (Victoria) (15:02): I move:

That the Senate take note of the answer given by the Minister for Finance and Deregulation (Senator Wong) to a question without notice asked by Senator Ronaldson today relating to the carbon tax.

I refer to Senator Wong's comments regarding the Alcoa bailout at Point Henry aluminium smelter. I particularly want to take note of the fact that the minister, despite repeated requests, refused to acknowledge that the carbon tax impact on that Point Henry smelter was going to be $40-odd million. She then refused to acknowledge that the amount of the carbon tax just remarkably happened to be the equivalent of the bailout amount. This further establishes that this bailout was using borrowed money to cover up a bad tax that is based on a lie. The fact that the minister would not acknowledge the remarkable coincidence about the bailout figure and the carbon tax figure just shows again that the Labor Party stands utterly condemned in relation to this lie that was delivered five days before the last election.

The Labor Party can talk as much as they like about the world not changing on 1 July but the Australian people know full well that a carbon tax that has no equivalent in the world is going to dramatically damage this country and damage this economy. As I asked the minister during my question, what is she going to do for those businesses and industries throughout Australia which are now facing complete and utter destruction, in relation to a bailout for them? Was it because Geelong happens to be a marginal seat that drove this?

Senator Farrell: What's wrong with that?

Senator RONALDSON: I will take the interjection from Senator Farrell. Senator Farrell, I am absolutely staggered that you interjected that. It is now on the public record and I will be reminding you constantly about this. What is wrong with this toxic carbon tax which you voted for, which you supported before the last election, is that the bailout for Alcoa will not be provided to industries in your home state. There will be no compensation for them, no bailout for them, no compensation for small business in Adelaide or throughout South Australia. And you are saying to the chamber and saying to the Australian people, 'It's fine to put money into a marginal seat. What's wrong with that?' What is wrong with that is that if there were not a carbon tax we would not be required to try to pick winners in the Australian economy. If your Prime Minister had not gone to the last election with a lie—

Senator Farrell: Your Prime Minister too.

Senator RONALDSON: You are absolutely right. I suspect she probably will not be your Prime Minister in about five
months time. Your Prime Minister went to the last election and lied to the people of Geelong and told them a lie: ‘There will be no carbon tax under a government I lead.’ I can tell you, Mr Deputy President, that in a poll conducted in the Adelaide *Advertiser* in February of this year some 53 per cent said they did not support a carbon tax. Well over half the people polled of an 800-person poll said they do not support the carbon tax. And we know from published polls elsewhere that there has been further slippage in those who support a carbon tax and a significant increase in those who are opposed to it. No amount of talk from the Australian Labor Party, no amount of spin from the Australian Labor Party, will change that. It includes the latest line, parroted again by the government leader in this chamber, that we will not revoke this carbon tax, that we will not introduce legislation to rid this country of the carbon tax. Every single person on this side of the chamber, as well as the Leader of the Opposition and those in the other place, is absolutely committed to the abolition of a tax that we know will destroy this country. The government leader in the Senate is asking for a bet in relation to whether we will do it. I have got some news for the government leader: do not waste your money, my friend. (Time expired)

**Senator FEENEY:** I will follow the dictate of the day and confine myself to Senator Ronaldson's question. We have just heard in the triumphalist tone of Senator Ronaldson the distortions that continue to bedevil this very important debate. Whether we are talking about the carbon price, whether we are talking about the mining tax or, indeed, whether we are talking about border protection, on all of these key questions we see that the Liberal Party's policy does not survive even the barest of scrutiny.

Senator Ronaldson has just said how outrageous it is that government policy might pick winners in the Australian economy. I invite Senator Ronaldson to turn his eye to his own policy. The coalition's policy with respect to carbon is that they will achieve a five per cent target in CO₂ emission cuts by 2020 based on 1990 levels. The coalition policy boasts that they will abate some 140 million tonnes of carbon per annum. It is entirely probable that most people in the electorate would be astonished to discover that the Liberal Party come to this debate with the same target that the government have.

If one listens to the coalition, as they roam the highways and the byways of this country, one might very well think that they were climate change deniers. We hear them proclaiming that it is impossible to reduce the temperature of the planet. We hear them saying that carbon is not a real threat to our climate. We hear them deny that there is anthropogenic climate change. But when you sift through their policy, you find that they possess the very same target that we do. But they do not intend to achieve this target through using a carbon price—a price signal. They have no intention of achieving this target by using the tried and tested mechanisms of price, demand and supply—no, no, no.
The coalition come to this debate with their own plan, the Direct Action Plan—a plan which defies the markets and the price signal. By their own reckoning, it will cost $3.2 billion over four years—no doubt a number designed by the most reputable of catering companies when the Liberal Party sat down to do their costings. So how is it, Senator Ronaldson, you might say on the one hand that you are appalled to have a government picking winners in the Australian economy, when in fact it is our policy that talks about the market and a price signal and your policy has at its very heart the notion that you will pick winners in the Australian economy? Your Direct Action Plan only works if a future coalition cabinet sits around a table and does precisely that—pick winners in the Australian economy. And no doubt there will be plans and plots across Australia that you will choose to fund and others that you will not choose to fund, and your own marvellous Stalinist five-year plan to abate carbon will be launched. It will be you who will be picking winners in this economy. It is this government, this Labor government, which has understood that the price signal is the way to achieve true and effective change in this economy.

Senator Ronaldson has clearly not read his own policy, because he proclaimed that a future Liberal government would rid the country of a carbon tax. But, of course, what you would not be ridding the country of is the goal to abate carbon and you would not be ridding the country of the fact that, by your own reckoning, you are signing up to $3.2 billion of additional expenditure over four years. How is it going to be funded and from whence will it be funded? That is just one of many mysteries that make up the $70 billion black hole that is the Liberal Party's policy proposition. They have no idea how any of this stuff will be funded. They have no idea what they intend to do, but they do have a strong commitment to rhetoric. This is why Senator Ronaldson says that Labor's policy will destroy this country. Well, you did not get the memo, Senator Ronaldson. While the rest of the coalition have been crab-walking away from their apocalyptic pronouncements, you have come into this place and continued them. I can assure you that on 1 July the Australian economy will be in very fine repair. It will still have the lowest inflation and unemployment rates.

**Senator Farrell:** Whyalla will still be there.

**Senator FEENEEY:** Whyalla will still be there on 1 July and so, too, will be one of the strongest economies in the world and, indeed, one of the strongest economies in the Western world.

So we see in this area of climate change the same kind of deceit that we have seen with boat people and with the mining tax. While the Liberal Party says it is committed to offshore processing, it stands determined to stop this government from making the amendments that are required to enable offshore processing. *(Time expired)*

**Senator RYAN** (Victoria) *(15:13)*: It was interesting to hear that contribution from Senator Feeney, because I just did not feel like his heart was in it when he talked about the role of the market. But, like every other Labor politician and particularly those who have been involved in state election after state election, they only ever want to talk about the opposition. They never actually want to talk about their own policy and their own agenda. So let us actually talk about what the Labor party have done in this area. By the very fact that they are seeking to compensate industries, to provide special one-off grants to certain firms and industries, the Labor Party concede that this policy is damaging to production in Australia. It is by those very facts that the Labor party concede...
that this tax will damage economic activity in Australia.

This tax is the equivalent of an eternal tariff. We once had tariffs on goods coming into Australia; but, under the insanity of the modern day Labor Party that has lost its soul to the Greens, we now have tariffs on exports from Australia. So, if someone makes a television or makes glasses or makes anything in Australia, they will pay a carbon tax directly or indirectly. But if someone wishes to import them, they will not pay the carbon tax. Everyone in Australia knows that no-one else in the world is paying a carbon tax of this quantum, of this magnitude or of this extent. I am proudly one of the free traders in this parliament, but I never thought the Labor Party would reach the insanity of consciously unleveling the playing field so that those who provide jobs and employment in Australia, those who manufacture in Australia, have to pay a tax that those who import do not. It is the very definition of insanity, but it is the core of this carbon tax.

In this carbon tax are also two profound errors that signify the problems of a modern-day Labor Party that has lost its way. Firstly, there is the delusion that we can regulate the temperature of the globe; there is the delusion that Australia on its own can profoundly change the direction of the world. This is the same hubris that led the Labor Party and the Prime Minister to breach their fundamental words, the words stated down the barrel of that camera, which no Australian has not seen: 'There will be no carbon tax under the government that I lead.' There has rarely, if ever, been such a profound breach of trust with the Australia people. But I say to the Labor Party that they still have a chance—they still have a chance to repudiate their own lost cause and retake their soul from the Greens down in the corner there. The Prime Minister blames them for driving her to breach this promise and for driving her to make every manufacturing job in Australia more at risk than it otherwise would be, because all of those jobs, being energy intensive, now face a tax that a competitor who imports does not.

The other profound error at the core of this carbon tax is what Labor has used it for—that is, to recreate the culture of patronage in this country. What the Labor Party is doing today—although they would not answer Senator Ronaldson's question—is recreating a culture of patronage, where businesses seek the favour of government not only for survival but for economic good fortune. In this case, businesses are coming to the government simply to try to undo the damage that this government is imposing.

What insanity do we have when the government levies a burden upon a business and then tries willy-nilly, at will and capriciously to hand out favours! What do the workers at other aluminium smelters in Australia whose jobs are at risk say? Under the Labor Party there is this curse: there is the urge toward patronage to reward one's supporters and to punish one's opponents. If any business in Australia does not realise that when they speak out against the damaging policy of this government this culture of patronage will be used against them to reward their competitors and to punish them for daring to have an opinion, then they misunderstand the modern-day Labor Party. The Labor Party has become the modern-day version of industry policy Tammany Hall, where you punish people and then use the power of patronage to potentially undo some of that damage.

The Australian people know that this is a damaging tax. They know it makes their lives more expensive. They know it makes their jobs more at risk than they would be without it. No matter what obfuscation and spin the Labor Party provides, it will not
escape the judgment of the people when it is held to account for this broken promise.

Senator FURNER (Queensland) (15:18): Another day, another scare campaign—and, as usual, we heard it during question time. You heard yourself, Deputy President, the scare campaign that is being peddled by those opposite, who come here and talk about who is being affected out there in certain parts of our country. You need only reflect back on when Mr Tony Abbott was doing the rounds of some businesses in Canberra, going into butcher shops and claiming that a T-bone would increase by some exorbitant amount and going into a wrecking yard saying that people would not be able to purchase equipment or spare parts from wrecked cars as a result of some added tax. 'It does not matter where you are. You can't hide. You will be affected by this new carbon tax.' That is their agenda, that is their claim and that is an absolute nonsense.

On the Alcoa rescue package, it is quite clear that those opposite are deceiving the public in respect of what is happening in that part of the country. The Hydro aluminium smelter at Kurri Kurri prompted the review of Alcoa's Point Henry facility. The government has been working with Alcoa since it announced the review of its Point Henry aluminium operations earlier this year. That is a demonstrated example of us working with this company in times of need. It has nothing to do with the carbon price; it has nothing to do with the scare campaign that the opposition has been peddling. It is to do with what is happening in the global financial crisis. We all know there has been an increased global capacity that is putting downward pressure on this company and also on world aluminium prices. Alcoa has made it quite clear that the Point Henry smelter's difficulties have nothing to do with the carbon price. The company has even said that the high Australian dollar and the low world price of aluminium are the reasons for the review of the Point Henry operations. It is nothing to do with the scare campaign that those opposite are peddling.

Let us compare pears to pears when it comes to what our household assistance package is going to deliver. Nine out of 10 households will get some compensation or assistance as a result of our direct payments. Almost six million households throughout this country will get tax cuts or increases in payments that cover the entire average price of the impact. Over four million Australian households will get an extra buffer. As well, about one million Australians will no longer have to lodge a tax return; that is part of the overall package. In summary, about $9.90 per week will cover the costs but people are getting $10.10 per week from the government. That demonstrates we have put enough of a buffer in the compensation for households to cover the issues that people have been raising with us.

In respect of what the opposition are delivering, however, we know that the Treasury has summed up their package and that what they propose as alternative compensation is going to be about $1,300 per year. We know that it will not have an impact on the environment. For example, part of their overall package is planting trees. That is not a bad concept, but to plant enough trees to cover what they propose to do in their emissions-trading targets will result in trees to be planted over an area the size of the state of Victoria, so there is no way that their policy can deliver the requirements that are intended. It is not going to be an outcome that is suitable for abating any emissions. We know it is going to hurt taxpayers. We know it is going to deliver a $1,300-a-year impost on taxpayers.

We know that they claim that they are going to review or roll back the government's
package. We know that that is a fallacy. We know that they are not going to do that. A lot of them over on the other side—I spoke on this the other day—have gone out and purchased shares in the mining and resources sector. Who in their right mind would go out and purchase shares in the mining and resources sector if they were going to withdraw or roll back that particular policy? It demonstrates that they are not honest. They are not sincere when it comes to rolling back this policy. It is a complete fallacy and a complete lie when they come into this chamber and peddle that sort of nonsense.

(Time expired)

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (15:23): The response of the two government speakers so far has been entirely predictable. They wail about a scare campaign, trying to divert the attention of the Australian public from the facts, which are that there will be a carbon tax, it will be taking effect on 1 July and it will cost all Australians, all Australian businesses and all Australian consumers. The other tactic, of course, that both government senators took was to attack the coalition's policy and the way that we propose to reduce carbon emissions. In both cases, they showed a patent lack of understanding that our process is to decide through a competitive tender which processes to follow to reduce emissions and that that competitive tender will be looking for the maximum reduction for the minimum cost. Of course, that has dual benefits, those being that it can ensure that there are real reductions, not just a shift of emissions out of Australia into other countries, which the carbon tax will effect, and also ensure that those real reductions are achieved at the lowest possible cost.

The fact is that the government like to say that only the top 300 emitters will pay this tax. Certainly the tax is only levied against the top 300—or, I think, 294—but the reality is that everybody will pay the tax. Businesses will pay it. Consumers will pay it. Businesses in particular receive no compensation. The government like to talk about the compensation that they will be paying to consumers, but of course the reality is that only half of the tax that they take is actually returned, which means that somebody is missing out. Half the tax that people pay is returned and the other half is not, so someone misses out, and I am sure it is not going to be just the big emitters that escape the compensation.

Senator Colbeck today asked a question about a garden centre in Tasmania. This just highlights the reality in Tasmania. The reality is that the real impact of this tax is becoming readily apparent in Tasmania, as it is all across the country. Right across Tasmania, small businesses are getting letters—small businesses that are dependent on the fact that they have imports that come into the state via freight and that their produce goes out of the state—from freight companies and from packaging companies, indicating that they are going to pay more because of the carbon tax. This is not just conjecture; these letters are arriving in their mail, saying, 'You will be receiving an increase in cost in terms of the freight you'll pay.' It might be 1.9 cent or it might be two per cent—whatever it is, they are getting letters from all of their suppliers telling them that the carbon tax is going to put up their costs.

We heard today about a garden and rural supplies centre in Sorell, in southern Tasmania. They have put a sign up warning their customers—as I think it is probably appropriate for a business to do—that they are going to have to put up their prices because of the impact that the carbon tax is having on them, particularly through the increased costs of their suppliers and those things that they then on-sell. But what did we
hear today? That was pointed out to Minister Combet on 936 ABC radio this morning, and what did he do? He went off, typically, as this government does, in a half-cocked response to this without any idea of what the reality was and took the typical union boss approach to this. When faced with the hard truth, when faced with facts, the typical thing that a union boss does is that they threaten the person who is rashly raising the issue. He gets out the big stick and says, 'This isn't good enough, and we're going to set the ACCC onto that business.'

That is not really how a minister of the Crown should approach these issues. Minister Combet needs to remember that he is no longer a union boss; he is now responsible for taking a considered and reasonable approach to these issues. His going out and saying, 'We're going to set the ACCC on them,' and quotes like, 'It's like misleading conduct,' when he does not know the details at all were indicative of the way that the government approaches these issues when faced with the facts. It also shows that he is not even on top of his own brief, because the ACCC has confirmed that the particular garden centre are not at all in breach of the act. On hearing the minister say that he was going to set the ACCC onto them, what did they do? They rang the ACCC just to check the facts and make sure that they were not. And yet Minister Combet on the radio got stuck into them, pulled out the big stick and said: 'These guys are in trouble. They can't go round and say that their prices are going to go up because of the carbon tax.' I think this highlights the fact that Tasmanian businesses and businesses right across the country are going to pay much higher prices. *(Time expired)*

Question agreed to.

Asylum Seekers

*Senator MILNE (Tasmania—Leader of the Australian Greens)* *(15:28):* I move:

That the Senate take note of the answer given by the Minister for Sport (Senator Lundy) to a question without notice asked by Senator Milne today relating to asylum seekers.

In doing so, I express the condolences of the Australian Greens to the families and friends of people who lost their lives in the tragedy that occurred off the Australian coast last week. Much has been said about that incident, and of course many people now, as they sit around their kitchen tables, are asking: how on earth did this happen, and what are we going to do about it?

I think the appropriate response from the parliament is to sit down and work out what we are going to do about it—to actually recognise that Amnesty International and the UNHCR have been calling for some time for all countries in the region, including Australia, to redouble efforts to find a regional solution, to find safe pathways for asylum seekers and to offer better protection to asylum seekers. They are things which the Greens absolutely stand for and on which we stand with Amnesty International and the UNHCR. We have said that we want Australia to increase its humanitarian intake from 13,750 to at least 25,000. We have said that we want a regional solution and that means expanding the reach of the refugee convention in the region and for Australia to support more money going into supporting the UNHCR, particularly in Indonesia, where at the moment only two people are able to work in processing. So we need a lot more support for the UNHCR.

I also asked Minister Lundy whether offshore processing actually undermined regional cooperation and discouraged other countries from signing the refugee convention. The minister took issue with my
The suggestion that offshore processing was illegal, but that is the fact of the matter. The High Court found that the Malaysia plan put forward by the Gillard government was illegal and went against Australia’s obligations under international law to look after our asylum seekers and refugees. It was found to be illegal, which is why there was an effort to try to get around the High Court. That is precisely what is wrong with the bill that has been put forward by the member for Lyne, Mr Oakeshott. It rips up the refugee convention and it would allow governments to send people to anyone who was a signatory to the Bali process, recognising, of course, that Iraq and Afghanistan were also signatories of the Bali process. So it actually undermines international law, the point here being that if you want the rest of the region to sign up to the refugee convention you cannot have Australia running away from the refugee convention. That is a very strong point and is why offshore processing undermines international law, not reinforces it.

The other question I asked the minister—she did not respond to it but it will increasingly become a matter that the government will have to respond to—was the issue of what constitutes a safe pathway. What is the responsibility of safety of life at sea in terms of principles and actions? I wonder whether the same actions would have been taken if a cruise ship had been in the same place as the vessel that was detected last Tuesday, or if one of the round-the-world race yachts had been in that area at that time—because it is in the Indonesian search and rescue zone even though it is outside Indonesian waters—and it was reported that that vessel needed assistance. What if the cruise ship The World with some of the richest people on the planet on board had gotten itself into trouble in the same place? I do not think we would have sat by and just monitored the situation until the disaster had occurred and people were in the water and then informed the Indonesian government that Australia was going to take charge of the situation. We should have taken charge of the situation and anticipated the disaster once we identified the situation.

That is why I take strong exception today to remarks made by a former Minister for Foreign Affairs, Mr Alexander Downer, who went back over the territory of the SIEVX sinking. He said that he is offended by the claim that the Howard government deliberately did nothing to save those asylum seekers. The same question has been asked over and over again: is the tracking station off North West Australia monitoring and following the vessels? If so, at what point will they act?

Question agreed to.

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Yallourn Mine


Leave granted.

The answer read as follows—

Senator MADIGAN (Victoria) (14:49): Mr President, I ask a further supplementary question. Is the minister willing to guarantee that he is acting to protect the La Trobe River, the Gippsland Lakes, their farming, fishing and tourism industries and the diverse wildlife, including five endangered species, that lives on or around the lakes from the waters of Yallourn mine in accordance with the Commonwealth’s Ramsar convention responsibilities?

Senator CONROY: The Minister for Sustainability, Environment, Water, Population
and Communities has provided the following answer to the senator's question:

The Morwell River diversion was previously referred under the Environment Protection and Biodiversity Conservation Act 1999 and on 19 June 2001 the project was determined not to be a controlled action.

The Compliance and Enforcement Branch of the department is aware of this incident and is making inquiries into the potential for this incident to impact on matters of national environmental significance including the downstream Gippsland Lakes.

PETITIONS

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

Global Greens

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

The petition of the undersigned Australian people shows and acknowledges:

That the Australian Greens are under the allegiance of the Global Greens and recognize them as a foreign power.

The Prime Minister's pre-election condition "there would be no Carbon Tax under the Government I lead" begot her many votes though unfairly gained, due to her back flip, thereby permitting the 'Carbon Tax legislation' by default.

That the Australian Greens allegiance, obedience or adherence to that of a foreign power, the Global Greens, has permitted such a foreign power be it by accident or that of design, to unconstitutionally hijack our Parliament, our Constitution and to a degree the Sovereignty of our nation due to their allegiances established through contracts and agreements between the aforementioned parties.

We the undersigned do respectfully ask the Senate to acknowledge and bear witness to this petition and to debate the above in light of "The Australian Constitution Part IV Section 44 & 45" and in consideration of such refuse the Carbon Tax, clean energy legislation.

by Senator Nash (from 1 citizen).

Private Health Insurance

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

The petition of the undersigned shows:

The inadequate financial protection of the citizens who use their private health insurance and end up carrying financial burden and the stress for doing the right thing of alleviating the overload on the public hospital system. I request that you read my attached letter that illustrates the confusion and unfairness of the current system.

Your petition asks the Senate

Review and fix the unfairness of this system and bring about change that will force private health funds and Medicare to remove the unknown financial barriers that the general public are subjected to. I ask that you review health insurance policies and Medicare that clearly leave the average person at a distinct disadvantage out of lack of understanding the unknown factor built into medical services and charges.

by Senator Nash (from 1 citizen).

Petitions received.

NOTICES

Presentation

Senator Collins to move:

That the order of the Senate of 19 June 2012, relating to the hours of meeting and routine of business, be varied to provide that:

On Tuesday, 26 June 2012:

(a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to adjournment;
(b) the routine of business from not later than 7.30 pm shall be government business only; and

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

Senator Milne to move:
That the following matters be referred to the Education, Employment and Workplace Relations References Committee for inquiry and report by 1 November 2012:

(a) the adequacy of the allowance payment system for jobseekers and others, with particular reference to the adequacy of the Newstart Allowance payment as an income support payment for jobseekers and the adequacy of all other allowance payments that support a range of recipients who study or provide care;

(b) the appropriateness of the allowance payment system as a support into work, with particular reference to:

(i) the effectiveness of the payment as an incentive into work,

(ii) the effectiveness of the allowance payment system in facilitating transitions between working and other activities, such as studying, caring and retirement, or in the event of illness or disability, and in helping or hindering recipients to overcome barriers to employment, and

(iii) the impact of the differences between pensions and allowances on the transition between working and other activities; and

(c) the impact of the changing nature of the labour market, particularly the rise of insecure work and decline of unskilled jobs, on the:

(i) nature and frequency of individual interaction with the allowance payment system, and

(ii) over and underpayment of allowances to recipients.

Senator Bilyk to move:
That the Joint Select Committee on Cyber Safety be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 15 August 2012, from 4.30 pm to 5.30 pm.

Senator Marshall to move:
That the time for the presentation of the report of the Education, Employment and Workplace Relations References Committee on infrastructure delivery and engineering skills shortages be extended to 12 July 2012.

Senator Singh to move:
That the Joint Standing Committee on Migration be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 15 August 2012, from 10.30 am to 11.30 am.

Senator Eggleston to move:
That the time for the presentation of the report of the Foreign Affairs, Defence and Trade References Committee on the procurement procedures for defence capital projects be extended to 23 August 2012.

Senator Nash to move:
That the Parliamentary Joint Committee on Law Enforcement be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate, from 5.30 pm, as follows:

(a) on Wednesday, 27 June 2012; and

(b) on Wednesday, 22 August 2012.

Senator Wright to move:
That the Senate—

(a) notes that:

(i) Tuesday, 26 June 2012 marks the International Day in Support of Victims of Torture, and

(ii) torture is a gross violation of human rights;

(b) recognises that:

(i) victims of torture require support and assistance as they rebuild their lives and undergo the rehabilitation necessary to resume as full a life as possible, and

(ii) Australian, Mr David Hicks, experienced torture and cruel and degrading treatment during his detention in Guantanamo Bay; and

(c) calls on the Government to conduct an independent inquiry into the former Australian Government's role in Mr Hicks' detention, treatment and unfair trial.
Senator Rhiannon to move:
That the Senate—
(a) notes that:
(i) two-thirds of women in Australia affected by domestic violence are in some form of paid employment,
(ii) violence against women and children will cost the Australian economy $15.6 billion by 2022 unless effective action is taken to prevent it,
(iii) domestic violence can have a significant impact on the employment of women who are subjected to it, due to lost productivity as a result of distraction in the workplace, absenteeism due to physical and psychological injuries, disrupted work histories as victims frequently change jobs, and lower personal incomes and reduced hours of work, and
(iv) it is common for victims and survivors of domestic and family violence to be denied leave to attend to violence-related matters, such as attending court or moving into a shelter; and
(b) calls on the Government to:
(i) consider introducing domestic and family violence as a separate ground of discrimination,
(ii) consider making discrimination related to domestic and family violence unlawful in the workplace, and
(iii) urge all private companies and public sectors to include domestic violence clauses in their enterprise agreements.

Senator Ludlam to move:
That the following bill be introduced: A Bill for an Act to amend the Broadcasting Services Act 1992, and for related purposes. Broadcasting Services Amendment (Public Interest Test) Bill 2012.

Senator Ludlam to move:
That the Senate—
(a) notes:
(i) the criticism by News Limited Chief Executive Officer, Mr Kim Williams, of the online presence of the Australian Broadcasting Corporation (ABC) as 'misplaced', 'misconceived' and 'self-congratulatory', (ii) the ABC's online presence provides important competition in news and current affairs content, and
(iii) the ABC is accountable to its Charter, its board and the Parliament,
(b) rejects the suggestion that the ABC should not be competing in the online environment; and
(c) supports unequivocally the right of the ABC to provide a strong online presence and content.

BUSINESS

Leave of Absence
Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (15:34): by leave—I move:
That leave of absence be granted to Senator Brown for today for personal reasons.
Question agreed to.

Leave of Absence
Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:34): by leave—I move:
That leave of absence be granted to Senators Back and Fisher for 25 June to 29 June 2012 for personal reasons.
Question agreed to.

Leave of Absence
Senator LUDLAM (Western Australia) (15:35): by leave—I move:
That leave of absence be granted to Senator Siewert from 25 June to 28 June 2012 for personal reasons.
Question agreed to.

NOTICES

Postponement
The following items of business were postponed:

General business notice of motion no. 804 standing in the name of the Leader of the Opposition in the Senate (Senator Abetz) for
today, relating to Fair Work Australia and Mr Craig Thomson, postponed till 26 June 2012.

MOTIONS

Women's Suffrage in Australia

Senator RHIANNON (New South Wales) (15:35): I, and also on behalf of Senator Moore, move:

That the Senate—

(a) notes that 2013 is:

(i) the 110th anniversary of women winning the right to vote and the right to stand in elections in Australia, and

(ii) the 70th anniversary of the election of the first women to the Federal Parliament; and

(b) encourages responsible agencies, including the Office for Women, the parliamentary departments and the Museum of Australian Democracy, to mark these anniversaries with suitable events such as displays, lectures, seminars and the updating of existing exhibitions.

Question agreed to.

Meniere's Disease

Senator EDWARDS (South Australia) (15:36): I, and also on behalf of Senator Di Natale, move:

That the Senate—

(a) notes that:

(i) up to one million Australians may be living with Meniere's disease and vestibular disorders,

(ii) these disorders result in vertigo, dizziness, balance problems, hearing loss, tinnitus and can lead to sudden, debilitating attacks, loss of employment, social isolation and loss of confidence and personal capabilities in everyday living activities, and

(iii) Meniere's Australia provides much needed counselling, practical advice, information and peer support to both individuals and their families and carers; and

(b) encourages and supports Meniere's Australia in developing and improving services in Australia for people living with the distressing consequences of Meniere's disease and other unseen vestibular disorders.

Question agreed to.

DOCUMENTS

Financial Ombudsman Service

Order for the Production of Documents

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:37): At the request of Senators Cormann and Johnston, I move:

That there be laid on the table by the Minister representing the Assistant Treasurer, by noon on Thursday, 28 June 2012, all documents, including all correspondence and emails between the Australian Securities and Investments Commission and the Financial Ombudsman Service, in relation to the changes in the terms of reference of the Financial Ombudsman Service which came into force on 1 January 2012.

Question agreed to.

MOTIONS

Foreign Aid Budget

Senator RHIANNON (New South Wales) (15:38): I, and also on behalf of Senator Milne, move:

That the Senate—

(a) congratulates the Prime Minister (Ms Gillard) on her appointment to co-chair a global leadership group on achieving the Millennium Development Goals;

(b) notes that:

(i) in 1970, Australia endorsed the United Nations target to allocate 0.7 per cent of Gross National Income (GNI) to foreign aid,

(ii) the former Prime Minister (Mr Howard) endorsed the 0.7 per cent target when he signed on to the Millennium Development Goals, and

(iii) on 22 November 2011, the Senate voted to reaffirm a bipartisan commitment to increase the International Development Assistance Budget to at least 0.5 per cent of GNI by 2015; and
(c) calls on the Government to:

(i) recommit to 0.5 per cent of GNI to be allocated to Australia's foreign aid budget by 2015, and

(ii) commit to re-evaluating the provision of 0.7 per cent of GNI to the foreign aid budget in order to bring Australia in line with achieving the Millennium Development Goals.

The DEPUTY PRESIDENT: The question is that the motion moved by Senator Rhiannon be agreed to.

The Senate divided. [15:42]

(The Deputy President—Senator Parry)

Ayes....................8
Noes....................30
Majority................22

AYES
Di Natale, R
Hanson-Young, SC
Rhiannon, L
Milne, C
Rhiannon, L (teller)
Waters, LJ
Whish-Wilson, PS
Wright, PL

NOES
Bilyk, CL
Bishop, TM
Cameron, DN
Cash, MC
Colbeck, R
Collins, JMA
Cormann, M
Edwards, S
Farrell, D
Fawcett, DJ
Fifield, MP
Furner, ML
Gallacher, AM
Kroger, H (teller)
Ludwig, JW
Lundy, KA
Madigan, JJ
Marshall, GM
McEwen, A
McKenzie, B
McLucas, J
Moore, CM
Parry, S
Polley, H
Pratt, LC
Scullion, NG
Singh, LM
Stephens, U
Sterle, G

Question negatived.

MATTERS OF PUBLIC IMPORTANCE

Asylum Seekers

The DEPUTY PRESIDENT (15:45): A letter has been received from Senator Fifield:

Pursuant to standing order 75, I propose that the following matter of public importance be submitted to the Senate for discussion:

The Government's systematic dismantling of people smuggler deterrents and failure to reinstate proven and effective policies.

Is the proposal supported?

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

The DEPUTY PRESIDENT: I understand that informal arrangements have been made to allocate specific times to each of the speakers in today's debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

Senator CASH (Western Australia) (15:45): Two years ago, when the now Prime Minister politically executed the man now known as the former Prime Minister, she stated as one of the reasons for the political execution that the Labor Party had 'lost its way', and in losing its way the now Prime Minister Ms Gillard promised the Australian people three things. She would fix three major issues, one of those issues being the flood of unlawful boat arrivals. Given that, since the former Prime Minister's political execution, under Ms Gillard's leadership 196 boats carrying 12,877 people have arrived and total immigration costs have blown out to in excess of $1.1 billion, it can hardly be claimed by those on the other side that Ms Gillard has achieved her stated promise.

It is now clearer than ever that it is not the opposition's policies that do not work; it is Julia Gillard's policies that have failed to protect Australia's borders. The reality for those on the other side, the current government, is that if they cannot protect Australia's borders, if they continue to fail in this regard, then they must responsibly plan for more boats to arrive. The Labor Party
itself—not just its failed policies—is now the pull factor, when it comes to people arriving in Australia by boat. "Brand Labor" internationally now tells people smugglers that Australia's doors are open and that when you get here you are all but guaranteed permanent residency.

As the shadow minister for immigration, Scott Morrison, stated in an opinion piece in the *Australian* newspaper today:

For bipartisanship to be effective it must be real and deliver good policy. A contrived, lowest-common denominator outcome would cheat the Australian public but, worse, it wouldn't stop the boats or end these tragedies. The path forward is for the government to make decisions. If the government wishes to reopen Nauru, it should just do it. It should equally move on all the other measures we have proposed that it has consistently rejected and abolished.

When it comes to border protection, the coalition does not believe in compromise for the sake of compromise. We believe in and are committed to effective and proven policies that have been shown to work. We have not changed our stand on our policies. We support temporary protection visas, we support the re-opening Nauru and we support turning back the boats when it is safe to do so. These policies stopped the boats before and they will, when reintroduced, stop the boats again. Temporary protection visas mean that when people arrive in Australia unlawfully they will receive temporary protection only. Labor's policies, on the other hand, mean that people who arrive here unlawfully, regardless of what they have done—for example, Captain Emad, who has been shown to be a people smuggler—they will get permanent protection.

The facts show clearly that Ms Gillard is unable to stop the boats. It is not just Labor's failed policies that are the problem; it is the Labor Party itself. Labor has become the pull factor for people to get on a boat to come to Australia, to the extent that it is highly doubtful that the government could ever successfully implement any measures that would deter boats. It is more and more the case that only a change of government, not a change of Labor leader, will lead to a change in policy.

The government continues to seek to blame the opposition for its border protection failures, because we are opposed to the Malaysian people swap deal. The first point I make in this regard is that the coalition is not the only party that is opposed to the Malaysian people swap. The Left of the Labor Party is opposed to Labor's own Malaysian people swap deal. Senator Doug Cameron is on the record as stating that the Left of the Labor Party is opposed to its own policy. We heard Senator Milne today, in motions to take note of answers, say that the Greens are opposed to their alliance partner's Malaysian swap deal. And the coalition is on the record as opposing this bad policy. We oppose the Malaysian people swap deal, because it is a bad deal for Australia and a cruel deal for asylum seekers. Removing from the Migration Act human rights protections for people processed offshore, as proposed by the government, is not, and never will be, supported by the coalition. In any event, let us not forget that the Malaysian people swap deal has been proven not to work. How? Because since the deal was announced, we have seen 7,986 people arrive on 112 boats. The Malaysian people-swap deal was good for just 800 people. 'Bring on No. 801' is what the people smugglers would have been saying.

The reality for those opposite is this: they have never, ever wanted to stop the boats. The Labor Party always wanted to embrace the Greens policy of onshore processing and that is exactly what they have done. If the Labor Party wanted offshore processing, they could have reopened Nauru six months
ago. In fact, if the Labor Party want offshore processing, we have committed to reopening Nauru tomorrow. However, what have the Labor Party done when it comes to Nauru? They have trashed Nauru at every possible opportunity. As further evidence that the Labor Party have never, ever wanted offshore processing the Rudd-Gillard governments have never processed a single boat arrival offshore. And, in December last year, the Gillard government finally ruled out reintroducing temporary protection visas.

The coalition is on the record as stating that it is prepared to give the government support for any of the 148 countries who have signed the United Nations Refugee Convention. However, just like the Left of the Labor Party, just like the government’s alliance partner the Greens, the coalition will not allow the government to create an offshore dumping ground where people are potentially caned and have no protections. That is bad policy and the coalition will not support bad policy.

When you look at the latest budget figures and at the immigration portfolio you will see that this is yet another example of where Labor have completely failed to get this policy right. You see complete fiscal ineptitude. Labor’s 2011-12 $1 billion budget for asylum seekers was based on just 750 boat arrivals. Yes, that is right—just 750 arrivals. That was slightly ambitious, to say the least. Why do we say that? Because, as a direct result of Labor winding back the Howard government’s proven border protection policies, more than 19,429 people have arrived on 336 boats. And, since 21 August 2010, federal polling day, 181 boats have arrived carrying 12,080 people. Yet the budget for this financial year budgeted for only 750 people. How wrong they were.

Policy failure, denial, inconsistency and inaction have rendered the current Labor government impotent. This government lacks the credibility that is now needed to put the substance and resolve behind measures that make them a real deterrent and the people smugglers know it. The time for talking is over. The government does not have the option of continuing to do nothing and blaming the opposition. This is not a policy; it is merely an excuse. If we must wait until an election to end this madness, then at least take action now to mitigate the increased risk of loss of life and the continued compromise of our refugee and humanitarian program—

(Time expired)

Senator FAULKNER (New South Wales) (15:56): Since the Keating government was in office I have spoken in scores of Senate debates about the response of Australian governments to asylum seekers arriving by boat. Over the years these debates have become less and less edifying. More and more these debates are driven by politics, not policy. But no-one inside or outside this parliament can fail to be affected by the human tragedy we witnessed again last week or fail to be moved by the toll of human lives lost since the sinking of SIEVX in 2001.

The truth is that we will never know precisely how many lives of asylum seekers coming to Australia have been lost over the years. We will not even know how many vessels may have been lost prior to detection. We know of the 353 people who died on SIEVX; the five lives lost on board SIEV36; the 12 who perished on SIEV69; the five who, we believe, died on board SIEV143; and the up to 50 lives lost when SIEV221 crashed into Christmas Island.

I do note that Alexander Downer has decided that the appropriate reaction to last week’s tragedy is to try to settle a few old political scores. He has found inaccuracy to be no impediment. In today’s Adelaide
Advertiser, Alexander Downer makes an extraordinary claim:
… vile accusations made against the Australian Government in 2001 that it had deliberately allowed over 300 people to drown when … SIEV X sank.
According to him, the 'vile' accusers are: the Greens, Tony Kevin, Margot Kingston, the Fairfax press, former Prime Minister Malcolm Fraser, Senator Jacinta Collins and me. Suffice to say, Mr Downer is egregiously wrong.

I commend the report of the Senate Select Committee on a Certain Maritime Incident, chapters 8 and 9, pages 195 to 290, for those who are actually interested in a factual account of the publicly available evidence surrounding the sinking of SIEVX. Surely no-one believes that any government would deliberately allow asylum seekers to drown at sea—not in the case of SIEVX, not in the case of SIEV36, SIEV69, SIEV143, SIEV221 or any other suspected illegal entry vessel either. But I also hope there is no-one who would diminish the Senate's critically important role as a house of scrutiny. During the Senate Select Committee on a Certain Maritime Incident inquiry we saw the Senate at its best. So, for the record, I never have and I never will rise from asking hard questions of government officials and agencies about such matters and I hope that all other senators in the chamber apply the same principle, regardless of whether we have a Labor or non-Labor government in office. That is an important principle and I hope that all senators stand by it. (Time expired)

Senator SCULLION (Northern Territory—Deputy Leader of The Nationals) (16:01): I rise today at a very sad time. All Australians are very focused on the lives that were lost at sea and the circumstances surrounding that. It is very right for us to focus on that in this place at this time. I have heard much about politics and policy, not only in this debate but in the media as well. It is quite clear that we need to take the opportunity to reiterate not history as you would like it to have sorted out but history as it actually happened.

In 2007, Labor took over government on the basis of a range of promises and undertakings made to the Australian people. They said that when they got into government they would change border control policy. They did that not for reasons of mischief but because they believed that the policy as it stood then was not compassionate and was too hard. They thought that it needed to be softened. They believed that their far more open policy would be more compassionate. That is a wonderful motivation. The reality is that if you change a policy you should be able to examine what happens as a result. The policy was changed and as a direct result of that policy change—nothing else—Australian became a target.

People flee their countries for a whole range of reasons. We are very lucky not to have many of those circumstances in Australia. But when you flee, invariably, particularly if you have access to a vessel, it becomes about where you go. The people who flee go to a particular place, almost as though they are hearing the legendary call of the sirens spoken of by ancient mariners. It is an irresistible call. The ships will steer towards the sound of that siren, Australia, because Australia gives them one thing that is not available to them anywhere else in the world, and that is security through permanent residency. That is the fundamental thing. Before that time, we as good Australians, had decided that we would provide people with protection until such time as they no longer required it, a very reasonable position. That was lifted and the government said, 'In three months, once you've had your security
checks, we will give you permanent protection and residency.’

That is an irresistible sound to those in particular who traffic in human misery, because those individuals are able to say to their potential customers: 'Boy, have I got a deal for you. We can offer you a product that is offered nowhere else in the world. We will offer the answer to all your concerns.' The whole world understands that. But this is a luxury holiday destination, so only some can afford it. For $10,000—and that is the conventional figure much quoted across the media—for every person, you could afford access to this particular outcome.

There are many people who can afford that outcome; there have certainly been plenty since 2007. In the year Labor took office, four people had arrived on boats—not 400 and not 4,000, but four people. In the previous year, 2006—and we thought that was a pretty bad year—with 11 arriving the year before. Labor came to office in late 2007. In 2008, we had 161 arrivals on boats. In 2009, 2,726 people arrived. At that point, I reckon that you would man the pumps. At that point, you would reckon that something might be wrong with our policy; that might have been a bit of a signal. We have gone from 11 to 2,720. If that was not going to set fire to you what about 2010, when 6,555 asylum seekers arrived? At that point, maybe they should have started doing something about their policy; maybe they should have started to provide some leadership not only to this nation but to those people seeking a refugee outcome to ensure that they do not place their lives at risk by heeding the sirens' call.

Under the tried and true policies of the Howard government, in 2001 we had one person arrive by boat. In 2003, that went up to 53. In 2004, it was 15. In 2005, it was 11. There were 60 in 2006, as I said. These were numbers that this government can only dream of. These arrivals are hardly worth a mention in comparison with what we have now. We are only up to June, halfway through the year, and there have already been 4,428 boat arrivals. By now you would reckon that it would be panic stations. 'We must change this policy,' someone would be saying. But that would take leadership. I remember the bloke I always considered to be a great leader. He said:

We will decide who comes to this country and the circumstances in which they come.

For that he was pilloried as someone who was not particularly compassionate. But if you look at what he was saying, he was simply saying that the circumstances under which they come should be that they are those people who are the priorities of the United Nations High Commissioner for Refugees. And they were not those people who could afford to pay $10,000—$10,000 for each man, woman and child to get on a boat and come here.

The demographic with the most need at the moment is people who are living in camps like Kakuma in Kenya and whose lives are not particularly long. One could say, 'The individuals there change,' and 'The list is a bit mumbled.' But those are the people most in need, and the circumstances are such that they are the ones who need the most help. But it is about us deciding who comes here and the circumstances in which they come, and that was about leadership—the sort of leadership this country currently does not have, and that is very sad.

I can recall several months when ago Andrew Bolt wrote:

How many more boat people must die before the Left judge a 'compassionate' policy by its consequences, rather than intention?

He was much maligned because of that reality. The reality is that it is the policies
here. I do not suggest any mischief from those on the other side. It is the policies that are the sirens’ call to the refugees and to those people who deal in human misery. That call has to stop. We have to change that call. We have to go back to doing the sensible things. At the moment there is the suggestion that Malaysia is somehow a solution. We had 48 people die tragically on the shores of Christmas Island and we have just lost another 90, yet the boats will keep coming. They think they have lost only two boats out of hundreds. But before 2007 every boat was turned back. There was no chance of getting there, so you did not leave. You did not have the rolled-gold-plated permanent residency outcome that those trafficking in human misery were selling in their brochures. That was not available. These are principal issues. Offshore processing is a fundamental part of that mix—the reintroduction of turning back the boats, reintroducing temporary protection visas and processing offshore the refugees who come here in boats.

In closing, the notion that somehow we should think about Malaysia as an answer is, as I have indicated, a folly in any practical sense. The High Court actually found that we have no way of enforcing any side agreement that we need in order to make sure that the asylum seekers would be subject to all the human rights that have been laid down. There is absolutely no chance of doing that at all. So there is only one step forward from this point: those on the other side, with the assistance of the Greens, must acknowledge that if there is not a change then the same things will keep happening. This government owes it to those people in the world who are seeking a refugee outcome—and there are 14 million of them—to ensure that the sirens' call of a guaranteed outcome in terms of residency and the other things that are a part of Australian life is stopped. They need to adopt our policies: turn back the boats, reintroduce temporary protection visas and reintroduce offshore processing in Nauru. (Time expired)

Senator URQUHART (Tasmania) (16:11): I rise to speak on today's matter of public importance, on people smuggler deterrents, and in doing so will highlight the difference between the asylum seeker policies of this side of the Senate and those policies of that side of the Senate. I seek to immediately draw the Senate's attention to a murky shadow in this Senate on 23 November 2011. During question time on that day Senator Cash was asking Senator Kim Carr, who was then the Minister representing Minister Bowen in this chamber, about the Labor government's policies in this area. During the course of Senator Carr's answer, Senator Cash interjected to say that this is 'the gift that keeps on giving'. That is the premise of their policy on this humanitarian issue. It is to keep up the division, keep up the opposition to trying to assist the most desperate people who want to come to Australia to make a better life for their family. Question time continued with Senator Carr retorting:

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

Senator Cash responded that she was not claiming that boats sinking at sea was the gift that keeps on giving. We could not get a clearer policy position from the Liberal Party, which wants people to get on these leaky boats and to drown at sea. This is the Liberal Party policy writ large—'the gift that keeps on giving'.

Senator Cash responded that she was not claiming that boats sinking at sea was the gift that keeps on giving for the Liberal Party but that it was the Labor Party's policy that was the infamous gift that was oh so worthy of throwing into public discourse. Regardless of Senator Cash's clarification, the fact that seven months on the Liberal Party continues to seek to get political mileage out of this humanitarian issue is, quite frankly, puerile.
I refer the Senate to the United Nations High Commission for Refugees 2001 report on global trends. The report notes that by the end of 2011 there were 42½ million forcibly displaced persons worldwide. That is, a group of people equivalent to more than two times the population of Australia was forcibly displaced worldwide. Australians are proud of our nation's record of resettling people seeking refuge from persecution and strife. As a result of our long history of protecting refugees, Australia currently ranks in the top three resettlement countries worldwide. Since the first refugees arrived in Australia just after the Second World War, more than 75,000 refugees have created a new home in Australia. As this government has always said, the composition of Australians and the asylum-seeking case load will change depending on factors in asylum seekers' home countries. The UNHCR report notes that of the 42½ million people, over 15 million were refugees, over 26 million were internally displaced persons and almost one million were asylum seekers. Notably, women and girls represented 49 per cent of people of concern to UNHCR, constituting 48 per cent of refugees, and children below 18 years of age represented 46 per cent of refugees and 34 per cent of asylum seekers. This represents an increase from 2010 to 2011 of 44 per cent and 31 per cent respectively.

As in 2010, Afghan and Iraqi refugees accounted for 42 per cent of all refugees under UNHCR's responsibility in 2011. With 2.7 million refugees, located in 79 different asylum countries, Afghanistan remained the leading country of origin of refugees in 2011. On average, one out of four refugees in the world originated from Afghanistan. For our region of the Asia-Pacific the UNHCR reports that, at the end of 2011, there were some 3.6 million refugees, accounting for some 35 per cent of all refugees.

The Gillard Labor government has agreed to fund a UNHCR project on mapping, review and assessment of the protection situation and treatment of unaccompanied and separated children who have moved irregularly into or within South-East Asia. The project totals around $140,000 and will seek to detail arrangements for the protection and treatment of unaccompanied and separated children who arrive irregularly in countries in the region. It will examine existing systems for identifying, registering and referring such children.

I turn to an area of this government's immigration policy that saw real results for asylum seekers and real results for the host community. Although the Pontville Immigration Detention Centre near Hobart was decommissioned on 3 March this year, it was a shining light in Australia's immigration detention network. The positive feedback from the Tasmanian community about the Pontville centre, and specifically the benefits it provided to the local community, must be noted in this debate. And it must also be noted that the overwhelmingly positive feedback from the local community on the Pontville centre and the benefits it provided is in stark contrast to Senator Abetz's claims—he is obviously suffering from the same bout of relentless negativity as Tony Abbott. As part of prudent planning the department has retained the site as a contingency centre. It is standard procedure to provide maintenance at contingency sites and to put basic security arrangements in place to protect assets. The government kept its promise to close Pontville after six months and there are no plans to reopen the centre at this stage.

Over the six months Pontville was open, Tasmanians opened their hearts to men
seeking asylum at the centre in southern Tasmania. Shirley Williams, a member of the Bridgewater Brighton branch of the Labor Party and a member of the Brighton Knitting Club, together with other wonderful people in her community, started knitting beanies and other clothing to keep the men warm. Shirley and her friends recognised that the cold climate of the Jordan Valley would be quite a shock to the mainly Afghani asylum seekers. They then spent their own time knitting beanies and other clothing of all shapes and colours for the men in the centre. Shirley and a number of women went further, visiting the centre with knitting needles in hand, prepared to teach the men how to supplement the clothes they had been provided. They were surprised and pleased to discover that the Hazara occupants of the centre were already skilled at knitting, many having made their livelihoods with similar skills in making and weaving carpets. In the regular visits to follow, the men and women swapped skills at the same time as they swapped stories. What a tremendous display of multiculturalism in action—people of totally different backgrounds and experiences bonding over the interests and activities that they share, each teaching the other a new ability and a new empathy.

I also want to place on record my support for the work of Emily Conolan, who harnessed the enthusiasm of the Tasmanian community and established the Tasmanian Asylum Seekers Support Group. Shortly after announcing the purpose of the group, Emily was overwhelmed by the number of people who wanted to be part of a constructive engagement with Australia's humanitarian immigration program. Over 150 volunteers visited asylum seekers at Pontville on a regular basis while the centre was operational. Some worked one-on-one with asylum seekers to provide direct company and support. Each of those people deserves thanks, not just for their compassion but also for their preparedness to look past the anxiety that builds from confronting the unexpected, the barriers, the physical walls and the cultural differences that too often prevent us from genuinely engaging with others.

Despite attempts at fearmongering and whipping up moral panic by Senator Abetz, the Pontville Immigration Detention Centre was embraced by Tasmanians, so much so that in the months leading up to the centre's decommissioning the people of southern Tasmania, including the Mayor of Brighton, Tony Foster; the Tasmanian government, including Premier Lara Giddings; support organisations; and locals were advocating for the centre to remain open. These people recognised that the influx of migrants to Tasmania has traditionally been a tremendous positive for our community—from those who travelled between Poatina, Longford and Ouse in the mid-20th century, building our world famous hydroelectric dams, to the Hmong community, whose delicious fresh produce is snapped up by Tasmanians and tourists alike every Saturday at the Salamanca Market. We are definitely a state that welcomes migrants, a state that opens our hearts to migrants.

During the years of coalition government from 1996 to 2007 Australia's immigration detention regime had the effect of systematically crushing the hope of refugees that they would ever have the chance to begin a new life. Under the Howard government, families with young children were kept behind razor wire for years on end. Some were released into the community through the horrible 'stick' policy known as temporary protection visas, a policy under which genuine refugees were required to constantly reapply to remain in Australia or be forced to return to the country in which
they had suffered persecution. Temporary protection visas did not work in Australia, with the overwhelming majority of people on them ending up as permanent Australian residents—that is hardly a deterrent. And if the coalition are so sure of temporary protection visas, why did they reject an independent inquiry into their effectiveness? We know that more than 95 per cent of temporary protection visas holders went on to get a permanent visa to live in Australia.

The harsh conditions of temporary protection visas prevented family reunions but did not stop boats arriving. Temporary protection visas were introduced by the Howard government in October 1999 to deter boat arrivals by denying people found to be refugees the right to stay permanently in Australia. They did not stop boats arriving: there were almost 4,000 boat arrivals that year. During the next two financial years there were almost 8½ thousand boat arrivals. Of the almost 10,000 people who were granted temporary protection visas, 95 per cent were subsequently granted a permanent visa by the time the scheme was abolished. This could hardly be perceived to be a deterrent. The harsh conditions attached to temporary protection visas prevented people from being reunited with their families. From 1999 to 2001 the proportion of women and children among Iraqi and Afghan unauthorised boat arrivals more than tripled. Following the introduction of temporary protection visas, the proportion of women and children who arrived by boat increased from 25 per cent to over 40 per cent. Temporary protection visas were harsh and punitive and did not work as a deterrent. Furthermore, under the Howard government's so-called Pacific solution, other refugees were sent to detention on Nauru, a tiny island where some stayed for up to three years with little human contact.

For every refugee who has overcome incredible odds to build a new life, there is a person whose hope has been consumed by tragedy or a journey to shelter that is just too far. Worst of all is when the promise on which their hope rested turns out to be as insecure as the lives they left behind. It is no surprise that many refugees, who were already suffering trauma from fleeing a crisis and enduring a prolonged ordeal, simply could not cope with such gruelling stress. In such conditions, even the most resolute and naturally positive person falls into a spiral of despair. In these conditions, that hope of a better life for your family can degenerate into severe mental disorders. The evidence is clear that length of confinement is associated with progressive deterioration in mental state.

Similarly, the uncertainty of temporary protection-visa status was the greatest single contributor to post-traumatic stress disorder amongst refugees. The effects of such trauma are profound and enduring. Refugees held in detention for only a short time have far better settlement outcomes than those in prolonged detention.

I am pleased that under the Labor government the parameters for mandatory detention have been dramatically recast. No longer does the horrible 'stick policy' of temporary protection visas persecute some of the most disadvantaged people in the world with fear and uncertainty. Now temporary protection visas are gone and the government is expanding the number of low-risk and vulnerable families and children being housed in community based accommodation rather than in detention centres. Today, children are no longer held in detention centres, and around 1,600 people, mainly vulnerable families, are in the community. By next year, one-third of asylum seekers will be issued bridging visas to live and work in the community while their claims are
assessed, and another 20 per cent will be in community detention.

All the while, the opposition's 'turn back the boats' policy is in tatters. Indonesia does not want a bar of it. The Navy and Border Protection say it is a dangerous risk to Australian lives, and all the experts say it is a dud. The coalition continues to shamelessly spruik a policy that the experts say is a dud, that our own Navy says is dangerous and risks lives, that the UN's refugee chief believes breaches the refugee convention and that has been found in Europe to be a breach of human rights.

The coalition's foreign affairs spokesperson, Ms Julie Bishop, was so desperate that she went to Jakarta to plead for some sort of hearing on their disgraceful policy. She met with the deputy chairman of Indonesia's parliament, who said that the opposition's policy was unfair on Indonesia, and he accused Ms Bishop of being arrogant in explaining the coalition's position. He told the ABC on 3 May this year: 'In my opinion, that view is a view that is solely focused on Australia's perspective, without considering Indonesia at all as the country that experiences the negative impacts of the illegal immigrant issue.' This is just the latest declaration from Indonesia that they do not want a bar of the opposition's reckless and arrogant tow-back policy. The repeated and clear message from Indonesia is that they would not agree to towing back any boats.

We do not see any policy as 'a gift that keeps on giving'. Rather we are committed to working through issues with fairness, equity and justice at the fore of our decision making.

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (16:26): I, like all of my colleagues in this place, from all sides, rise with a heavy heart to participate in this debate, given the events of a few days past, where lives were lost and trauma was experienced and where some families will clearly never be the same again. In this contribution, I do not want to prejudice the bona fides of those who are seeking asylum. There are processes in place to do that as a matter of course, and those discussions are for another occasion. But I do want to look at the question of why the boats are coming, why the people smuggler trade is increasing and what can be done about it. It is for that reason that I proposed the matter of public importance we are debating today.

The starting point has to be that the people-smuggling trade is a trade in human misery. It is evil and I am sure everyone in this chamber condemns it. I think that should be the starting point of any debate over people smuggling and trafficking, which unfortunately is increasing.

This government does have a bit of a record of not honouring its commitments. There are the obvious ones that seem almost too obvious to mention, but I will: the commitment, for example, not to introduce a carbon tax. The government is rightly condemned for its failure to honour its commitments. But there is one commitment that this government did honour, lock, stock and barrel. That was the commitment before the 2007 election to systematically dismantle the border protection regime that was in place, to end offshore processing at places such as Nauru and Manus Island and to end temporary protection visas. As part of that, the then opposition changed language and rhetoric. The Howard government at that time was firm, not just in policy and resolve but in its language, to send a clear message to the people smugglers that we would have no truck with them. Kevin Rudd, as Leader of the Opposition, and Julia Gillard, as the shadow immigration minister, were the architects of the policy to dismantle the
effective border protection regime. They were the architects of a policy which set about quite deliberately to remove those disincentives, those deterrents, which were in place for people smugglers. That is why I become more than a little frustrated every time I hear senators on the other side of this place say that they wanted to break the people smugglers' business model. It frustrates me because the people smugglers have been operating according to the business model which the Australian Labor Party designed. If you remove temporary protection visas, if you end offshore processing, you are giving the people smugglers a good product to sell.

Senator Thistlethwaite: That is disgraceful, to say that the Labor Party designed it.

Senator FIFIELD: That is what the Australian Labor Party did. They gave the people smugglers a good product to sell. When they changed the policy, when they changed their language, when they ended temporary protection visas, when they ended offshore processing, that did not go unnoticed by the people smugglers. It was therefore no surprise to those of us in the federal coalition that the people smuggler trade increased. You will recall, Mr Acting Deputy President, that when we sought to point this out, as the boats started to increase in number, as the people smuggler business started to improve, we were told that pull factors were not a consideration, that it was all to do with push factors, that it was all to do with what was happening in other countries, it was all to do with displaced people, it was all to do with increase in conflict in particular nations. No-one believes that anymore. The evidence is just so overwhelming that, yes, there were certainly push factors, there will always be push factors, but what made the difference between 2007 and today was the pull factors in Australia. We come back to the product that this government in effect designed and the people smugglers have so effectively sold. Even if we do not go right back to 2007, even if we only go back to the period commencing with Prime Minister Gillard's elevation to the nation's highest office, from that time to now there have been 12,700 people arrive on people smuggler boats. Those 12,700 people arrived on 194 boats. The evidence is clear and it is overwhelming.

I think what we have seen here is what one of my colleagues, Senator Mason, in a range of contexts has referred to as the politics of conspicuous compassion, where the Australian Labor Party is more concerned about trying to be seen to be compassionate, trying to be seen to be humanitarian, trying to be seen to be doing the right thing, rather than actually doing the right thing—the optics matter more than the real-life impact, than the real-life working of policy. None of us on this side of the chamber take any pleasure in pointing this out, because what has come to pass in terms of the increase in the people smuggler trade is exactly what we predicted would happen.

We are told often when contributing in these sorts of debates to forget about the past: 'Don't look at the past; we all know why we are in this situation.' Commentators will often say that to those of us on this side of the chamber. But it is vitally important for the government of the day to recognise why we are in the situation that we are currently in. Unless the government of the day recognise that, they are not going to be in a position to honestly address the situation and to craft policies to address the cause of this situation. That is why we continue to point out time and again, and will continue to do so, that the reason we are in this position today, the reason the people smuggler trade has increased, is because this government dismantled the effective policies of the
previous government which had in effect put the people smugglers out of business.

We know, although the government has not formally and publicly admitted, recognised and acknowledged the error of dismantling those policies, in their hearts they know it is true. How do we know this? Because the concept of offshore processing which was previously declared to be immoral when we were in office the government now say is a necessary part of a border protection regime, a necessary part of deterring people smugglers. So it seems that offshore processing is only immoral when the coalition do it; it is perfectly moral if the Australian Labor Party do it. But behind that change we know is a recognition by this government that offshore processing does work. But it does not work standing alone. You also need temporary protection visas; you also need people smugglers to be convinced that a government has the strength of its convictions. Not all offshore processing is equal either, for that matter. Some of my other colleagues have canvassed that already. But I would urge the government to go back to those policies which we know work, go back to offshore processing at Nauru, go back to temporary protection visas and have the strength of your convictions. Not all offshore processing is equal either, for that matter. Some of my other colleagues have canvassed that already. But I would urge the government to go back to those policies which we know work, go back to offshore processing at Nauru, go back to temporary protection visas and have the strength of your convictions. It is then and only then that the people smugglers will be convinced that you will take away from them the product they sell and they will be out of their dastardly business.

Senator THISTLETHWAITE (New South Wales) (16:36): I was going to begin by saying that this matter of public importance proposed by the opposition is preposterous and immoral, but the reality is that the leaders of our political parties should be sitting down and negotiating a compromise to what is a terribly sad public policy issue in this country. The issue is that vulnerable people who are seeking asylum in Australia are being exploited by unscrupulous people smugglers who are selling them a promise of safe passage to Australia for a very high price, when the reality is that they and their children are getting on board overcrowded, unsafe boats and then being sent out onto the open seas—a recipe for disaster. Unfortunately, disaster is what we often get. As recently as last week, we saw another disaster: a boat sinking with children on board, mid-voyage to Australia. The boat was sinking because it was overcrowded and unseaworthy. It brings back all the harrowing memories of what happened on Christmas Island last year, when those poor, vulnerable people were cast onto the rocks in terrible circumstances.

I have been a surf-lifesaver for 26 years, and I am very proud of my involvement in keeping our beaches safe. I have to say that I take great offence at the comments of Senator Fifield, in which he argued that Labor policy has designed the people smugglers’ model. That is a simply disgraceful and untrue comment. As a surf-lifesaver—as someone who has invested a hell of a lot of their time as a volunteer in this country in trying to help save the lives of others in the ocean—I take great offence at that comment. I take great offence because a lot of the tragedies that we are seeing on the open seas are avoidable. The government has developed a policy, on the advice of experts in asylum and migration policy, that is consistent with the advice of the Australian Navy, that has been negotiated with our regional partners in this area and has their support and that has the input of the United...
Nations High Commissioner for Refugees. It is a policy that will work and that will provide an effective deterrent to the product that people smugglers are selling. It is opposed by those opposite. It is a policy that will stop vulnerable people getting onto boats with their children and risking their lives on the open seas, but it is opposed by those opposite.

The question that Australians must ask is: why is this policy opposed by those opposite? Unfortunately, it is also opposed by the Greens. But it is opposed by those opposite because their leader wants to be seen as tough on this issue, because their leader cannot bring himself to agree with the policy put forward by the Australian Labor Party. Never mind any of the advice or support that the policy has from the experts in the field, never mind the fact that the policy might actually work; it is simply opposed because it has been put forward by the Australian Labor Party—and that opposition is leading to the deaths of vulnerable people on our seas.

At a time when we should be putting behind us the petty bickering that goes on in this place, at a time when we should be rising above politics on this issue, we are not. A solution to the incidence of the death of vulnerable children and asylum seekers is just another political debate for the Leader of the Opposition. The policy of the Australian Labor Party is to be opposed at all cost. This is just sad. Is it any wonder that Australians are losing faith in their political leaders and that their faith in this parliament is ever diminishing?

When the 
Tampa
 arrived on our shores over a decade ago, it caused a national and political crisis in this country. Our political leaders—the government and the opposition—were forced to confront the issue. The government of the day, the Howard government, developed a policy to deal with that crisis. But the difference between that circumstance and this circumstance is that Mr Howard dealt with that issue and that crisis with the full support of the opposition of the day. He had the full support of the Leader of the Australian Labor Party, Kim Beazley, and his party. This was despite the fact that the Howard government solution was inconsistent with Labor Party policy. This was despite the fact that many members of the Australian Labor Party opposed the compromise that was reached by the then Leader of the Opposition, Kim Beazley. This was also despite the fact that many Australian Labor Party members of parliament opposed the compromise that was reached at the time.

The leader of the Australian Labor Party and of Her Majesty's opposition at the time put the interests of the nation above politics, put the lives of vulnerable people above politics and reached a bipartisan moral road to settlement on that issue. That was the way in which the Australian Labor Party conducted itself in opposition when dealing with a crisis in immigration policy. It is in stark contrast to those opposite, who are again seeking to play politics with this issue, simply because it is a policy put forward by the Australian Labor Party. It is sad that the Leader of the Opposition and those opposite cannot show the same bipartisanship and the same leadership that was shown by the then leader of the Australian Labor Party, Kim Beazley. Their actions, unfortunately, weaken our democracy and the faith of the Australian people in this parliament.

This government would prefer that it did not have to develop a Malaysia plan. We would prefer that we did not have to negotiate this policy with our regional partners; but, unfortunately, the fact is that we do need to do that. There is a crisis in this area and we must provide an effective
deterrent to the product that people smugglers are selling. This is the only way to save lives. I again say to the Greens that I know they believe their policy on onshore processing is a humanitarian one, but the fact is it will not stop the unsafe boat journeys; it will not stop people smugglers selling trips on boats to Australia. One child drowning is one child too many. We have to provide an effective deterrent, and the Malaysia plan is the only credible effective deterrent negotiated in concert with our regional partners that this government has put forward. That is the advice of the experts in this field. That is the advice of Andrew Metcalfe, the former Secretary of the Department of Immigration and Citizenship, a person who has been described by the former immigration minister herself, Amanda Vanstone, as a first-class public servant. That is the advice of many who work in the field.

I do not doubt the opposition’s passion on this issue and I do not doubt their belief, but I do dispute their belief that the executive government should not have the support to implement a policy that this government believes will work. Support was given to the then government almost a decade ago with Kim Beazley as the Leader of the Opposition. We believe that our policy is an effective deterrent and that it will work.

In conclusion, Tony Abbott is a surf lifesaver. He makes much political mileage from wearing the budgie smugglers and the red-and-yellow cap. It is time for Tony Abbott to show some of the spirit of surf lifesaving—to agree to compromise and negotiate to stop vulnerable people, particularly children, drowning at sea and to give serious consideration to the Malaysia plan.

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop): Order! The time for this discussion has expired.

PARLIAMENTARY REPRESENTATION

Tasmania

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop) (16:46): I table the original certificate of the choice by the Parliament of Tasmania of Lin Estelle Thorp and Peter Stuart Whish-Wilson to fill the vacancies caused by the resignations of Nick Sherry and Bob Brown, respectively.

AUDITOR-GENERAL’S REPORTS

Report Nos 49 and 50 of 2011-12

The ACTING DEPUTY PRESIDENT (Senator Mark Bishop) (16:46): In accordance with the provisions of the Auditor-General Act 1997, I present the following reports of the Auditor-General:


Report No. 50 of 2011-12—Processing and risk assessing incoming international air passengers: Australian Customs and Border Protection Service

COMMITTEES

National Broadband Network Committee

Report

Senator CAMERON (New South Wales) (16:47): On behalf of the Joint Standing Committee on the National Broadband Network, I present the third report of the committee on the review of the rollout of the National Broadband Network, together with the minutes of proceedings.

Senator CAMERON: by leave—I move:

That the Senate take note of the report.
The third report of the Joint Committee on the National Broadband Network, entitled *Review of the rollout of the National Broadband Network* covers the period from 1 July to 31 December 2011 as well as other issues reported for the period from 1 January to 31 March 2012.

Over the period covered in the report:

- NBN Co. released its first 12-month rollout schedule as part of a number of significant milestones. This was followed by its three-year national fibre rollout plan, which lists 3.5 million homes and businesses where work is completed, under way or due to begin up until mid-2015.
- NBN Co. signed contracts for the fibre rollout with:
  - Silicar in Queensland, New South Wales and the ACT;
  - Transfield in Victoria;
  - Visionstream in Tasmania; and
  - Syntheo for Western Australia, South Australia and the Northern Territory.
- NBN Co. launched its interim satellite service, offering improved high speed broadband services to Australians living in regional and remote Australia. This was followed in February this year with NBN Co.'s announcement that it has entered into an agreement with Space Systems/Loral for the delivery of two brand-new, state-of-the-art broadband satellites to support the long-term satellite service;
- The first new housing development was switched on in Western Sydney;
- NBN Co. launched two demonstration facilities, the Discovery Centre in Docklands, Melbourne and the NBN Co. Demonstration Truck to travel across Australia;
- The final executable version of the Wholesale Broadband Agreement (WBA) was published. As at 31 December 2011, 11 Retail Service Providers (RSPs) had signed the WBA. This figure is now 40, and includes Australia's three largest ISPs, Telstra, Optus and iiNet.

These achievements are complemented by a number of significant regulatory milestones. The Australian Competition and Consumer Commission (ACCC) considered and approved the structural separation of Telstra and accompanying draft customer migration plan, providing a once-in-a-generation opportunity to create a level playing field in the telecommunications sector and enable competition and investment to flourish for the benefit of consumers.

ACCC approval of the definitive agreements also paves the way for the NBN to be built using existing Telstra pit and pipe infrastructure, allowing for a cheaper and smoother rollout with less use of overhead cabling and less disruption for communities.

On 28 May 2012, the ACCC also provisionally approved the Optus agreement, which will allow for decommissioning of the Optus HFC network and transfer of customers onto the NBN.

The NBN Co.'s Special Access Undertaking, which sets NBN access terms and conditions, is being continually developed after feedback from the ACCC and industry and will again be examined by the committee during its fourth review. In this report, the committee noted that NBN rollout targets contained in the 2011-13 corporate plan are no longer valid due to changes in the assumptions underpinning these targets. As noted in the report, the committee is aware that the NBN Co. is still in the early stages of the NBN rollout and that, as a result of delays with the Telstra
agreement, change to the number of points of interconnect (as mandated by the ACCC), and changes to the government's greenfields policy, undoubtedly there has been disruption and delay to the NBN rollout.

The committee found that this means that targets are not able to be compared between performance reports, and notes that NBN Co. considers it perfectly legitimate to measure its performance against the targets contained in the 12-month and three-year rollout plans.

The committee has recommended that the shareholder ministers' report include key performance indicator information for targets in the business plan for homes passed, homes connected, and services in operation.

The committee's interest in the contracting and procurement practices of the NBN Co. gained momentum during its third review. Like all government business enterprises NBN Co. is not subject to the Commonwealth Procurement Guidelines. The committee recommends that for all future contracts the NBN Co. update, and regularly maintain, its tender registry to include more information, such as the value of the contract and other relevant information.

The committee became aware of community concerns about the difficulties of extending the fibre footprint. In its second report, the committee recommended that the NBN Co. formalise and publicise its policy for the provision of costing extensions to the fibre footprint for the communities falling within wireless and satellite areas.

The NBN Co. has issued an interim policy for Tasmanian communities seeking an extension of the fibre footprint. Given the size and complexity associated with such applications, a trial of this system and policy has merit. However, this policy must be formalised and also made available to communities on mainland Australia.

The committee also found there needs to be more effective community and small business engagement in the public's education on all matters relating to the NBN.

The committee remains interested in examining the points of entry for private investment in the NBN—both in the form of equity and debt funding. This is to ensure a maximum return on the government's investment is secured on behalf of Australian taxpayers. This matter will therefore continue to be monitored by the committee as part of its ongoing review of the NBN rollout.

The final matter considered by the committee in its report concerned Telstra workforce retraining issues associated with the NBN rollout. The government has committed to providing $100 million to Telstra under a retraining funding deed to assist it in the retraining and redeployment of Telstra employees affected by these reforms to the structure of the telecommunications industry.

These training arrangements with Telstra were not fully implemented at the time of the committee finalising its report and the committee will continue its inquiry into this matter. The committee has recommended that the department publish a reporting document on annual progress under these training arrangements.

The committee is interested in the level and value of employment creation through the building and operation of the NBN, including local and regional employment. In its report, the committee recommended that NBN Co. communicate major areas of emerging training need and workforce demand with regard to the rollout of the NBN, to assist with future Australian workforce planning in this sector.

In relation to the inquiry process, the committee has again received answers to
questions placed on notice at hearings late and commented on these delays in addition to the limited information regularly received in written responses.

The committee is responsible for reviewing the six-monthly rollout of the NBN and takes this responsibility seriously given the large public expenditure and time taken to enable the NBN to be completed.

The committee has again recommended that internal processes for the approval of answers to questions on notice be changed so that the committee is given the information it has asked for by the due date.

I commend the report to the Senate.

Question agreed to.

**DOCUMENTS**

**Tabling**

*The Clerk:* Documents are tabled pursuant to statute. Details will be recorded in the *Journals of the Senate* and on the Dynamic Red.

*Details of the documents also appear at the end of today’s Hansard.*

**COMMITTEES**

**Membership**

*The Acting Deputy President (Senator Mark Bishop) (16:57):* The President has received a letter from a party leader seeking variations to the membership of committees.

*Senator McLucas* (Queensland—Parliamentary Secretary for Disabilities and Carers and Parliamentary Secretary to the Prime Minister) (16:57): by leave—I move:

That Senator Whish-Wilson be appointed as a participating member to all legislation and references committees.

Question agreed to.

**BILLS**

*Shipping Reform (Tax Incentives) Bill 2012*

*Shipping Registration Amendment (Australian International Shipping Register) Bill 2012*

*Coastal Trading (Revitalising Australian Shipping) Bill 2012*

*Coastal Trading (Revitalising Australian Shipping) (Consequential Amendments and Transitional Provisions) Bill 2012*

*Tax Laws Amendment (Shipping Reform) Bill 2012*

*Tax Laws Amendment (2012 Measures No. 3) Bill 2012*

*Income Tax (Seasonal Labour Mobility Program Withholding Tax) Bill 2012*

*Tax Laws Amendment (Income Tax Rates) Bill 2012*

*Assent*

Messages from the Governor-General reported informing the Senate of assent to the bills.

*Corporations Amendment (Future of Financial Advice) Bill 2012*

*Corporations Amendment (Further Future of Financial Advice Measures) Bill 2012*

*Returned from the House of Representatives*

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bills.
Pursuant to order and at the request of the chairs of the respective committees, I present reports on legislation from the Senate Rural and Regional Affairs and Transport Legislation Committee and the Senate Education, Employment and Workplace Relations Legislation Committee, together with the Hansard records of proceedings and documents presented to the committees.

Ordered that the reports be printed.

Legal and Constitutional Affairs Legislation Committee

Report

Senator CROSSIN (Northern Territory) (16:59): I present the final report of the Legal and Constitutional Affairs Legislation Committee's inquiry on the Marriage Equality Amendment Bill 2010, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator CROSSIN: —by leave: I move:

That the Senate take note of the report.

I stand here very proudly as the Chair of the Senate's Legal and Constitutional Affairs Legislation Committee tabling this report on Senator Hanson-Young's marriage equality bill. This is not a complicated piece of work, by any means, that this committee has undertaken for many years. So it is not difficult and it is not complicated. The issues are not particularly difficult or complicated either but it is certainly an inquiry which has generated national attention, a lot of emotion and has produced for us a tremendous amount of work inside the committee.

I will spend a minute elaborating on that. This inquiry received 79,200 submissions—unprecedented in the history of this parliament. I want to defend it and also place on record my enormous appreciation of and understanding of the workload that that has generated for the committee staff, particularly our secretary, Julie Dennett, and Ann Palmer, who were the two lead people assisting this inquiry by the committee. Seventy-nine thousand two hundred submissions means that whether it was one page, whether it was an email or whether it was a complicated submission from an organisation that went to hundreds of pages, they were all dealt in exactly the same way. They were all handled, registered and entered on a database in each and every same way. They were treated equally by the committee staff and by the committee.

What people are focused on is the arguments in favour of marriage equality and those against. At the end of the day, 46,400 submissions or 59 per cent were in favour of changing the Marriage Act and 32,800 or 41 per cent were not in favour of changing the Marriage Act. I also want to make it abundantly clear that the committee meets and determines for itself the way in which it conducts the inquiry. We determine whether we have public hearings, who we hear from, and, in a democratic way, what submissions will be published and what will not. We made a decision as a committee that we would publish 360 submissions. Of those 125 were from organisations, 116 were from individuals in favour of changing the act, 116 were from individuals not in favour of changing the act and three took a neutral position. The other submissions are on a database that we have kept and stored. Most of them were form letters, many of them
were one-liners and many of them were only a couple of paragraphs. Most of them were short and general statements. So I want to make it clear that all submissions were treated equally and the committee determined itself how we conducted the inquiry.

What did we find out and what did we recommend? This will be a defining day in the social fabric and the history of the nation when it comes to equality for same-sex couples. My committee has strongly recommended that we as a parliament should support the Marriage Equality Amendment Bill.

Senator Hanson-Young: Hear, hear!

Senator CROSSIN: We have recommended that we should now embark on a process of debating in this parliament changes to the Marriage Act. We have recommended that this bill, with a few amendments, should be passed into law. We have recommended that Senator Hanson-Young's bill before us does need a few amendments. We think that the amendments ought to go to a definition that marriage is now between two people, regardless of their sex, to the exclusion of all others voluntarily entered into for life. We were convinced by the submissions put before us and by the evidence that we heard in Melbourne and Sydney that now is the time for this country to amend the Marriage Act, that now is the time for this country to move on and to accept that same-sex couples do, to the exclusion of all others and in a voluntary nature, decide to live with each other for the rest of their lives because they are so deeply in love with each other. We believe this is the last barrier to end that discrimination against those couples.

We also believe, although some would argue that marriage is a perfect fit between a man and a woman and it is designed for the sole reason of having children, that for a whole lot of people in this country marriage is not that. Marriage is not solely that. Marriage is because they want to live with each other forever because they are in love.

I also place on record my thoughts for Shelley Argent, for the families in this country who do have members of their family who identify as being gay, lesbian or homosexual. As a society we do need to now accept that marriage—and given what marriage once was tens or hundreds of years ago—is made of a different fabric in this country today. I also place this on record for people like Neil Halliday, a friend of mine, and my sister-in-law: I commend this report to you both.

Senator HUMPHRIES (Australian Capital Territory) (17:06): I rise to speak as one of the senators who took part in this inquiry but who signed the dissenting report which has been tabled today. I do so because, although I am a very strong supporter of the Senate committee system and the value of that process, I believe that this inquiry was not one of the Senate committee system's finest moments. This issue has been much raked over by other organs of this parliament, other committees, in the past. I do not believe that this iteration of the same-sex marriage issue has greatly added to the volume of knowledge about this issue.

I was very surprised to read in the majority report such an emphatic affirmation in favour of same-sex marriage. I was surprised because the evidence facing the inquiry was complex and diverse. The starting points of many of the senators who took part in this inquiry were also very diverse, even within similar party groupings in the Senate. So it is surprising and frankly a little disappointing to see that the majority report so emphatically, even stridently, call
for the advent of same-sex marriage in Australia. I think that the nuances of the evidence, the subtleties of the arguments, that were put to that inquiry were not fully reflected in the way in which this report has been framed.

The dissenting report makes clear that the tone of the majority report was unnecessarily dismissive of much of the contrary evidence presented to the inquiry and that at some points the report almost becomes proselytising in its tone. I point to the fact that the first of the four recommendations made by the inquiry was a recommendation that all political parties in the parliament should allow their members a conscience vote on this issue. The Senate referred this issue to the Legal and Constitutional Affairs Legislation Committee to consider the merits or otherwise of the bill. For the majority report to recommend how parties should deal with this matter is an outrageously political comment in the course of what ought to have been a dispassionate examination of the evidence before the committee. That recommendation does the Senate committee no credit.

The minority on this committee believed that we cannot advance an argument for so-called equality in marriage when there are so many other areas where most of us would say that it is not appropriate to provide for an equality of access to marriage. We all have limits in this respect, but where those limits should be drawn is unclear from the majority report.

We also believe fundamentally that a recommendation in favour of legislating now for Senator Hanson-Young's bill represents a serious breach of trust by this parliament with the Australian people. In this chamber, the overwhelming majority of us went to the last election promising that our vote would be used on the floor of this chamber to support a traditional definition of marriage as the union of a man and a woman. But today the Australian Labor Party has decided to change its position and, as a consequence, has rushed headlong by at least a majority to embrace a change of policy and provide for that legislation to facilitate that change of policy to be put and passed by the parliament. I do not lightly put aside what I promised to the electorate at the last election. Like the other members elected for the ACT at the last election, I promised to preserve a traditional definition of marriage. But today I find myself the only member representing the ACT who maintains that position. That is not a good way for this parliament to exercise its rights based on the mandate given to us by the Australian people. For that reason alone, I believe it is grossly inappropriate for the parliament to support the recommendation of the committee to pass this legislation.

Senator HANSON-YOUNG (South Australia) (17:11): I rise to speak to this motion to take note of the report by the Senate Legal and Constitutional Affairs Legislation Committee on the Marriage Equality Amendment Bill 2010 that was handed down today. First of all, I would like to thank the committee chair, Senator Crossin, for how this committee inquiry was conducted. This issue has been hotly debated in this place for a number of years. This issue brings about a high level of emotion from all sides in relation to whether we support the idea of equality in law when it comes to marriage. I believe that the committee conducted itself extremely well in those circumstances. I speak in strong favour of the majority report that has been handed down today. It is time that we saw this place rid our federal laws of discrimination against same-sex couples simply because they love each other and happen to be of the same gender. It is time for us to get rid of
discrimination in this country against any couple who love each other and want to see their relationship recognised in federal law regardless of their sexuality or gender.

The submissions to this inquiry were overwhelmingly in support of this position. The submissions were thoughtful and personal in many aspects; others were not as personal as they were based on fact and based on basic understanding of fairness under the rule of law. Many of the submissions spoke about how Australians want leadership to rid this country of the discrimination that currently exists within the Marriage Act, to allow the love between two people regardless of their gender, regardless of their sexuality, and to treat them equally.

Through the course of this inquiry, we saw world leaders change their views when it comes to marriage equality. During this inquiry, we saw Barack Obama in the United States change his view to now support marriage equality. When he announced that his position had changed, he spoke about how he had gone through a very long and thoughtful process to come to that position and how, in the end, treating people equally was always going to be better than treating people unequally simply because they happen to be in love with somebody of the same gender. We have seen John Key in New Zealand, as a conservative, change his view to support marriage equality.

I am a strong supporter of the institution of marriage. I believe it is an important institution in our society and that it is why it is underpinned by federal legislation. I believe it gives security and stability to families and to individuals in their partnerships. It helps to build that strong support that ultimately benefits our community and our society. That is my personal view, and I believe that more people, if they want to enter into that commitment, should be legally able to. I also acknowledge that there are various religious groups that want to be able to continue to make decisions about the marriages that they endorse from a religious perspective. Churches and various other religious groups already do this in so many ways. They make decisions on a daily basis about who they will and will not marry and what values they put on recognising, from a religious perspective, their relationships. This bill, particularly with the recommended amendment of strengthening and putting beyond doubt their ability to do that, will not in any way prevent religious organisations from continuing to make their own mark on relationships as they see fit. But over 63 per cent of Australian marriages are conducted by civil celebrants, recognised under federal law, and this committee is saying that, if you love the person you are in a relationship with and you want to see that relationship committed to, that relationship should be able to be recognised under the federal Marriage Act if that is the choice of that couple.

We know that in this place many individual members of parliament have undertaken that journey of change for themselves. We have seen members in this place, as well as in the other, change their view about this issue, and it has been down to the hard work and very honest representations from individuals who have been directly affected by this issue and the current discrimination. Mums and dads have continuously visited our offices across this parliament, particularly over the past two years, and said that they want the same rights for their adult children, regardless of their sexuality or of the person they love. Shelley Argent is one whom Senator Crossin mentioned. She ought to be nominated as Australian mother of the year for her amazing advocacy for her gay son to have
equally. Geoff Thomas, a Vietnam veteran who fought for the rights of our country, now wants his son to have the right to be equal under Australian law. He also made very passionate representations to members of parliament. But many, many thousands of individuals have written to their members of parliament or to this committee, asking for the discrimination in our current Marriage Act to be removed. Regardless of whom you love and regardless of their gender, if you want to have that relationship recognised in law, this committee is saying that it should happen and that we should rid the law of this discrimination.

The recommendations and the majority report are supported by voices across the chamber. For the first time in this parliament’s history, we see members from the Labor Party, the coalition and the Greens agreeing that this type of discrimination must come to an end, must be removed. It is inevitable that we see this reform happen. It is inevitable, but we need true leadership from our leaders in this place to make these recommendations become reality. That means voices within this place feeling free to speak up and state their position, but also the Leader of the Opposition and our Prime Minister recognising that, at the end of the day, giving Australians equal access, equal rights, under the law cannot be a bad thing. It must be a good thing to ensure that everyone is treated equally under the law, regardless of their sexuality or gender. The sky has not fallen in on those countries around the world which have taken the step to rid their laws of discrimination and allowed marriage equality to happen. Indeed, the sun is shining more brightly. We see more people wanting to support the important institution of marriage. We see families having the support to have their relationship recognised equally under the law. We know that young lesbian and gay Australians struggle every day with feeling as though they are second-class citizens. During the inquiry into this bill—and it is referenced in this report—even the former Justice of the High Court Michael Kirby, a remarkable man who rose to the top of the legal profession, stated clearly to the inquiry that he still felt like he was a second-class citizen because the law discriminated—

(Time expired)

Senator PRATT (Western Australia) (17:21): I am most delighted today to stand here and support the report of the Senate Legal and Constitutional Affairs Legislation Committee on the Marriage Equality Amendment Bill 2010. I would like to thank the chair, all members of the committee and indeed all those who gave evidence and made submissions to this inquiry so that we could have a robust debate.

As the report highlights, marriage is an important institution in our nation. It is an important institution that many couples who are currently excluded from feel strongly that they would like to participate in. It is important to note that it is not just same-sex couples who are excluded from this institution; the exclusion affects people whose biological sex cannot be clearly classified as male or female. It also affects couples who may identify as opposite sex but where one partner is transgender and has been unable to have their gender legally recognised.

It also affects married couples, including some with children, where a partner has transitioned from one gender to another and has been unable to have their gender legally recognised because to do so they would first be required to divorce and break up their family. Such things in this day and age are simply ridiculous.

So many couples gave heartfelt evidence to our committee about their marriages which have not had the legal recognition that
they deserve but, nevertheless, the couple have celebrated a lifelong special commitment between themselves and their family and they would like the same legal recognition as other couples.

As this report shows, marriage is far more than a promise of love between two people. It is about public and legal recognition of couples who have a mutual commitment to a shared life. It is also about the recognition of their children and their wider family. If marriage is so important in our society, I simply do not understand why people would want to exclude relationships that are marriage-like in every way from being recognised.

I note that the LGBTI Health Alliance argued in our inquiry:
Marriage is positively associated with a large number of outcomes including better mental and physical health for adults, improved cognitive … physical well-being for children, and greater economic advantage for family members … marriage affords social recognition and thereby improves health, socioeconomic achievement, civic participation and involvement with extended family members …

Personally I have to admit that some of the so-called evidence put forward at our hearings made me somewhat upset and angry. Some anti-marriage-equality advocates attacked what they saw as homosexual lifestyles that they argued were promiscuous, at the same time as excluding the very same people from an institution that is seen to engender stability and commitment for couples. It simply makes no sense. If you are pro marriage, it makes no sense to be anti marriage equality. Allowing all couples to marry, regardless of their sex, sexual orientation or gender identity will only, in my view, strengthen the importance of marriage.

It is important to note that the committee firmly recommended that all parties allow senators in this place a conscience vote on this important matter. I strongly believe in the committee's recommendations that the Marriage Equality Amendment Bill be amended as suggested by our committee report and passed into law.

Senator CASH (Western Australia) (17:25): The coalition authors of the dissenting report of the Senate Legal and Constitutional Affairs Legislation Committee inquiry into the Marriage Equality Amendment Bill 2010 are disappointed that the committee majority has seen fit to recommend support for the bill. Coalition senators believe passage of this bill would represent a major breach of trust by the Australian parliament, the overwhelming majority of whose members were elected at the 2010 federal election on a platform of support for the traditional definition of marriage as being the union of a man and a woman. Coalition senators also found that the conduct of this inquiry and the resultant majority report sells short the well-earned reputation of Senate committee reports that has been carefully nurtured over the years.

Marriage is and has been recognised as a vital societal institution. In recent times, marriage has been seen by some as an institution that confers only rights rather than the countervailing obligations that are always attached to the conferral of rights. Coalition senators noted the concentration on rights as opposed to obligations by submitters favouring change.

The committee during its inquiry heard evidence from a wide range of witnesses. In the main, the evidence of these witnesses fell into two categories: either for or against same-sex marriage. Whilst these views have been in the public domain for a long time, the evidence of both parties shows one thing in common, and that is the issue of the constitutionality of the proposed bill and
whether the word ‘marriage’ as presently defined was intended to extend to same-sex marriage, polygamy and perhaps other, yet to be determined, circumstances.

In this regard, despite the protestations of the Australian Greens, the evidence of former High Court judge Michael Kirby supports the contention that this bill will have potential consequences for the future recognition of other forms of relationships. When questioned at the committee hearing in Sydney, Mr Kirby said:

The question that is before the parliament at the moment is the question of equality for homosexual people. There may be, in some future time, some other question.

In relation to the issue of constitutionality, I personally have a view based on the evidence given to the committee, which is outlined in the coalition senators' report. However, as the issue of marriage equality is divisive and strikes at the heart of our religious, social and cultural roots, it is clear that the parliament should stop wasting its valuable parliamentary time and resources and seriously consider putting the constitutional issue to the test by seeking the views of the Australian people by referendum, which was clearly a matter contemplated by the founding fathers, who provided for such a circumstance by including section 128 in the Constitution. If the Greens and Labor are so sure of public support for same-sex marriage, they should have no issue at all with this.

Despite the constitutional confusion, it can, however, be definitively said that the refusal to allow homosexuals to marry under the Marriage Act is not a breach of their human rights. This is confirmed by the decision of the UN Human Rights Committee, when considering the provisions of the European Convention on Human Rights, which have firmly rejected the spurious claim that marriage is a universal human right and that same-sex couples have a right to marry because their mutual commitment is just as strong as that of husbands and wives. The Marriage Equality Amendment Bill 2010 seeks to fundamentally change what is agreed by all parties to be a vital legal and social institution. It is the view of coalition senators on the committee that it would not be prudent for any party to allow its passage without first seeking a mandate from the Australian people. Coalition senators on the committee have therefore recommended that the Senate reject the Marriage Equality Amendment Bill 2010. I seek leave to continue my remarks.

Leave granted.

Debate adjourned.

BILLS

Clean Energy Finance Corporation Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator FIERRAVANTI-WELLS (New South Wales) (17:30): Before question time, I was speaking about this complete waste of money, this $10 billion that is going to be pumped into what is little more than a giant slush fund to appease the Green partners of this government. It is interesting to note the fact that the government gives and gives to the Greens. But where are the Greens on the government's so-called Malaysian solution? Why don't the government put that to the vote and see if their alliance partners pay back some of the largesse that they are giving them in so many other areas?

In the time available to me I would like to look at a number of issues pertaining to the
carbon tax. This is a $9 billion a year tax and every Australian will pay in some way or other, most especially through their electricity and gas bills. In the first four years it will total $36 billion. It has absolutely nothing to do with the environment and everything to do with revenue raising. Despite the imposition of the carbon tax, Australia’s emissions will increase from 578 million tonnes to 621 million tonnes by 2020. This is because gas and electricity are essential services for all Australians. Instead of reducing Australia’s emissions, in the end firms will have to purchase 94 million tonnes of carbon permits from overseas by the year 2020.

The imposition of the carbon tax could not come at a worse possible time for manufacturers, who are struggling against a high Australian dollar. Further, their overseas competitors will not pay a carbon tax. There are six days to go until the start of the Gillard government carbon tax. Remember how in the lead-up to the last federal election—just six days before it—the Prime Minister said, ‘There shall be no carbon tax under a government that I lead’? What a lie that was. Now, just six days before the carbon tax comes in, Labor is expected to announce a $40 million carbon tax bailout for Alcoa’s Point Henry smelter near Geelong. The list of manufacturers in need of a carbon tax bailout goes on and on.

My own area, the Illawarra, the carbon tax capital of Australia, will be hit by a double whammy. The Illawarra, with its steel industry and coalmines, will face a double imposition. We have already started to see the exodus of jobs from the Illawarra. The result at the state election, with massive 18 per cent swings against them in the Illawarra, is something that Labor need to think about.

As I stood at those polling booths, those people who were voting against the Labor Party were telling me and others one thing and one thing only: that they were absolutely disgusted with Labor for having the temerity to lie to them. They showed their anger by voting against Labor in the state election and again in the local government elections. It is little wonder that the people of the Illawarra are being paid back. Ratepayers there will pay much more because of what councils like Shellharbour Council and Wollongong Council will be forced to impose as a direct consequence of this government’s carbon tax. Little wonder that the next election will be a referendum on the carbon tax.

If elected, a coalition government will have a contract with the community and a mandate to honour. Those opposite will need to take very strong heed of the vote. Many people will take that opportunity to vote against this government. People are waiting now. They want an election. As I and my colleagues go out and about and speak to people, we are finding that they want an election because they want to tell those opposite what they think about them and their stinking, toxic carbon tax. They have been lied to. They do not like it. They want the opportunity to express their point of view.

Let us have a look at what is happening around the world. No country currently imposes an economy-wide tax on greenhouse emissions or has in place an economy-wide ETS. This is an economic own goal of the worst kind. Countries like the United States, Canada, India, China and Japan have all made it clear that they are not moving towards a broad based carbon tax like Australia. It will be the most expensive carbon tax in the world. It starts at $23 a tonne, but it will be going up and up. We know the Treasury estimates: it will reach $29 per tonne in 2016, $37 per tonne in 2020 and over $350 per tonne in 2050. We know this is payback to the Greens, because we have had Bob Brown and Christine Milne
say that it needs to be at least $40 a tonne to shift electricity generation from coal. They want to stamp out the coal industry. And of course Senator Hanson-Young over there has canvassed a price of $100 per tonne, so it is little wonder.

Recently we had the Prime Minister going over to Rio. There she was, dateless and desperate in Rio, with nobody agreeing with her in relation to support for a carbon tax. One could say, judging by some of the photos of her that were taken, that she was very friendless as well.

Government senators interjecting—

Senator FIERRAVANTI-WELLS: Would you like me to really get nasty? Would you really like me to get nasty? Anyway, one only has to look at the fact that she comprehensively was made to look like a fool and an idiot as a consequence of her behaviour on her recent overseas trip. One only has to look at the communications that came out. Only three paragraphs out of 49 pages referenced at all the issue of climate change. And not only did the final declaration out of Rio only barely mention climate policy, but no country jumped to adopt anything remotely close to Australia’s carbon tax. That was despite every opportunity that other countries have had to take up this so-called great policy. The carbon tax remained quite dateless and desperate in Rio.

In my remaining time, let us not forget that those words—‘There shall be no carbon tax under a government that I lead’—will haunt this Prime Minister to her political grave. And so they should, for the lie that has been perpetrated on the Australian public.

Senator RYAN (Victoria) (17:39): I would like to say that it is a pleasure to rise to oppose this particular legislation, the Clean Energy Finance Corporation Bill 2012, but it is actually a tragedy that this legislation has been brought into this place. The Labor Party of old—the Labor Party of Hawke and Keating—would have had nothing to do with legislation like this. The Labor Party of Hawke and Keating ran a million miles from the state governments of Victoria, led by John Cain and Joan Kirner, and South Australia, headed by Mr Bannon. But the Labor Party of today has sold its soul to the people in the corner—the Greens. This legislation represents the depths to which the Labor Party has fallen. The Labor Party of Hawke and Keating, the Labor Party of Peter Walsh, would have gone nowhere near this. But that is not the modern-day Labor Party. Its agenda and what it does in government are driven by the people in the corner in this chamber, the people formerly led by Senator Bob Brown.

It is not for nothing that this is known as the Senator Bob Brown bank. This $10 billion of borrowed money represents $10 billion of future taxes being paid by Australians who might even still be in school. This bill represents the price of the Labor Party’s soul. It represents what the Labor Party will do to stay in power. It does not matter that they made an explicit promise to not do something and then introduced a carbon tax. It does not matter that this legislation and this so-called clean energy fund goes against everything they did when they were last in office. But it does illustrate the depths to which they have fallen.

The $10 billion that is being appropriated with this legislation—$2 billion a year for the next five years—is being appropriated in such a manner as to try to keep it off the budget books in a formal sense. It is being done in a way that it does not add up to Labor’s record debt and deficits, with nothing less than an accounting trick. But we know that the alleged surplus is also made up of nothing less than an accounting trick by pulling billions of dollars of spending
forward into this financial year, pushing it out to the subsequent financial year. They hope against all hope that if they can actually turn their back on their record of the last few years they will deliver some sort of measly surplus of less than one per cent of Commonwealth revenues in what may well turn out to be an election year.

Importantly, this money is borrowed. This legislation seeks to put this policy beyond the people. And that is exactly what the Greens have hoped for. That is exactly what the Greens have sought to do with this whole policy area, year after year after year. At the last election the overwhelming majority of people in this parliament went to the election with a promise of no carbon tax. A sole member of the House of Representatives and five senators in this place were elected on a platform of introducing a carbon tax or an emissions trading scheme. But, because of Labor’s desperate desire to retain the perks of office at all costs, those others folded on the promise the Prime Minister had made through the barrel of a camera: ‘There will be no carbon tax under the government I lead.’ And this represents part of that.

This legislation, by seeking to appropriate over the next five years $2 billion each and every year, is yet another attempt in the ongoing attempts by Labor and the Greens to put this whole issue beyond the people. I say that this side of parliament intends to put it before the people. This side of parliament intends to go to the next election and aggressively put our case that policies like this put our economic good fortune at risk, that policies like this stand only to add costs to the Australian economy, that policies like this stand only to add to the future debts and deficits that must be paid back by all Australians.

There are many things wrong with this approach, and I want to go through a few of them now. Firstly, the whole idea that the government is in a position to finance technologies and to enter the finance markets to finance particular industries and companies has been disproven in my own lifetime. I grew up in Victoria. I finished high school in the year of 1990, when my home state was in something akin to an economic depression. People in South Australia had a similar experience. And what drove that? It was a borrowing binge by state government instrumentalities that lent money out. They thought they were making the best guess about what might turn out to be economically substantial projects, but in the end governments are not fit for the purpose of determining what happens in a commercial marketplace. Billions of dollars were lost, through Tricontinental, the State Bank of Victoria—and I remember, when the Victorian Economic Development Corporation story broke in 1989, we thought that was a disaster because it involved about $140 million of government funds being wasted. That was merely the beginning of a tidal wave of government losses that led to the effective sale and closure of the State Bank of Victoria and debts for the State Bank of South Australia being borne by taxpayers for many years.

Importantly, when debts like this are run up, to the government it is just numbers on a balance sheet. In fact, someone once described to me the whole idea that we have a fiscal cycle where we run deficits in bad times and surpluses in good times. The whole Labor and Greens idea of a budget cycle is that when Labor is in office we run deficits. When the coalition is in office we run surpluses. The whole argument about whether we should have deficits or surpluses is a critical one, but it is not just a utilitarian one; it is a moral one. It is a moral argument because when we run deficits we are imposing costs on future Australians—we
are living large at their expense. Professor Niall Ferguson, who is currently giving the Reith lectures in Britain, makes this very point in his first lecture—that all around the world this financial crisis we are seeing is being driven by governments living large at the expense of people who have not yet even been born. They are definitely living large at the expense of people who are not yet taxpayers, because the bill always comes due. And approaches like this only serve to reinforce the fact that Australians know this government is headed in the wrong direction—because if we were to believe Mr Swan and if we were to believe Prime Minister Gillard that the Australian economy is so great, then we would not be running up a measly attempted accounting fiction of less than one per cent of government revenues as a surplus. It takes 70 years to pay back the debt they have run up in four years. If this economy is so strong then this budget should be so much stronger, but it is not—and we know that it is genuinely in deficit. So there are the accounting tricks, and this is one of them.

Time will prove that this body will not deliver a commercial rate of return. For that reason it should be treated on budget. We have an admission from the government that they expect a 7 1/2 per cent rate of money not being returned to the fund. That is $750 million over five years—$750 million that could otherwise be spent on services. It could build a hospital. It could fund new regional universities. But no, this government do not want to go down that path; this government want to kowtow to their Greens allies and create this fund for patronage, this fund for preferment, in order to simply buy more time in office. This fund is for people who cannot access commercial finance. It is therefore, by definition, picking losers. If we have a commercial operating finance market, one that funds every other business in Australia but will not fund these particular businesses, then someone with a sense of the market would say: 'These businesses will not provide a commercial rate of return.' We have seen it all around the world. We have seen it in Queensland. We have seen the disaster with Solyndra. But this government will not listen. This government simply want to create this slush fund and put it beyond the call of the next election and put it beyond the people so the people cannot have a say.

What is even more frustrating about approaches like this, where the government seeks to fund non-economic industries, non-economic sectors and non-economic companies, is that they give false hope to the people working in those areas. One of the great tragedies of sustaining a protected regime in certain areas—and this is the latest one—is that to people who may enter the workforce in those areas at some point in their lives, when there is a reckoning, when these businesses and sectors do not actually provide a commercial rate of return and become unsustainable, and the government drip dries up, then those people are going to go through substantial economic adjustment themselves. We saw that in the 1980s and 1990s on a massive scale. We had hundreds of thousands of mainly middle-aged, mainly blue-collar male workers lose their careers in the name of economic reform. That was for the great betterment of this country, and it is a great testament to the way this country handled that that we did it without substantial social dislocation. I had experience of that in my own family.

But why on earth would we try and set ourselves up for failure again? We have been through this period of economic restructuring that has delivered us unprecedented, unheard of economic good fortune. Since we entered the workforce people of my age have never really experienced mass unemployment in
the way our parents have. I am 39 years old. Since we got out of the 1991, 1992 and 1993 recession we have had a relatively low unemployment rate. So, for the first time in many years, we have not had a huge recession that has forced people out of the labour market. Yet no-one denies, apart from the Greens in the corner, that it is economic liberalisation that has delivered that good fortune. Why would we turn our backs on it? Why would we create a fund like this, specifically to support non-economic industries and non-economic sectors and potentially to set more workers up for those difficulties that people went through in the 1980s and 1990s? Because that is what picking losers involves—it is actually about people.

That then goes to one of the core challenges that this bill represents to all of us. This bill represents yet another step in the recreation of a culture of patronage in the Australian economy. I do not dismiss lightly the fact that the Greens have campaigned for this sort of attitude for many years, but I am amazed that the Labor Party, the party of people like Peter Walsh, has turned its back on economic liberalisation. When you set government up as a source of funds, when you set government up through regulation that can make or break industries, or through one-off grants like we have seen to car companies without criteria that are open and transparent, what you do is create a culture of patronage whereby the pathway to government and access to government support becomes even more important than genuine commercial success. That steers economic resources and capital—and, these days, scarce labour given our ageing population—away from the most efficient use, and away from where the country can do its best, and steers them towards less efficient outcomes. It steers those resources towards outcomes that do not produce the national wealth that we would all benefit from, so every Australian is directly worse off—except for the very few, of course, that benefit from this largesse; and this is largesse on an enormous scale. I was in this place when we knocked off the so-called Ruddbank. It was a bank introduced by the former Prime Minister, as part of one of the stimulus packages, in order to protect the commercial property construction industry. It involved about $4 billion of government funds, but with the potential to go up to $10 billion. This place knocked off that legislation because of the risk it was exposing taxpayers to. This bill represents a bigger version of that, and a bigger version of that invested in a much less secure environment, because this is supposed to pick the losers out of the commercial market. This is going to those very organisations that cannot access commercial finance because they cannot make a business case add up. While it provides an enormous advantage to some, it penalises every taxpayer and it will penalise future taxpayers, who will have to service the debt that this $10 billion is adding to.

One of the most bizarre aspects about this is that it does nothing to add to the government's alleged carbon reduction agenda, or that of the Greens. With this $10 billion plan we will see not one extra watt of renewable energy generated. We have the 20 per cent mandatory renewable energy target, and this will not in any way add to that. This will merely be a source of funds for people operating in that space. I say to the government: how is it fair that those who are in the marketplace at the moment servicing commercial loans, with business plans, will have to compete against people chosen by the government's nominees, who might get access to funds in a different way? The truth is that we know that borrowing money from the government is not the same as borrowing
it from a bank. There will be political pressures to make sure that this particular fund does not do unpopular things just before elections. There is always the curse of patronage, which means that those with connections can potentially use them with the board. We do not know how this is going to work but we do know that the mandate is not as strict as it is for the Future Fund. How is it fair that people who now are operating in the commercial marketplace in the renewable energy industry will be up against potential competitors who have access to these funds? I put it to you, Mr Acting Deputy President, that it is not fair.

This bill represents a serious backwards step for this country, because the taxpayer again is going into the commercial finance marketplace, or, in this case, the non-commercial-finance marketplace. It is doing so purely as a political pay-off to the Greens, who demanded this slush fund of the Labor Party in order to get their carbon policy through this parliament. We are now debating it after a farcical inquiry in the House of Representatives and no inquiry in the Senate—and no inquiry by either of the economics committees of the two houses. The fact that the Greens or the Labor Party can ram this legislation through with nothing more than a pro forma inquiry in the House and, I believe, two meetings of the Senate Economics Legislation Committee, with no evidence being taken, shows what a farce this has become. It shows that this really is about re-creating a culture of patronage.

This bill is going to mean, according to the government, at least $750 million of losses to Australian taxpayers. I think it will be much greater, because the recent history of funds like this in Australia has been that they do not return the cost of capital and they expose the taxpayer to massive losses. Also, overseas we know these funds simply do not work.

This bill is nothing short of an abomination. It represents a pay-off from the Labor Party to the Greens, and it represents the re-creation of what I, and the many Australians who bear the cost of policies like this, had hoped was expunged from our country—that is, government deciding which businesses succeed and which businesses fail, and a culture of patronage. This bill should be opposed, and I stand firmly with my coalition colleagues in doing so and in making sure that bills like this are key issues in the next election so that the Australian people have a say on how their money is spent, even if it is money that has only been borrowed.

Senator FAWCETT (South Australia) (17:56): I rise to address the Clean Energy Finance Corporation Bill 2012. I would like to talk about some principles, the politics of this and, more specifically, the outcomes that these kinds of measures have had in other places around the world, and what we can look forward to here in Australia if the Greens-Labor alliance have their way in foisting this on the Australian people.

Firstly, I want to talk about principles to do with this bill. We stand here today in the Senate, the house of review. I well remember many comments, particularly from the Greens, about the fact that this place, of all parts of our form of government, should be the place that provides scrutiny of government spending to ensure that the spending is wise, appropriate, value for money and that we will not be wasting taxpayers' money. It is disgraceful that the Greens have lined up with Labor to guillotine debate on this bill.

In the House they had but two hours to debate legislation that commits the Australian taxpayer to spending $10 billion.
That is $5 billion per hour. That figure is hard to get your head around. In this place we have the benefit of a committee report. As the previous speaker said, that committee inquiry was somewhat of a farce, I am sorry to say. They had three weeks to consider some 19 bills, some 1,100 pages of legislation and the over 4,500 responses that were sent to the committee, even though people had had only a week to do it. As many as 4,500 people made contributions to that committee, and yet there was less than a week to evaluate them, so many of the submissions could not be evaluated in time to be received as evidence. The coalition members on the committee did their best to go through and look at as many of them as they could.

When you consider the magnitude of this spending—$10 billion—to give a committee only three weeks to look at 19 bills and 1,100 pages of legislation is an outrageous abuse of power of an executive government and their alliance partner, particularly when you look at the make-up of the committee. There was a Labor chair and, going very much against the convention of this place, which is to have an opposition member as deputy chair, there was a Greens deputy chair and there were Independent members on the committee, nine all up from the Green, Labor and Independent alliance, and only five coalition members. It is worth noting that the Greens and Independents were all members of the Multi-Party Climate Change Committee, who are the people who had put together much of the package in the first place. So even that goes against some of the fundamental principles of review, that people who have had a hand in and have a deep interest in and commitment to the thing being reviewed should not be put in the position of reviewing it.

It is worth comparing just for a minute how this is looked at in other government departments. In the last budget, we saw the government commit some $200-plus million to enable detailed review and consideration of the future submarine program. Some three years have passed since they first announced that, and now they are putting in more time and a couple of hundred million dollars so that people can look at this with some scrutiny, because they have rightly said that billions of dollars is a lot of taxpayers' money. The estimates for that program go from around $18 billion to about $36 billion. But we are talking of at least four years and a substantial number of experts reviewing what the government will do so that they do not waste taxpayers' money. That is three years to date already. With this bill, there was three weeks for that committee inquiry, two hours debate in the House and not much more here in the Senate. That is a disgrace in terms of the principle of scrutiny that should be applied to the expenditure of taxpayers' money.

There are other principles that come into play here. Any time we commit the government to spending taxpayers' money we need to remember that it is not our money; it is taxpayers' money and there is an obligation to make sure we get value for money. So it is no surprise that the coalition committee members, in their dissenting report, were somewhat startled when they were looking at things like $57.3 million in start-up costs. Yet the Treasury officials at the inquiry could not explain how those costs were to be allocated. In government circles perhaps $57.3 million just rolls off the tongue fairly quickly, but I think most people in the Australian public would demand slightly more accountability of their government than to allocate $57.3 million with no breakdown, no disclosure and no transparency as to how those funds are going to be used in the start-up of this organisation.
It has already been highlighted that this fund will be paying for the initiatives and the ideas that have not been able to attract funding from the commercial sector. That means they are high risk. That means that the return they offer may not be as great. The estimates range from $600 million to $750 million that is expected to be written off—$750 million of taxpayers' money that is allowed for to be written off. When the Treasury officials were asked where that figure came from, what modelling underpinned that, what previous examples they had looked at in Australia or overseas, they had no answer. So with a program of this magnitude—$10 billion of taxpayers' money—Treasury officials had no answer as to where some of those kinds of assumptions, like a 7.5 per cent wastage rate, actually came from. There are no safeguards. They could not explain whether there were any stop-loss procedures in place, or when, if they had already invested a certain amount in a certain technology, they would cut it off. Where is the threshold, where is that line in the sand, to quote the Prime Minister, so that when they cross it they know it is time to stop?

In terms of return on investment, somewhat cynically this whole program is off budget, because they say it is going to make a return to government. But the Treasury officials were unable to detail whether any of the guidelines that apply to other government business enterprises would be applied to this. All of that says that there is not a lot of transparency and there has not been a lot of thought. In some ways it is no surprise that the Treasury officials were unable to give answers as to where much of this came from, because the Multi-Party Climate Change Committee, which was responsible for this, included people like the Prime Minister, the Deputy Prime Minister, Mr Swan, Mr Combet, Senator Milne, Mr Windsor, Senator Bob Brown and Mr Oakeshott—no climate scientists there, no great economic minds there in terms of something that we will be spending $10 billion of taxpayers' money on. When you look at the range of things that the committee came up with for the Clean Energy Agreement, like putting a price on carbon—something the Prime Minister said would never happen under a government she led—promoting innovations and investment in renewable energy, improving energy efficiency and creating opportunities in the land sector to cut pollution, the list of people on the committee does not exactly bring the world's widest set of skills to the things that this $10 billion is to be spent on.

Moving on to the politics, if we have broken so many principles in allowing this initiative to come forward, why? Clearly the motivating factor is politics. The motivating factor for this initiative is a pay-off by the Gillard Labor government to the Greens. The media and others have called it Bob Brown's slush fund, but the reality is that it is a pay-off to the Greens; it is the return for them supporting the Gillard government. One of the things which really leaps out and shows that is that someone like the retired Senator Brown was able to specifically exclude from consideration in this fund some of the things which he was ideologically opposed to. So carbon capture and storage and things were excluded. Why? It was not because they may not be able to play a part in giving us clean energy. It was not because they may not be able to play a part in keeping energy costs down. They were excluded on the basis of ideology, which shows the very clear political lineage of this program.

You also know things are political when they tend to ignore previous programs. Treasury officials admitted during the inquiry that there had been no serious consideration of the $800 million that had
been spent on the Solar Flagships or the ZeroGen programs or the failure rates that had occurred under them. They also admitted that there had not been a lot of the thought given to what they meant by 'Australian based'. Some of the discussion that led to this was: 'We need to be supporting ideas in Australia and innovation in Australia.' Yet, under questioning around section 61 of the legislation, the Treasury officials admitted that there were actually no guidelines for a situation where something occurred in Australia but it was actually owned by an overseas venture. There were no guidelines to say, 'No; this actually has to be an Australian idea or an Australian company.' So the politics has caused a lot of good principles to be undermined. The politics has driven a lot of nonsensical approaches. The important question is: what will the outcomes be for the people of Australia?

One of that premises of this program is to fund renewable energy technologies, to make clean energy cheaper than the fuels captured under the climate tax. The Department of Climate Change and Energy Efficiency has admitted that it had not done any modelling. So the department that is supposed to be supporting the committee that is to review the modelling admits that there is no modelling. If it has done no modelling and we have had very limited time both in the Senate and in the House and for the committee that is to review it to apply some scrutiny to these bills, these questions have to be asked: will they be well considered; will they be well designed; will there be unintended consequences?

It is fascinating to look at the report entitled Climate change and economic growth which was issued by the Commission on Growth and Development. This is not some climate change denier think tank that is funded by a conservative organisation. This is funded by AusAID, the Department for International Development, the Dutch Ministry of Foreign Affairs, the Hewlett Foundation, CEDA and the World Bank—so a fairly credible group. On page 8, the report states:

The marginal cost function of mitigation is very steep, especially in the short run. Dramatic immediate policies to reduce greenhouse gas emissions would be very costly. Further, by rushing into regulations in a panic, it is very likely that new programs would not be designed efficiently. The greatest threat that climate change poses to economic growth is that the world adopts a costly and inefficient mitigation policy that places a huge drag on the global economy.

What might that look like? Again, I go to an article from 11 May this year from the Financial Post. It talks about the situation in Europe. It says:

… Denmark, an early adopter … now requires its households to pay the developed world’s highest power prices—about 40¢ a kilowatt hour, or three to four times what North Americans pay … Germany, whose powerhouse economy gave green developers a blank cheque, is a close second, followed by other … nations such as Belgium, the headquarters of the EU, and distressed nations such as Spain.

The result is chaos to the economic well-being of the EU nations. Even in rock-solid Germany, up to 15% of the populace is now believed to be in “fuel poverty” …

The whole debate around climate change and green jobs and clean energy futures does not really use the term ‘fuel poverty’ very much. But 15 per cent of Germans are now believed to be in fuel poverty. That is defined by governments in Europe as needing to spend more than 10 per cent of the total household income on electricity and gas. Further, the article states:

Some 600,000 low-income Germans are now being cut off by their power companies annually, a number expected to increase as a … stream of global-warming projects in the pipeline wallop customers. In the U.K., which has laboured under
the ... politically correct climate leadership ... some 12 million people are already in fuel poverty, 900,000 of them in wind-infested Scotland alone ...

Fuel poverty is one of the unintended consequences of poorly designed, rapidly rolled out regulation attempting to mitigate climate change. It was forewarned in the report sponsored by AusAID and the World Bank. It is being reported on by the Financial Post, and the people in Germany, in Scotland and in other parts of Europe are living in fuel poverty. We have the warning. We have the demonstrated facts. Yet this government and their Greens alliance partners still wish to ram through this place, with insufficient consideration and scrutiny, a bill that stands to damage our economy as part of the broader carbon tax package.

It is interesting that the article in the Financial Post notes that, according to the US Energy Information Administration, power rates there will actually drop by more than 22 per cent by the end of the decade and then stay flat to 2035. Why? Because increasingly the Americans will be working from coal to natural gas, which is expected to account for 60 per cent of generating capacity in the future. Because of gas and their limitless amount of coal, Americans' power prices are actually falling, while we are seeing in Europe in response to schemes like the one before us an increasing number of people living under a new term called 'energy poverty'.

For matters of principle, for the denial of the opportunity for the Australian people to have their representatives in this place apply appropriate scrutiny, because of the crass politics behind this bill and because of the unintended consequences that come from this ideologically driven carbon tax package, of which the Clean Energy Finance Corporation Bill is a part, I will not be supporting the bill, and the Senate should oppose it.

Senator HUMPHRIES (Australian Capital Territory) (18:14): I rise also to express serious concern about the Clean Energy Finance Corporation Bill 2012 and note that yet again the parliament is being presented with the opportunity to make the cardinal mistake of investing huge amounts of money in harebrained Labor Party schemes, with the evidence of previous attempts at such investments so often having come up with spectacular failures. One has to look at the evidence in this case with a sense of dread that the same kind of outcome is very likely to occur here, too.

The parliament is being asked to provide for a massive investment, $10 billion, to be available to the Clean Energy Finance Corporation over five years to invest in renewable and other clean energy options. It assumes that the independent board which has been created will have the capacity to make good decisions about what should be invested in and the capacity to avoid making decisions about what ought not to be invested in. If we were looking at investing in a process of making commercial decisions in a way that generated a lift to a sector facing difficulties in convincing conventional finance sources of its worth and its value, if it were simply a case of giving those sorts of businesses a little extra advantage within a tight market, one could sort of understand what it is that the government is doing and perhaps even lend it a measure of support. But there are features of this legislation which I think cause anybody with a prudential sense of what ought or not be done by government real concern. For example, the legislation stipulates that the Clean Energy Finance Corporation will make investment decisions independently of the government. That is a very good thing. Such bodies should operate...
in market-like conditions, even if they do not purely operate in an entirely market based situation. The extent to which they work to the standards of the market is important in making this a basically viable use of the taxpayers' money. But there is a proviso to the independence of the board—that is, the capacity of the minister to issue what the legislation calls an 'investment mandate' to the Clean Energy Finance Corporation. That investment mandate, it appears, will have extremely wide power to affect the commercial environment in which the corporation might operate. The explanatory memorandum to the bill says:
The investment mandate may include, but not be limited to, directions on matters of risk and return, eligibility criteria of investments in renewable energy technologies, low-emission technologies and energy efficiency projects, allocation of investment, limits on concessional investments, types of financial instruments in which the Corporation may invest and broad operational matters.
The question that springs to my mind when reading through that list of things that the minister may do to impose on the corporation is: what can the minister not do? What is left to a board should the minister decide for, say, political reasons to strictly control the types of decisions that the board might make? Would the minister be in a position to mandate particular kinds of investments which the minister might want for political reasons—for example, because a particular investment might happen to fall in certain marginal seats? What could the minister not do to push the board in the direction of such investments? Very little, I would suggest, because this legislation effectively creates a very broad power for the minister or the government of the day to take effective control over the decisions of the independent board. We know from countless previous examples that, when you get Labor governments, with political criteria in mind, interfering in the effectiveness of the marketplace and controlling decisions that ought to be made on a commercial basis, you are asking for trouble—you are begging for it.

I do not need to mention the Labor Party's spectacular failures in areas such as the State Bank of South Australia, WA Inc., and the ZeroGen project under the Bligh government in Queensland, the latter of which led to $100 million of losses for the poor taxpayers of Queensland and which could have been avoided, had other principles applied to these sorts of investments. But they did not. What is the common denominator here? It is interference by Labor governments in decisions that ought not to be interfered with. At the federal level, we have had the spectacular failures of the Solar Flagships program in Moree and the Queensland Solar Dawn Project. Those investments have been enormously costly for the taxpayer, and that is not to mention other related so-called environmental investments in things like the combustible pink batts in people's roofs. The record is not a good one, yet the Senate is being invited to perpetuate this record of inappropriately structured investments in what ought to be purely commercial areas of the economy.

What the Clean Energy Finance Corporation is being tasked to do, apparently, is identify projects which have a clean energy underpinning, investment in which is in the public interest but which apparently are not likely to receive commercial backing from private sector finance. Presumably it is not the government's intention that we should be investing in things purely because it likes the idea but they have no commercial viability, so projects which are complete duds ought not to be invested in.
Senator Ronaldson: I think you're being very generous.

Senator Humphries: I may be being very generous, Senator Ronaldson, but I assume that that is not what the government is all about. We are also not talking about projects which are themselves already commercially viable and which can readily obtain finance in the private sector, bearing in mind that we now have many years of experience in solar and wind projects in this country and it is not exactly cutting-edge technology that private banks and investment houses do not understand. There is a lot of investment today in the private sector in these areas, so why do we need to provide for this government sourced finance? It is supposedly because there are some investments which are very good but which do not attract the eye of the private sector.

So we have to hope that this corporation, with $10 billion to spend—$10 billion which ultimately comes at least with the risk resting with the taxpayer, $10 billion which is going to be pushed out into the private sector—goes not for commercially viable projects and not for complete duds but for those things that fall in that sort of sliver between those two points. Do we know that there are $10 billion worth of projects of that kind, which cannot attract investment at the moment or are unlikely to be able to attract that kind of investment in the next five years? We do not know, because the government has not done the homework of looking at what the market is currently confronting and examining whether there is a gap in the marketplace that this scheme will fill. We just do not know that.

The corporation is also conspicuously not charged with investing in the lowest cost technologies in order to produce the cheapest emissions reduction. You could understand if this were not so much about an overall goal of getting more clean energy operators in the marketplace in the hope that that would create critical mass for more competition. If it were actually about producing the cheapest emission reductions we possibly could, that would make some sense, but that is not part of the brief of this corporation.

We run the risk with this that projects may be funded which could have gone to the private sector and could have got market investment, which in fact compete with projects already in the private sector or already receiving private sector finance but which, because they have come later and are now eligible for this direct subsidy provided through the Clean Energy Finance Corporation, may be competing with those earlier projects in a way which puts the latter at a commercial disadvantage. Again, I cannot see anything in the legislation that prevents that from occurring. If I have missed something, I would be very grateful if the minister would point it out. It seems to me that, unless the minister uses those very broad powers I referred to before to correct these sorts of potential problems, we will see subsidies being provided to newcomers in the marketplace which have not been enjoyed by existing players. When that occurs, we have a serious problem with breaches of the basics of good competition within our marketplace.

The explanatory memorandum to this bill notes:
The fiscal and underlying cash balance impacts include a prudent recognition that some investments will not be recovered, and interest revenue. The fiscal balance impact also includes the concessional component of loans. So concessions are being granted to some players in the marketplace. Some investments will be risky, and I suppose every private sector financier factors in a certain level of bad debt, of investments that turn out not to be such a good idea in the
long term. But to what extent is this body being set up to focus on those very kinds of high-risk investments which would not be generally covered by the private sector? We do not know. Those details have not been spelled out. We—that is, the taxpayers—may find ourselves financing a lot of such investments without being in a position to know in advance how much is being financed, because, again, the government has not done the homework of testing the market or of explaining how the principles by which this corporation will operate will work.

All of this goes on against the background of a situation where Australians are facing the largest carbon tax of its kind in the world and we are seeing falling confidence in the government's ability to plot a pathway to produce a less carbon-intensive world. We know that the cost of its failure will be measured by ordinary people, ordinary families, ordinary businesses, particularly small businesses, all over the country.

In the case of the ACT, we know from the work that has already been done that Canberra will see a $641.58 increase in the cost of living caused by a number of factors, principal among which is the carbon tax. Of this, $460.87 has been attributed directly by the ACT government to the carbon tax and general rises in power prices. When I asked the minister last week to tell us how compensation would work in the ACT, despite the fact that she had figures for other states, she did not have any figures for the ACT—a rather conspicuous omission, I think. But I can tell the minister, if she is not already aware, that the ACT government has already done some work on this and has determined that, on its estimate of the compensation arrangements to be made by the federal government for the effects of the carbon tax in the ACT, some 60 per cent of ACT people will be undercompensated for the effect of the carbon tax and 22 per cent of Canberrans will receive no compensation whatsoever. That leaves a very large part of the ACT community with its standard of living being shaved by the decisions of this government, with nowhere to go but backwards. On top of that, the government imposes the reckless folly—

Sitting suspended from 18:30 to 19:30

Senator HUMPHRIES: As I was saying before the interruption, I am deeply concerned that this legislation effectively creates an enormous cheque for the federal Labor government to write—$10 billion worth of 'investment' which could be well spent, but it could also be spent spectacularly badly. In an environment where we have so much evidence of the Labor government's ability to waste money, we have to be extremely fearful that such a large amount of it is being put into the hands of a government which has shown its ability to contumeliously disregard the important constraints on spending taxpayers' dollars wisely.

It is important to acknowledge that this $10 billion is in part a payment of a debt by the Labor government to the Greens. The Greens demanded this fund be of this order. Half at least of the funds which the Clean Energy Finance Corporation is to spend should be spent on renewable energy. Irrespective of whether that is the proportion which reflects the needs of energy providers in the marketplace, whether that is where the gaps fall, whether that is a good value for money proposition for the taxpayer, we are expected to support the bill with that promise to the Greens built into the way in which this corporation will work. The fear that this may be money not well spent is very real.

I was saying before the break that the edifice of carbon pricing that this government is undertaking is one that does not inspire much confidence. We have
already seen in the context of the ACT many signs of that. We have already seen major and small businesses having to make decisions which reflect not a priority to save the environment but a priority to cut back on costs, which are spiralling because of the decisions of this government. For example, a small airline operating out of the ACT, Brindabella Airlines, have had to axe their Canberra to Albury route because they see very large amounts of money being spent simply to pay the extra costs occasioned through the carbon tax to the aviation fuel that they purchase. It simply makes the enterprise unviable. They believe $10 per passenger has had to be added to the cost of running the airline and that simply does not make it viable.

My colleagues in the Legislative Assembly have discovered through freedom of information requests that one directorate of the ACT government will have to find an extra $4.9 million in this year's budget to deliver the same services that they delivered in last year's budget. Why? Because of the extra costs occasioned by the carbon tax hitting ACT government services. Health will need an extra estimated $4.2 million, rising to $5.9 million extra in 2015. The additional cost to the ACT budget has been estimated to be about $20 million.

What do we get for $20 million extra on the backs of ACT taxpayers? Absolutely nothing. This does not add to or improve any services that have been provided to the ACT community. Of course, we know already that this government is unable to point to any improvement to the level of world greenhouse emissions because what we are doing in this country is not synchronised with what is happening in other parts of the world where emissions are rising, and rising precipitously. This amounts to a very uninspiring set of plans to address climate change and a very dangerous set of conditions in which to establish a major new $10 billion government business enterprise. It all adds up to a recipe for disaster. I simply hope that the taxpayers and voters of Australia will have a chance to pass judgment at the ballot box on this very unsatisfactory situation before much longer.

Senator BOYCE (Queensland) (19:34): At the risk of upsetting the Governor of the Reserve Bank and others, I am afraid I must share Senator Gary Humphries's view that we have here yet another Labor-generated recipe for disaster. I know that Mr Glenn Stevens urges us to see the glass as half full. In fact, in different circumstances with a different government that might be possible. But with this government it is not possible. What we have here with the Clean Energy Finance Corporation Bill 2012 is yet another attempt to legislate a fiscal disaster.

What is it with Labor governments and the need to have the federal government, or any government, get its grubby little paws involved in private enterprise, picking winners and deciding where to invest money? What is it about Labor governments? How long has the record got to go on and on, starting with WA Inc., going through John Cain in Victoria, going through the South Australian situation where, going back to the eighties, the state government was the first state government that was obliged to sell its government-owned bank? They could not do innovation; they could not pick winners; they ended up in such debt because of the way they went about it.

For example, let us look at the renewable energy area. Has anyone been to Cloncurry lately to see the Bligh and federal government solar energy project? You can still see it—it just does not work. It never did work. It is just rusting away. But yes, that was going to be the brave new world of Ms
Bligh and Mr Rudd, where they would power the town of Cloncurry with solar energy. But of course they picked the wrong product to use. It was explained to me that the product they chose would never have meet their needs. You only have to look at some of the bizarre and simple little things that this government have done wrong to appreciate that you have to have an understanding of private business before you can run any sort of an investment body. This government do not have it.

Mr Acting Deputy President Furner, you may have also been present at the Aboriginal community of Lake Nash near the border with Queensland in the Northern Territory. The temperature there is 36 degrees in the middle of the day and FaHCSIA installed, at a cost of $12,000, a steel skateboard ramp, without any cover over it. It was very useful at midday for frying eggs. The local skateboarders said they could perhaps use it at night when it got cool enough, but there was no lighting. So you could use it at night in the dark without burning yourself or use it as a giant and expensive frypan. Those are the sorts of things that happen when you have a government that does not have a clue about the environment in which it is operating, whether it be the physical environment or the financial environment. It is the sort of thing that we expect from this government.

I would be interested to know what input Treasurer Swan might have with Mr Combet on the structure of the Clean Energy Finance Corporation, because we notice that it is supposed to be self-sustaining once it is mature and that the funds returned for the CEFC for its investments would be available for reinvestment. That of course is not what the budget figures tell us, but that is what they are saying. It tells us that the investment mandate may include but not be limited to directions on matters of risk and return, eligibility criteria of investments in renewable energy technologies, low-emission technologies and energy efficiency projects, allocation of investment, limits on concessional investments, types of financial instruments in which the corporation may invest and broad operational matters. The bill sets out that the minister will set this investment mandate with those guidelines—the matters of risk and return; eligibility as to whether something is a renewable energy technology, a low-emission technology or an energy efficient project; how much of the investment is allocated where; what sorts of concessional investments there will be; what sorts of financial instruments they can invest in; and broad operational matters. What on earth does 'broad operational matters' mean? Does this mean that the minister will tell them what size paper clips to use, but they can decide for themselves what brand to buy? Is that as far as it will go with this corporation?

To have Minister Combet, and perhaps even with advice from Treasurer Swan, actually selecting investments and selecting the nature of investments to be undertaken by the Clean Energy Finance Corporation is just mind-boggling. I just cannot believe this. It is laughable to suggest that the $10 billion over five years that the government will fish out will be matched by five times that investment—$50 billion—from the private sector. That is just a bizarre wish by this government. The Treasurer and the minister spend half their lives criticising people for being financially successful—criticising Ms Rinehart, Mr Forrest, Mr Palmer, banks and anybody else who is financially successful. If you are financially successful, this government hate you, this government are out to get you and this government will try to find a way to tax you. But, at the same time, they are trying to tell us that we can trust them with $10 billion for an investment
corporation and that private enterprise will be similarly attracted to their investment corporation. Yes, I would be really keen to get involved in something like that! I can look at the papers any day and see what this government think about people who have been financially successful. I would really want to do business with this government! It is just bizarre and ridiculous of this government to think that they can get into this sector and that they know what they are doing. They do not know what they are doing in this space. They never have and they never will. It is not an area for a government to pretend to know what it is doing. You would think that the past history of Labor governments at both state and federal level in this space would demonstrate that this is not the way to go about it.

Who exactly is going to use the funds developed here? They do not have to use the same criteria as private investment organisations. They can be somewhat more generous about the terms of investment. They can even be more generous, although the minister gets to tell them how, about the business case they develop. Do we have the makings of a new WA Inc. at the federal level, a new Fed Inc., with Minister Combet and Treasurer Swan doing the 'nudge nudge, wink wink' on investments that no bank or organisation in their right mind would support? But we will have a Labor government trying their best to pick winners in an area where they do not have the competence. I just do not know what the competence level would compare with. It is non-existent competence in this area.

It is even interesting to look at the results for Australia's banks, which were published today. Our banks were amongst the most profitable in the world, but their pre-tax profits were equal to 1.19 per cent of their assets in 2011. This is hardly 'wow' territory. There may be lots of zeros on the end, but a pre-tax profit of 1.19 per cent of assets is scarcely something that we should get very excited about when you look at it as a percentage. I know that this government, in their attempts to fudge the figures and play the politics of envy, would never think to use a percentage figure. They would always go for the actual profit figure, trying to suggest that someone who makes a billion dollars on $100 billion is somehow ripping off the public, ripping off the taxpayer. In fact that is not true. As the article I am looking at points out, the country whose banks did second best was Canada, the other country that was least scathed by the global financial crisis. I am sure that Labor would like to think that this was just a coincidence, but in fact it is not. You need profitable institutions to provide investment; you need profitable companies borrowing money and making decisions to use their own money, where they put their own money—their own assets—at risk to grow any sector in this economy.

The case is the same with the renewable energy sector. We also have the somewhat bizarre situation where you would have thought that, at least, if the government wanted to pick winners in this sector, they would have put a few carrots and sticks out there. But, no, they could not even manage to do that. They have left the renewable energy target at 20 per cent. There is nothing that says, 'You get your finance from the Clean Energy Finance Corporation and you can be a concessional contributor to something at a greater and higher level than the 20 per cent.' Why would I be out there using my own money and paying bank interest rates to develop a renewable energy product if I can be getting that money at concessional rates and at far less risk to me from the government to meet exactly the same targets? They are not even using the current renewable energy targets to try and drive
private investment, to try and drive what is the efficient market, the efficient way of going about building a new industry in Australia.

It is very certain that we need this industry and we need it to grow, but we do not need the knowledge that, within five years, at least an extra $10 billion needs to be found to be repaid. Given that this is supposed to be self-sustaining and given that they are talking about re-investing, the odds that the debt will be only $10 billion are quite low. It is quite likely to be a lot higher. As I said before, we have this bizarre situation where, from July next year, $2 billion a year will be invested, apparently, by the government in new energy technologies—some low emissions and some new green energy technologies. Yet the bill actually envisages that there will be a loss to the taxpayer through operating costs and write-downs, which are set out in the fiscal impacts.

As other speakers have pointed out, this legislation is part of a pay-off to the Greens, who, of course, have never been quite the most robust analysts of private enterprise or of profit. When the Multi-Party Climate Change Committee developed this view, Senator Milne said:

Securing a guarantee of 50% of the Clean Energy Finance Corporation fund for renewable energy, with the opportunity to bid into the rest, is the biggest single investment in renewable energy Australia has ever made.

Yep, right, great—that is true. She said:

With a legislatively guaranteed stream of funding outside the budget, no future government will be able to undermine it without changing legislation. Senator Milne might find that a really positive thing to be able to say. From the point of view of someone who has actually operated in the for-profit world, I find that a very disturbing and distressing thing for a Labor-Green coalition government to be able to say. Senator Milne goes on to claim:

The CEFC will be able to leverage very significant private funds on top of its own …

I would be fascinated to see where they are going to come from. She continues:

… provide loan guarantees or guaranteed tariffs or whatever other means its expert and independent board deems fit.

Apart from that little pixiesque world—which is not true—we know that Senator Milne is wrong in talking about an expert and independent board, because the legislation itself says that the minister can pretty much tell the board anything he wants about how it will operate. The investment mandate, as I said earlier, goes down to which sort of paper clips and biros you buy. There is bipartisan support for 20 per cent of Australia's electricity supply to come from renewable resources by 2020. We absolutely agree on that; we agree that that needs to happen. But 20 per cent by 2020 is the target that will drive the changes, the investment and the technology. In Australia we are not bad at commercialising innovation. We could be much better, but we are not bad at it. But the last people we need sticking their sticky little fingers and their beaks into this exercise are the federal Labor government. The outcome will be just the same as it has been on every occasion that Labor governments have gotten involved in the area.

If there are newcomers to the sector who have been lucky enough to get picked—or should I say unlucky enough; perhaps it will be the kiss of death—by the CEFC, they will have the benefit of a direct subsidy through the CEFC, which will of course mean that anybody who has been stupid enough to invest their own money and their own time right now in trying to develop and commercialise new technologies in the
energy field will be discriminated against and potentially compromised by the little government favourites coming in over the top. The CEFC is not even expected to invest in the cheapest way of reducing carbon emissions; it is just whatever the minister happens to have in mind on the day.

In our view, the remit of the CEFC should be to look for genuine, commercially acceptable projects. It should not be markets that are unproven or too speculative or too risky for any investor to touch with a 40-foot barge pole. Yet that is pretty much where we will end up. So it will be interesting to see for how long this organisation will be able to obfuscate before we start seeing the losses that are inevitable with a Labor-Green scheme such as this.

Senator SMITH (Western Australia) (19:54): I rise this evening to make some comments regarding the Clean Energy Finance Corporation Bill 2012. I do so as we count down to the world's biggest carbon tax here in Western Australia. For the untrained eye this might look like legislation to support the government's attempts to improve the environment by reducing carbon emissions. For the more seasoned observer this is a $10 billion payment to the Australian Greens—a payment for keeping the Gillard government in office. People may recall it was that agreement, signed in September 2010, that committed the Greens to voting against any motion of no confidence from any non-Greens member.

I am not sure about global warming, but I am certainly not a sceptic when it comes to acknowledging the political warmth of Labor and the Australian Greens. It is worth just reflecting on page 4, item 6.1(a) of that infamous agreement—it is hardly the Magna Carta, but it has absolutely left an indelible stain on the political landscape of this country. I might just remind people that it was signed by none other than the Prime Minister, the Hon. Julia Gillard; the Hon. Wayne Swan; Senator Bob Brown, when he was in this place; Senator Christine Milne; and Adam Bandt, the member for Melbourne.

Senator Edwards: A motley crew!
Senator SMITH: A motley crew, indeed.
Senator Polley interjecting—
Senator SMITH: I am grateful for the attention of the senators opposite. Let me just remind you: 6.1(a):

... Australia must tackle climate change and that reducing carbon pollution by 2020 will require a price on carbon. Therefore the Parties agree to form a well resourced Climate Change Committee which encompasses experts and representative ALP, Greens, independent and Coalition parliamentarians who are committed to tackling climate change and who acknowledge that reducing carbon pollution by 2020 will require a carbon price. The Committee will be resourced like a Cabinet Committee. The Parties will, by the end of September 2010, finalise the structure, membership and work plan of the Committee.

This document goes to all of five pages—a five-page political commitment worth $10 billion. There is a very hefty price and, dare I say it, the Greens should be congratulated on extracting such a handsome deal from a Labor government. As I said, it is not the Magna Carta but it has shamed our political landscape in this country.

If you look closely at the document it is also worth noting that it was not a one-way street when it came to political payments. The agreement also stated that Labor and the Greens are predisposed to a system of full public funding for elections. The September
2010 deal was grubby. I will not meander into my views about electoral funding of political parties, but to give a party like the Australian Greens a continuous and uninterrupted source of public moneys for their campaigns would be reprehensible.

As I said, the September 2010 deal was grubby. It was more about saving the political life of Labor and giving the Greens greater leverage over our policy direction, the direction of the government and now this parliament. So here we are this evening, with a demonstration of the political pulling power that is the Australian Greens over the Australian Labor Party and its position as the government.

The Clean Energy Finance Corporation Bill 2012 realises the government's commitment to establishing the Clean Energy Finance Corporation, a $10 billion fund dedicated to investing in clean energy and mobilising investment in renewable energy, low-emission and energy-efficient technologies, all with the aim of allegedly supporting Australia's transition to a lower carbon economy. According to the Clean Energy Finance Corporation's website, its purpose is to overcome capital market barriers that hinder the financing, commercialisation and deployment of renewable energy, energy efficiency or low emission technologies. In plain English, what that means is that we are establishing a $10 billion corporation to finance projects that even the government concedes are not commercially viable. How on earth does that make sense in the year 2012? What we have, just a few days from the imposition of the carbon tax is a typical Labor-Greens idea, the throwing away of $10 billion worth of taxpayer money to get people to spend money on things that they do not want to buy. That is what this government is doing: spending $10 billion to try and subvert the market. It is utter madness dressed up as an environmental measure.

It is worth reflecting on some facts before I continue. It was revealed during estimates that a loss of 7.5 per cent on this venture has already been factored in by Treasury. That is $750 million ripped from Australia's hardworking taxpayers; just gone; disappeared. Worse still, knowing this government's form when it comes to waste, $750 million is probably a very conservative estimate. And I will come to the very poor tale of success when it comes to this government's renewable energy programs.

The real paradox here, however, is that we have been told for almost 18 months that the reason we need a carbon tax is to make investment in renewable energy more attractive. Yet at the same time we are introducing the world's biggest carbon tax we are also setting up a $10 billion fund to attract new players in renewable energy. If the carbon tax was going to work as the government would have us believe then presumably the market would attract people to renewables as they sought to avoid paying the carbon tax. The creation of a $10 billion fund makes it pretty clear to me at least, and I am sure to others, that this government has no confidence whatsoever that its carbon tax is going to lead to the outcomes it claims. They have to set up a massive slush fund to placate the Greens and try to get the outcome another way.

Senator Sinodinos: Shame!

Senator SMITH: Shame indeed. It is a shameful and lazy policy. As a result, the poor taxpayer cops it in the neck twice, first through having to pay the carbon tax and then again as Labor and the Greens flush $10 billion down the toilet. It is worth reminding this place that the carbon tax impost comes on top of the minerals resource rent tax, another blow to the economic hopes and
prosperity of my home state of Western Australia.

The only winners from this will be those who set up fly-by-night green energy companies and grab a slice of the $10 billion pie. Existing and therefore proven players in the renewable energy market cannot access it. Only those judged as unviable by the market are eligible. The explanatory memorandum that accompanies the bill states:

This transformation will require substantial capital which the private sector alone may not be able to provide. Current global financial conditions, the complex nature of Australia's electricity markets, the cost of renewable energy, and the preference of investing institutions for listed assets inhibit the financing of the clean energy sector.

In other words, no private sector possessed of any sanity whatsoever would invest in this ridiculously expensive form of power generation so we are going to make Australian taxpayers assume that risk.

Before the Clean Energy Finance Corporation was proposed and $10 billion of taxpayer money was spent, the renewable energy target in Australia, supported by both sides of politics, was 20 per cent. The government has not altered this. It is still a 20 per cent target. The government is essentially conceding that there will not actually be a greater level of renewable energy production as a result of spending $10 billion from this fund. If it thought that there would be, presumably it would have increased the renewable energy target.

This government is forever throwing good money after bad, such as on home insulation, school halls, the National Broadband Network or bailing out car manufacturers. The problem is not that there are no worthy objectives; the problem is that this government's inability to plan things properly always leads to perverse outcomes.

And so it will be with the Clean Energy Finance Corporation. There will be $10 billion worth of taxpayer money spent, and for what? No reduction in emissions, no increased production of renewable energy and higher prices for consumers as a result of the carbon tax. The Clean Energy Finance Corporation will stand as a monument to this government's folly and its determination to do anything to satisfy the Greens and cling to office.

It is worth reminding people in this place of some of the comments in the other place that are worth replicating here. In opposing this legislation, it is not that some oppose the science of climate change. That is the classic spin that others on the other side would wish to put to the community. Based on the evidence available, climate most definitely is changing and we are all united in our view that we should do our best to reduce carbon emissions. But there is no agreement that this is the mechanism on which we should put valuable taxpayer money.

It is worth using this opportunity also to remind people of what I would like to call a tale of two energy stories. Let me begin with a tale of success. First, it was the coalition that created, developed and implemented the mandatory renewable energy target. It did so successfully. It was the coalition that created, developed and implemented the then equivalent of the solar PV rebate. It did so successfully. It was the coalition that created, developed and implemented the solar hot water rebate. It did so successfully. Now let me share with you a tale of woe and sorrow, this Labor government's home insulation program, a policy failure that dare not speak its name. Need I remind you of the size of that failure: billions of dollars were wasted, including $500 million spent simply to fix roofs, and there were 70,000 repairs, removals or variations to the work done—and still we cannot possibly imagine the
scale that the many, many thousands of jobs not yet inspected would amount to. The scheme resulted in 200 house fires and a link to four tragedies—tragedies that could easily have been avoided. This is the government of the Green Start program and the Green Loans program. Green Loans cost over $100 million for barely more than 1,000 loans—$100,000 per loan, on average, for loans that were literally a few thousand dollars. The Green Start program was another example—terminated, most thankfully, before it really got started.

The waste I have mentioned pales into significance when we compare it against this latest initiative. For $10 billion, how much clean energy do we get between now and 2020? Let me repeat: for $10 billion, how much clean energy do we get between now and 2020? Deafening silence—that is what it deserves. Not one unit of energy will be generated between now and 2020. This is an idea built on a lie and the outcome of a cosy political deal between Labor and the Greens. It is worth reminding people that on the Monday before the election the Prime Minister said, now infamously, 'There will be no carbon tax under a government I lead.' The price of that betrayal and of winning support now includes this $10 billion fund.

I just want to make some comments about the events of the last few days, not here in Australia but abroad. Much is said about the task of international treaty making. Much is said about sending prime ministers and leaders to global events in search of international harmony and consent. But I think many Australians will find the results of the last few days of the Rio 2012 conference compelling. Only three paragraphs of the 49 pages of the communiqué referenced action to address climate change. Not only did the final declaration from Rio barely mention climate policy but no country jumped to adopt anything remotely close to Australia's carbon tax. It is clear that, despite every opportunity from the international world to take up Australia's policy, the carbon tax remained desperate and dateless at Rio—I am sure there is a song in that! I think it is worth reminding people that it was this Prime Minister, the week before the election, who said, 'There will be no carbon under a government I lead.' The price of her betrayal to the Australian people is, at a minimum, $10 billion.

As we count down to 1 July, I think it is worth making a number of brief remarks about what the coalition would do in contrast to what the government would do. Much is said about the negativity of the coalition, but I think it is worth putting on record in this place exactly what an alternative government, under the strong leadership of Tony Abbott, would deliver for Australian people. It is worth stating that the coalition's policy would be based on incentives, in contrast to Labor's policy, which is based on an electricity tax. It is worth reminding people that the coalition's policy would be focused on reducing Australia's emissions and improving our local environment and worth reminding people that it would not include a carbon tax. Money would be spent at home on Australian green projects and not abroad on foreign carbon credits. Under a coalition, higher emitters would have an incentive to take action to reduce their emissions rather than pay a tax that is simply passed through to customers. It is also worth reminding everyone that the coalition supports local action through protecting urban green corridors and planting almost 20 million more trees. That would involve a green army that would improve our local environments and support community projects. Most importantly, particularly for the many families in my home state of Western Australia, the coalition's plan would
take pressure off the cost of living and protect Australian jobs by keeping businesses internationally competitive.

There is much to be said for the performance of the government. There is much to be said for reducing carbon emissions in our country. But certainly we on this side of the house are in vigorous agreement that the government's $10 billion plan is far from the most reasonable solution, and I think we can expect very little, if any, success.

In making these final comments on this bill, I think it is important to reinforce my view that the Clean Energy Finance Corporation is a slush fund destined to fail. Even if it does succeed, we will see not one watt of additional renewable energy between now and 2020. With its design, its concept and its structure, even in the best case scenario this government is asking this parliament to spend $10 billion and get not one additional watt of renewable energy between now and 2020. It would be a very, very sad con on the Australian people if the government, in unison with the Greens, were allowed to get away with it. In conclusion, might I just remind us where we all started. We started on 1 September 2010 with a political deal between the Australian Greens and the Labor government, and now Australian taxpayers are paying a very, very hefty price indeed for that sort of cosy political arrangement.

The DEPUTY PRESIDENT: Senator Sinodinos, I remind you that you have just over five minutes before the debate is terminated.

Senator SINODINOS (New South Wales) (20:14): Thank you, Mr Deputy President. Brevity is the soul of wit, they say. Thank you for the opportunity to speak on this particular bill, the Clean Energy Finance Corporation Bill 2012. As a former public servant and banker, the idea of having a public sector financial institution disbursing other people's money does have a certain attraction for me. However, I think it is true to say that, with the Clean Energy Finance Corporation, we have a body which is essentially going to be a $10 billion white elephant placed in the middle of a whole set of other energy and environmental policies, and I believe there is a lack of coherence between the role that this finance corporation can play and the other programs and market signals that are now being inserted into the whole climate change and environmental area.

But let me begin with a more basic point, a point from first principles, and that is about the opportunity cost of capital. It is not true to say that the capital we expend in the private sector is either low-cost, or even in a sense free, to the community as a whole. We should not be striving to reduce the value of capital, and we do that when we do not appropriately invest capital. So, when we look at investing capital with a public sector objective, we have to be conscious of the fact that, if we are not earning a commercial rate of return on that capital, we have to be confident that we are earning a return which also achieves some other social objective or some other greater social benefit. And of course the proponents of the Clean Energy Finance Corporation would argue that that benefit is that we are going to be able to either bring forward or help to establish in Australia large-scale renewable energy technologies or other energy efficiency improvements which would not otherwise either come forward or come forward as quickly.

As I said before, this corporation is being set up against the backdrop of a number of other policies which the government have announced in the environmental and climate change arena, and therefore we have to be
very careful about the impact that this policy will have on the capacity of those other policies to meet their objectives. In particular, I am conscious of the fact that the government here seem to be adopting something of a belt-and-braces approach. There is already the renewable energy target of 20 per cent, which my colleague Senator Smith alluded to at some length in his speech tonight. Then there is the carbon tax itself. The whole point of the carbon tax is to drive the substitutability of low-carbon or zero-carbon sources of energy for fossil fuel sources of energy. That is the whole point of the thing. And the whole argument of the government is that, by putting a price on this, they are then leaving it to the market, they are leaving it to enterprises, to determine the least-cost method of abatement to meet that objective. If the government are so confident that the carbon price, the carbon tax, and in time the floating price, will have this objective, why are they putting this other new mechanism on top? And if they have a renewable energy target, which is a quantitative target whereby 20 per cent of energy must come from renewable energy sources, a target that goes out to 2020, a target that is already having an impact—the government are already boasting about the impact that that target has had in bringing forward renewable energy projects; consumers are seeing the impact of that in their bills already; the renewable energy target is having a major impact, along with network investment, in driving up power bills; and the carbon tax now of course is having its own impact on those bills—then the signals are already all there. So prices are already being pushed up in quite a significant way, and that will presumably have its own impact on demand, even though most of us know that the demand for power is, particularly in the short run, pretty inelastic—it is a bit like a pretty badly designed indirect tax, but we will not go back to all of that. The point is that all these mechanisms are there, all pushing in that particular direction. So we then produce $10 billion on top. Of course, the real reason for the $10 billion is that, as Senator Smith said, it is something of a pay-off to the Greens, something they had particular influence over in terms of its creation and evolution.

Interestingly enough, this Clean Energy Finance Corporation is attracting criticism not just from the usual suspects, as you might term them, from my side of politics. There are people like Oliver Marc Hartwich, of the Centre for Independent Studies, who says the corporation is a complete waste of money because it will not cut emissions by a single gram of carbon dioxide. But then there are others, like Richard Denniss of the Australia Institute—not known for being a right-wing think tank—who says that:

While the taxpayers putting up the $13 billion on the table—

he includes some other programs in that—

it is not actually going to result in an increase in the amount of renewable energy.

… we’ve got a 20 per cent renewable energy target for 2020. We’ve got a statutory mandate to generate 20 per cent of our energy from renewable energy by 2020. But, what this policy does is say, ‘Well, we’ll increase the amount of taxpayer-funded renewable energy, but we’re not going to increase the total pool of renewable energy.’

Tristan Edis, of the Climate Spectator, says:

Let’s just let them work it out themselves. Don’t appoint a bunch of investment bankers to spend a lot of money on high salaries for them to then go and try and predict who’s the best to deliver these projects—just set the goals and then let industry work it out amongst themselves.

The DEPUTY PRESIDENT: The time allocated for the consideration of this bill has now expired. The question is that the bill now be read a second time.
The Senate divided. [20:24]

The President—Senator Hogg

Ayes.................... 33
Noes.................... 28
Majority............. 5

AYES
Bilyk, CL
Cameron, DN
Collins, JMA
Di Natale, R
Faulknor, J
Furner, ML
Hanson-Young, SC
Ludlam, S
McEwen, A
Milne, C
Polley, H (teller)
Rhiannon, L
Stephens, U
Thistlethwaite, M
Urquhart, AE
Whish-Wilson, PS
Wright, PL

Bishop, TM
Crossin, P
Farrell, D
Feeney, D
Gallacher, AM
Hogg, JJ
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Singh, LM
Sterle, G
Thorp, LE
Waters, LJ
Wong, P

NOES
Abetz, E
Birmingham, SJ
Boyce, SK
Cash, MC
Cormann, M
Eggleston, A
Fifield, MP
Humphries, G
Kroger, H
Madigan, JJ
McKenzie, B
Parry, S
Ronaldson, M
Sinodinos, A

Bernardi, C
Boswell, RLD
Bushby, DC (teller)
Colbeck, R
Edwards, S
Fawcett, DJ
Heffernan, W
Johnston, D
Macdonald, ID
Mason, B
Nash, F
Payne, MA
Ryan, SM
Smith, D

PAIRS
Brown, CL
Carr, KJ
Conroy, SM
Evans, C
Ludwig, JW
Lundy, KA
Siewert, R

Scullion, NG
Williams, JR
Fierravanti-Wells, C
Joyce, B
Brandis, GH
Back, CJ
Fisher, M

Bill read a second time.

Third Reading

The PRESIDENT (20:26): The question now is that the remaining stages of this bill be agreed and the bill be now passed.

The Senate divided. [20:28]

The President—Senator Hogg

Ayes.................... 33
Noes.................... 28
Majority............. 5

AYES
Bilyk, CL
Cameron, DN
Collins, JMA
Di Natale, R
Faulknor, J
Furner, ML
Hanson-Young, SC
Ludlam, S
McEwen, A
Milne, C
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PAIRS
Brown, CL
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Scullion, NG
Williams, JR
Conroy, SM
Evans, C
Ludwig, JW
Lundy, KA
Siewert, R
F ierravanti-Wells, C
Joyce, B
Brandis, GH
Back, CJ
Fisher, M

Question agreed to.
Bill read a third time.

Clean Energy Legislation Amendment Bill 2012
Clean Energy (Customs Tariff Amendment) Bill 2012
Clean Energy (Excise Tariff Legislation Amendment) Bill 2012

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

Senator BIRMINGHAM (South Australia) (20:30): I rise to speak on the Clean Energy Legislation Amendment Bill 2012, the Clean Energy (Customs Tariff Amendment) Bill 2012 and the Clean Energy (Excise Tariff Legislation Amendment) Bill 2012. Let me say at the outset that those of us on this side have said all along that these carbon tax bills would need to come back to this place to be fixed up as time went on because of the process adopted by the government. I have no doubt this is just the first tranche of many occasions when we will see the carbon tax bills return to this chamber to be fixed up. These may be relatively technical changes ahead of the carbon tax's commencement next week; nonetheless, the coalition has taken a firm stance of opposing all of the bills relating to the carbon tax and tonight we will oppose this bill related to the carbon tax.

In speaking in this debate I note that I have nine minutes left for the entire contribution to the debate on this legislation. This is symptomatic of everything this government has done during the life of this parliament in applying the guillotine continuously to legislation. They have been shameless in the approach they have undertaken. In this instance we are trying to fix up aspects of the government's carbon tax less than a week before the tax commences, and this Senate has been given nine and a bit minutes in which to debate it. It is a truly remarkable process and a remarkable exercise of the brute force that Labor and the Greens seem to be willing to apply in their desire to be able to do whatever they think is fit in government with absolutely no consideration for the parliament, the processes of the parliament or indeed the many things they have said before. You need only track back through the record to find all of them who have served in this parliament for any length of time criticising exactly this type of legislative process. Yet here they are today enacting just the same sort of process.

As I said, these are relatively technical changes but it is important to reflect just what the carbon tax will mean looking forward from Sunday when it takes effect around Australia. There are some salient points that Australians I think understand about this and do recognise. Some of them have been touched on many times in this place, but let me highlight the fact that the carbon tax will not deliver what is promised. The key promise is that the carbon tax is about reducing Australia's emissions. If we look into the foreseeable future and look at the global emissions picture, we see that certainly to 2020 the carbon tax, compared with other policy measures already in place, like the renewable energy target, is in fact minor in its impact on emissions and that Australia's emissions will keep rising.

The carbon tax outsources much of the heavy lifting over the longer term to the international community through the purchase of abatement permits. We see, as we discussed earlier today with the Clean
Energy Finance Corporation legislation, the fact that the carbon tax is a giant money-go-round where we see huge tracts of money come in on the one hand to government and huge tracts go out on the other hand—$9 billion or thereabouts every year churned through government, churned through the bureaucracy and spat back out again at the other side. In doing so it creates a giant new bureaucracy, a bureaucracy that is going to be busy fixing up the legislative mess that no doubt the government has created long way, a bureaucracy that is going to be busy spending the many billions of dollars. As I indicated earlier today, I am confident it will be a hardworking bureaucracy, but the fact that there are so many of them is just a demonstration of the fact that the government has created such a complicated mechanism and such a complicated system. So we have numerous new bureaucratic agencies in place. We nowadays have several hundred staff working at the Clean Energy Regulator, or the carbon cop, one of the several new statutory bodies established as a result of the carbon tax bills. Over the forward estimates more than $400 million in bureaucratic costs have been incurred as a result of this, and all of it just to administer this complex scheme and administer the tax and churn and spending that go with it.

Perhaps more important than even the waste is the effect on industry and the effect on households. We have seen time and time again, especially during question time, countless examples highlighted about the effect on industry and the effect on households. Perhaps the most remarkable of those was highlighted today by Senator Robinson in asking questions about the Alcoa facility near Geelong. It is quite remarkable that that Alcoa facility has just received a $40 million bailout from government. The government professes that that $40 million bailout is unrelated to the carbon tax, that it is, it seems, apparently a happy coincidence that that happens to equate to about the same amount of money that Alcoa will pay for that facility under the carbon tax. It is $40 million out from Alcoa into government coffers for the carbon tax and $40 million coincidentally back in to Alcoa from the government. There is some churn no doubt in between that will cost the taxpayer some money. What do we get for it, though? What do we get out of that type of churn where we see a company like Alcoa handing over that sort of money on the one hand and then receiving the same amount back on the other? Aside from the bureaucratic churn—nothing. There is nothing but bureaucratic churn. Wouldn't it be far easier not to have the Alcos of the world having to part with money just to get it back from government? How many other companies who are not in a position to lobby and agitate and so receive one of these government handouts will find themselves in a position where they are worse off?

What about Michell Wool in Salisbury, South Australia? They are wool processors with a proud history that dates back many, many years in my home state. But it is also a very energy intensive operation. They are doing something that many businesses have already given up on doing in Australia, but their life is going to be made that much harder in an effort to keep their operations in Australia. It becomes so much more attractive for companies like Michell simply to decide to process their wool offshore because of the ever-escalating power prices. This is the real fear for industry. When you boil it all down, the carbon tax will set up a situation where Australian industry will be less competitive than industry elsewhere in the world. Australia will be a less competitive place for investors to invest than elsewhere in the world. These are the real concerns about the impact that the carbon tax
could have on jobs, on industry and on the future of Australia's economy.

It is not just jobs and industry that are at stake. Households will also feel the pressure. As we approach 1 July next weekend, it is important to remember that even the government's own modelling demonstrated that four million plus households will be worse off under the carbon tax. The government's own Treasury modelling has shown that, after all the government has spent, after all the churn, after everything has been done and dusted, four million plus Australian households will still be worse off—and this is assuming the heroic assumptions that the government has made in its modelling about what will happen in the rest of the world will actually stand up to the test. We can see it as plainly as anybody that those assumptions will not stack up.

The odds are very much that many more households will be worse off and that, as the carbon tax goes up over time, compensation will not keep up with it. There is nothing in the forward estimates to suggest that compensation will keep up with where the carbon tax will go in the long term, and so it will not just be those four million plus households in the first instance but many, many more people who will pay a price for this, too.

The PRESIDENT: The question is that this bill be now read a second time.

The Senate divided. [20:44]

(The President—Senator Hogg)

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AYES

Bilyk, CL
Cameron, DN
Collins, JMA
Di Natale, R
Faulkner, J

Furner, ML
Hanson-Young, SC
Ludlam, S
McEwen, A
Milne, C
Polley, H (teller)
Rhiannon, L
Stephens, U
Thistlethwaite, M
Urquhart, AE
Whish-Wilson, PS
Wright, PL

Ayes: Gallacher, AM
       Hogg, JJ
       Marshall, GM
       McLucas, J
       Moore, CM
       Pratt, LC
       Singh, LM
       Sterle, G
       Thorp, LE
       Waters, LJ
       Wong, P

NOES

Abetz, E
Birmingham, SJ
Boyce, SK
Cash, MC
Cormann, M
Eggleston, A
Fifield, MP
Humphries, G
Kroger, H
Madigan, JJ
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Fawcett, DJ
Heffernan, W
Johnston, D
Macdonald, ID
Mason, B
Nash, F
Payne, MA
Ryan, SM
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PAIRS

Brown, CL
Carr, KJ
Conroy, SM
Evans, C
Ludwig, JW
Lundy, KA
Siewert, R

Scullion, NG
Williams, JR
Ferravanti-Wells, C
Joyce, B
Brandis, GH
Back, CJ
Fisher, M

Question agreed to.

Bills read a second time.

Third Reading

The PRESIDENT (20:46): The question is that the remaining stages of these bills be agreed to and these bills be now passed.
The Senate divided. [20:47]

(The President—Senator Hogg)

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<td>Majority</td>
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**AYES**

Bilyk, CL  
Cameron, DN  
Collins, JMA  
Di Natale, R  
Faulkner, J  
Furner, ML  
Hanson-Young, SC  
Ludlam, S  
McEwen, A  
Milne, C  
Polley, H (teller)  
Rhannon, L  
Stephens, U  
Thistlethwaite, M  
Urquhart, AE  
Whish-Wilson, PS  
Wright, PL  

**NOES**

Abetz, E  
Birmingham, SJ  
Boyce, SK  
Cash, MC  
Cormann, M  
Eggleston, A  
Fifield, MP  
Humphries, G  
Kroger, H  
Madigan, JJ  
McKenzie, B  
Parry, S  
Ronaldson, M  
Sinodinos, A  

**PAIRS**

Brown, CL  
Carr, KJ  
Conroy, SM  
Evans, C  
Ludwig, JW  
Lundy, KA  
Siewert, R  

Bills read a third time.

**Appropriation (Parliamentary Departments) Bill (No. 1) 2012-2013**

**Appropriation Bill (No. 1) 2012-2013**

**Appropriation Bill (No. 2) 2012-2013**

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

**Senator CORMANN** (Western Australia) (20:50): This year's budget was yet another bad, old-fashioned Labor budget. There was more spending; there were more taxes, yet again; there was another increase in the debt ceiling; there was the imposition of the world's biggest carbon tax; and of course this Labor budget did nothing to strengthen the economy at a time when we are facing some significant storm clouds on the global economic horizon. It was a budget in which the government promised—and I stress 'promised'—to deliver a $1.5 billion surplus in 2012-13. That is a promise which, in the eyes of the Assistant Treasurer, Mr Bradbury, has already been delivered. He goes into his electorate in Western Sydney, the electorate of Lindsay, and tells his constituents that Labor has delivered a $1.5 billion surplus in this budget. Let me stress here for a moment that, if you look at Labor's past track record, if you look at Labor's past performance when it comes to delivering on budget promises, nobody can take seriously a promise by this Labor government to deliver a budget surplus of $1.5 billion in 2012-13.

This time last year we were debating Labor's promise that the budget deficit for 2011-12 would be just $22.6 billion. We were promised this time last year that the deficit in this financial year would be $22.6 billion, and we now know that the budget deficit in this financial year will be a staggering $44.4 billion. Of course, we have to remind ourselves that this Labor
government promised before the 2010 election, when the Treasurer released his economic update, that the deficit this financial year would be $10 billion. That was when the Treasurer and the Prime Minister, Ms Gillard, were trying to sell a story to the Australian people that after the global financial crisis we were back on track on our way to an early surplus by 2012-13—that, instead of the $44.4 billion deficit predicted for this financial year in the 2009-10 budget, we were back on track towards an early surplus and that the deficit was going to be a mere $10 billion. That was the promise before the last election.

From a $10 billion deficit for this financial year to a $12.3 billion deficit by the time of the Mid-Year Economic and Fiscal Outlook in December 2010, to a $22.6 billion deficit by the time of the budget in May last year, to a $37.1 billion deficit in the Mid-Year Economic and Fiscal Outlook in December 2011, to a $44.4 billion deficit now, we are back to where we started when Mr Swan delivered his second budget in 2009-10, when he predicted that the deficit this financial year would be $44.5 billion. The $44.5 billion deficit for this financial year which Treasurer Swan predicted back in 2009-10 is eerily close to where ultimately we ended up. In fact, back in 2009-10, I guess when the election was still a little while away, the Treasurer actually got very close to where ultimately we ended up.

The government will say that the reason the deficit has deteriorated, the reason the deficit this financial year has more than quadrupled from what we were promised before the last election, is that, supposedly, revenue has collapsed. I am sure that senators around this chamber would have heard the Treasurer, Mr Swan, and the Minister for Finance and Deregulation, Senator Wong, claim that the reason the public finances are in a mess, the reason that the Labor Party has made a complete mess of the government's budget this year, is that the revenue has collapsed.

What I would encourage senators to do, and what I would encourage people across Australia to do, is to have a very close look at Mr Swan's second budget, because in Mr Swan's second budget you will see that the revenue expectations for 2011-12 in the 2009-10 budget were that revenue this financial year would be $310 billion. In Mr Swan's second budget, we were told that there would be $310 billion of revenue this financial year. Guess what the revenue in fact has been this financial year? Guess what has happened to revenue this financial year? It is actually $330 billion. So revenue this year has increased by $20 billion compared to what the government thought back in 2009-10 that the situation would be, yet this government dishonestly wants to make people believe that somehow the reason we are in the fiscal mess that the Labor Party has delivered for us is that the revenue has collapsed. Nothing could be further from the truth. The problem is that spending under this government has accelerated as rapidly as, and more rapidly than, the revenue from various taxes has been able to keep up, and this is of course the real issue with this budget.

This is a budget where the government promised to deliver a wafer-thin surplus of $1.5 billion. How are they proposing to achieve that wafer-thin surplus? Firstly, they are shifting expenditure from next financial year to this financial year and they are shifting expenditure from next financial year to the year after. I have some news for the government, in case they did not understand: if you shift spending from next year to this year, that is not a spending cut next year; that is cooking the books. If somebody in corporate Australia were to do this sort of shifting of expenditure backwards and
forwards in order to create an impression that was not a true reflection of the actual situation of the accounts, guess what? They would get themselves into all sorts of trouble with the corporate regulator. If Wayne Swan were running a corporation, a publicly listed company, he would have had a 'please explain' from ASIC on his doorstep after he delivered that budget.

Not only are the government basing this unbelievable promise of a surplus next financial year on shifting expenditure from next year to this year; they also want us to believe that revenue from this year to next year will increase by a staggering 11.8 per cent. We are meant to believe that revenue will increase from $330 billion to $369 billion.

We all know that this is a high-taxing government. We all know that this is a government which, whenever it is in trouble, comes up with another ad hoc tax grab. But, even by this government's track record, it is hard to see how it can possibly achieve an 11.8 per cent increase in revenue. The last time any government achieved an 11.8 per cent increase in revenue from one year to the next was back in 1987-88. I do not think that many people in this chamber would have been in the Senate at that time. Senator Boswell was. Senator Boswell is a very long serving, distinguished senator from the great state of Queensland. He would have been here when the government in those days was able to benefit from an 11.8 per cent increase in government revenue. But do you know what? The context at the time was that the economy grew by 5.6 per cent and our terms of trade increased by 8.7 per cent. The government is telling us in this budget that the economy will grow by much less, by 3.25 per cent, and that the terms of trade are actually going to fall by 5.75 per cent, yet the government wants us to believe that, despite that, revenue is going to increase by 11.8 per cent.

The next thing the government wants us to believe, which is completely unbelievable, is that somehow between this year and next year it will cut spending in real terms by 4.3 per cent. Mr Acting Deputy President, I would encourage you and other senators in the chamber to have a very good look at those historical tables at the back of the budget papers. Those historical tables at the back of the budget papers actually give you a very good indication as to what has been happening from a fiscal performance point of view all the way back to 1970-71. I am not sure that even Senator Boswell would have been here back in 1970-71. Going all the way back to 1970-71, not a single government ever has cut spending in real terms by 4.3 per cent. Not a single government has achieved that. And, given the track record of this high-spending, wasteful government that we currently have here in Canberra, nobody believes that this government will set a record in spending cuts that has not been delivered for the last 40- plus years. What is wrong with this government is that it spends too much, it taxes too much, it chokes business with excessive red tape and it is a government that hates success. Whenever somebody is successful, the Treasurer gets stuck into them. Whenever somebody sees an opportunity and makes a success of it, the Treasurer thinks that is a bad thing. Of course, that is not the right way to approach our economy.

We need a government that spends less so that we can tax less. We need a government that is seriously and generally committed to cutting red tape so that we can increase productivity more rapidly. And we need a government that is committed to maximising our international competitiveness so that we can grow our economy more strongly. We
need a government that encourages and celebrates success. When somebody sees an opportunity, takes risks, deploys his or her skills and expertise to make a success of a business venture, the Treasurer of Australia should encourage and celebrate their success because that is what makes the Australian economy grow and prosper. If we were to achieve an economy that grows more strongly, we would be able to not only deliver increased prosperity for everyone but also be able to collect more government revenue without the need for all these new and ad hoc Labor Party taxes.

This budget is a typical Labor budget. As I have mentioned, it increases spending again; it increases taxes again; it increases the debt ceiling again; and it imposes the world's largest carbon tax. It is based on a whole lot of very questionable assumptions—some very heroic assumptions—of revenue forecasts, and I have mentioned some of them.

Let me go back to two in particular: we have the mining tax revenue estimates, which the government has had to downgrade repeatedly. Senators on this side have exposed the many flaws in the government's mining tax. The mining tax was supposed to be part of an agenda to simplify our tax system. It was supposed to be about making our tax system simpler and fairer and more efficient and less distorted. We have ended up with a massive new tax on an important industry, more complex and more distorting and with a questionable, highly volatile downward trending revenue which we believe is much lower than what the government has suggested it would be in the budget papers. Nobody can properly scrutinise it because this secretive, arrogant government, unlike state governments that rely on mining industry related revenue, refuses to release the mining tax revenue assumptions it has used to estimate the revenue from the mining tax.

State governments in Western Australia—whether they are Labor or Liberal does not matter—transparently publish in their budget papers their assumptions related to revenue from the mining industry. The state government in Western Australia, Labor or coalition, publishes commodity price assumptions and production volume assumptions so that people can look in the budget papers at the assumptions used by the government. They can make an informed judgment as to whether those assumptions are credible and, if some of those variables change, how that will impact on the budget bottom line. Not this government that promises a new era of openness and transparency. Not this government, led by a Prime Minister who supposedly was going to let the sun shine in. Not this government, supported by the Greens, who supposedly were going to enforce on the government, through various agreements they signed, this new era of openness and transparency.

Mr Acting Deputy President Ludlam, I know you have a particular interest in this: I wonder whatever happened to the government's commitment that the Information Commissioner would arbitrate on disputes between the parliament and the executive government about the release of information that the government was desperately trying to hide. Whatever happened to that? It is now two years since the last election. To this day, that part of the agreement has not been given effect. Shame on this Labor-Greens government. They promised a lot when it came to openness and transparency and they delivered very little.

Then we have the carbon tax. The appropriation bills in front of us are based on an assumption that in 2015-16, when supposedly the carbon price would go from a
floating scheme to an emissions trading scheme, the carbon price will be $29 a tonne. No credible expert anywhere in the world will agree with the prediction that the carbon price in 2015-16 will be $29 a tonne. Right now, in Europe it is about €7 a tonne. Ninety-seven per cent of the global carbon trading market happens in Europe. Seven euros is about A$9 per tonne. People who look at Europe and look at what is happening to the economy in Europe will tell you that, if anything, that price is going to come down.

Quite frankly, looking at the experiences in Europe, the fact that Europe has gone down the path of an emissions trading scheme should really be a bit of a warning to us. Why would we want to copy what the Europeans have done? They have got themselves into a fine old mess. We have our Prime Minister over in Rio de Janeiro, or Mexico or wherever she was wagging the finger at the Europeans, trying to give them lectures about not doing what she is actually doing over here. 'Don't spend too much,' she says. 'Tax less'—it would be funny if it was not so serious, Senator Scullion. This is what we are dealing with here with this government.

It is a very serious issue. We have some very serious economic storm clouds on the global horizon. We should be making sure right now that we are in the strongest possible position. The truth of the matter is that when we ran into the last global financial crisis we were in a strong position, because this government inherited a very strong budget position. They inherited a position with no government net debt. They inherited a position with a $22 billion surplus. They inherited a position with $70 billion from past surpluses invested in the Future Fund. They inherited a position where there had been significant economic reform throughout the Hawke, Keating, Howard government period. And, there was increased flexibility in the labour market. There were all sorts of strengths that we had in the system at the time that meant that Australia was in a very good position to face the storm clouds that came our way then. If there is another global economic downturn out of Europe or elsewhere, Australia will be in a weaker position today as a direct result of the actions, or the inactions, of this government. Instead of making us as internationally competitive as possible, this government are whacking on a carbon tax. Instead of looking at ways to make sure that manufacturing can get through this difficult period as they face a high Australian dollar and various other global economic issues, they are going to make it harder for them for them to compete internationally. This government are taking Australia in exactly the wrong direction. What we need is a government that actually focuses on increasing our productivity growth, making us more productive and more competitive internationally. The first thing we should do is scrap this bad carbon tax, which of course will do nothing for the environment but will push up the cost of living, push up the cost of doing business in Australia, make us less competitive internationally, shift jobs overseas and shift emissions overseas into areas where those emissions arguably will be higher than they would have been in Australia.

There is an amendment to this appropriation bill in my name on behalf of the opposition which would remove the proposal to increase the debt ceiling from this bill. The government have wanted to avoid proper debate on this proposal to increase the debt ceiling yet again. It is the view of the coalition that this proposal to increase the debt ceiling should not be buried within an appropriation bill as part of a restricted cognate debate. The government have engineered this debate in such a way
that there is not a specific standalone debate on the debt ceiling proposal or a vote on it by the parliament. The government have very deliberately tried to hide this proposal from the full view of public scrutiny.

The need to increase the debt ceiling yet again is confirmation of the government's continued reckless spending and continued heavy reliance on borrowing. On the one hand this government tell us that they are tightening the belt and on the other hand they seek to again raise the debt ceiling. If the government are delivering surplus budgets each year over the forward estimates, why do they need to increase the debt ceiling again? In the last budget, they lifted the debt ceiling from $200 billion to $250 billion—unprecedented levels in this country. In September 2009, they lifted it from $75 billion to $200 billion, post GFC. At the time that was supposed to be a special circumstance. This is a government which in true Labor fashion have made a mess of our finances. It will come down to the coalition government yet again to fix up Labor's fiscal mess, as we have to do every time Labor have been in government for a while. (Time expired)

Senator CAMERON (New South Wales) (21:10): Isn't it wonderful to follow Senator Cormann giving us lectures about the great fiscal and economic record of the coalition. We can look back many years in this country to the time under Menzies when Menzies just kept plodding along doing nothing to expose this country to any international competition or any global capacity to build our economy or our industry. So do not come lecturing us about the great conservative economic legacy. The economic legacy is a legacy of neglect. The economic legacy is a legacy of ensuring that we do not open up the economy to the international global economy. Who did it? It was Labor who took the hard decisions to bring the economy into the modern global trading environment that we are now experiencing. The coalition had absolutely no capacity to do it. They were absolute failures.

We can look back at the situation in more recent times with the great former Treasurer Peter Costello, who is lauded by the conservatives in this country as the guy who was such a master of the Treasury. Well, nothing could be further from the truth. We know that he did not have the intestinal fortitude to stand up and say, 'We need some discipline in how this government deals with expenditure.' We know that Costello reigned over a structural deficit—massive tax cuts and massive expenditure blow-outs. That is the legacy of the coalition.

We hear all this rambling nonsense from Senator Cormann that may be backed up by Senator Joyce, who had the shortest reign ever of any shadow finance minister in this country. It is no wonder—

    Senator Joyce interjecting—
    Senator Boswell interjecting—

The ACTING DEPUTY PRESIDENT (Senator Ludlam): Order! Senator Cormann was heard in complete silence. I ask you to extend the same courtesy to Senator Cameron.

Senator CAMERON: Thank you very much, Acting Deputy President, but I don't think I need too much protection from this rabble. The situation is that they had Senator Joyce, the failed shadow finance minister—the Liberals got you, mate. They understood how bad you were. They sacked you fairly quickly. They knew that any semblance of economic credibility they may have would go down the tube if you continued as the shadow finance spokesperson.
The situation with the coalition was simple—tax cut and spend, tax cut and spend, and massive structural deficit. We have to deal with that, and we will produce the biggest single fiscal turnaround in living memory of government. We will return the budget to surplus on time and as promised. We will spread the benefits of the boom: a $1.8 billion increase in the family tax benefit part A for eligible families, commencing 1 July 2013; a $1.1 billion new supplementary allowance for the unemployed, students and parents with young children on income support, with the first payment commencing March 2013; an extra $2.1 billion over five years on a new schoolkids bonus paid directly to eligible recipients; and from 1 July 2012, more than a tripling of the tax-free threshold, from $6,000 to $18,200, freeing up one million Australians from the need to lodge a tax return. This is how you spread the benefits of the boom—something that the coalition could never contemplate and could never understand when they were in government. There were 11½ years of tax cut and spend, 11½ years of fiscal profligacy and 11½ years of John Howard standing over Peter Costello and forcing him into ignominious retreat on anything that was like a proper fiscal strategy for this country. The coalition have got a history of bad economic management in this country. We can go back to John Howard as Treasurer, which was an absolute disaster. Then we moved from John Howard to Peter Costello—absolutely hopeless.

Senator Kroger: Mr Acting Deputy President, on a point of order, it would be appropriate to direct the senator to using proper titles and providing courtesy to former prime ministers and treasurers, as he would expect for those in the Labor government. At the very least he should refer to them by titles.

The ACTING DEPUTY PRESIDENT: My understanding is that, in the instance of former MPs, that courtesy is not automatically extended.

Senator CAMERON: I am happy to provide that courtesy. John Howard was one of the worst prime ministers this country has ever had. Peter Costello, a jelly-back, had absolutely no capacity to stand up to John Howard, who had no economic credentials. Peter Costello is still out there trying to pretend that he has got some economic credentials. What an absolute joke! You have got to have some backbone to be in finance or to be a treasurer. You have got to be able to stand up to the Prime Minister and to the ministers who want to spend, spend, spend. What did former Treasurer Peter Costello—jelly-back for short—do? He just capitulated; he just caved in. He caved in on every issue. When former Prime Minister John Howard and former Treasurer Peter Costello were there, it was like winning the pools—the money was just flowing in. But what were they doing when the money was flowing in? They were cutting taxes and they were spending.

Do not take it just from me that that is the position. Let us look at George Megalogenis, a very well-respected economic commentator in this country. He has just written a book. What does he say? Let us go back to Costello's first budget. You want to talk about economic nonsense. He says: 'Costello's first budget involved no lasting sacrifice. Labor had reduced the size of national government from 27.3 per cent of GDP in 1984-85 to 22.7 per cent at the top of the previous boom.'

Senator Joyce: On a point of order, Mr Acting Deputy President. Senator Douglas has—
The ACTING DEPUTY PRESIDENT: I would ask you to address the senator by his proper title. Is this a point of order?

Senator Joyce: Yes, it is. I refer to standing order 187, where it says that speeches must not be read. Correct me if I am wrong, but he is holding a book and reading it to us.

The ACTING DEPUTY PRESIDENT: Senator Joyce, that is not a point of order. Senator Cameron is quoting from a text. Senator Cameron.

Senator Cameron: I must say it would be pretty hard to be accusing me of reading anything in this speech. Let us go back to the economic nonsense that you hear from the coalition, and I will continue that quote. It was 27.3 per cent of GDP in 1984-85, but Labor brought that down to 22.7 per cent at the top of the previous boom in 1989-90. Megalogenis wrote: 'Half those gains were lost in the recession in jobless recovery and federal spending was at 25.5 per cent of GDP by 1995-96. The coalition returned the benchmark to 23.1 per cent of GDP by 1999-2000.' The coalition have got no capacity to come here and lecture the Labor Party on any of these issues. He goes on to say that former Prime Minister John Howard 'switched between purity and pragmatism, attacking the profligacy of his predecessor, while building a middle-class welfare system that would become more generous than anything Gough Whitlam had advocated.' That is your record. It is not the Labor Party that is saying that—that is a respected economic analyst who is out there having a look at what was done. I have to say to you that it does not get any better than this book. I would say, 'Have a read of this book.' It will show you exactly what the problems were. I say to you that it is nice that we have at last got Senator Cormann saying are some storm clouds on the horizon. He has actually seen storm clouds on the horizon. Senator Cormann, the storm clouds have been battering the world economy and battering governments all over the world since 2008. But I am glad that, four years later, you have discovered there is a problem.

It is now 2012 and we have gone through the global financial crisis. The Labor government took us through that global financial crisis in a better condition than any other country in the world—absolutely better than any country in the world. And 210,000 jobs were underpinned by the policies of the Labor Party—a bit of Keynesian policy in there, ensuring that the government took up the slack. At the same time we had the Deputy Leader of the Opposition saying: 'Don't go down Keynesian lines. Let's go back to Hayek. Let's wait and see what happens. Just let the market rip and everything will be okay.' Not another government in the world was looking at that position. We had banks failing all over the world. Our capacity to keep our industrial wheels moving were being jammed by the global financial crisis. We had to underwrite the banks' lending. Yet the coalition were saying, 'There is not a problem.' They have never recognised that the global financial crisis ravaged people's jobs, economies and governments all over the world. Yet you pretend that there is nothing happening. But there are now storm clouds on the horizon. Whoopee, Senator Cormann, you are four years too late for that analysis and if that is the level of your economic precedent, then we are in a bit of trouble.

It is not only George Megalogenis who has got an analysis of the coalition's economic capacity—our budget is a good budget; the coalition budgets were about introducing structural deficits—what did Peter Hartcher say, back in 2009, in his book To the Bitter End? He said:
At the heart of the Howard government's management of the economy was a raging, unending argument.

Peter Costello was arguing with the boss and the boss was telling him: 'Go away. You're not going to get your way on economic policy, you're not going to get your way on fiscal policy and you won't be taking my job, because you don't have the backbone or the capacity to take me on.' That was the analysis of John Howard and that is why we had such a weak position from the coalition on economic management, because former Treasurer Peter Costello was not up to it. That is the problem for the coalition. The history of the coalition is not being written by the Labor Party; it is being written by independent analysts. The coalition were economic incompetents. That is the bottom line: you were economic incompetents. The drunk down the bottom of the garden could have had a surplus under the provisions you ended up having. He could have spent as much money on booze as he wanted and he would still have had money in his pocket. That is what you had. You had money flowing in, but what you wanted to do was to ensure you spent it as quickly as possible.

We have another interesting quote from Peter Hartcher. We have Senator Sinodinos being put forward as a great economic guru. He will probably take Senator Cormann's job. What did Peter Hartcher say about Senator Sinodinos:

Howard's former chief of staff, Arthur Sinodinos, was also a former Treasury official. He said the boom gave the budget process "a lucky dip feel"

... So what was your budget process? It was a lucky dip. Do not take my word for it; listen to Senator Sinodinos. Senator Cormann, through the chair, can ask for some advice on that position from Senator Sinodinos, that under the coalition it was an absolute lucky dip approach. And further:

... officials and ministers scrambled to formalise tax cut options and decide which ones would get the go-ahead.

He went on:

As the tax cuts grew, however, so did the spending. Overall, of the combined total of government spending increases and tax cuts that the Howard government disbursed between 2002-03 and 2007-08, 58 per cent of the total went to government spending and 42 per cent was distributed in tax cuts, according to the ANZ Bank's chief economist, Saul Eslake.

The result was four successive years of tax cuts, six successive years with a budget surplus of between 1 and 1.6 per cent of GDP, and 11 successive years of real spending growth averaging 3.6 per cent.

You did not have the wherewithal or the economic understanding to build for the future of this country. What you did was throw out money in tax cuts; spend more than you should have spent on the wrong issues not build the infrastructure needs of this country; not build the education system; and not build a national broadband network that we have had to build after 11½ years of absolute incompetence of the Howard government. You also had an incapacity to look after pensioners. Pensioners were on the streets, screaming and yelling to get more money but the Howard government did nothing about it. You were an absolute rabble when it came to understanding what you need to do to build for the future of this country.

And to you, Senator Cormann and Senator Joyce, who have the hide to lecture the Labor Party about economic competence, I say: look at the historic facts. You were incompetent to the maximum. We had an opportunity in this country to build for the future. We had an opportunity to take action, to support the economic base of this country. When we were taking the opportunity to build the trades base of this country, you
were throwing money out to kids and McDonald's as your training agenda. That was your training agenda. You were an absolute disgrace. The only way that you saw to increase productivity was to introduce Work Choices and rip penalty rates and everything else from workers in this country. We know that if you get the chance you will rip penalty rates and every other benefit from workers in this country. You are a disgrace.

The ACTING DEPUTY PRESIDENT (Senator Ludlam): Order! The time allotted for the consideration for these bills has expired. The question is that the bills be now read a second time.

Question agreed to.

Bills read a second time.

The PRESIDENT: In respect of Appropriation Bill (No. 2) 2012-13, the question now is that part 5 clauses 18 and 19 stand as printed.

The Senate divided. [21:35]

(The President—Senator Hogg)

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

AYES

Bilyk, CL
Bishop, TM
Carr, RJ
Collins, JMA
Conroy, SM
Crossin, P
Di Natale, R
Evans, C
Farrell, D
Faulkner, J
Feeney, D
Furner, ML
Gallacher, AM
Hanson-Young, SC
Hogg, JJ
Ludlam, S
Marshall, GM
McEwen, A (teller)
McLucas, J
Milne, C
Moore, CM
Polley, H
Pratt, LC
Rhiannon, L
Singh, LM
Stephens, U
Sterle, G
Thistlethwaite, M
Thorpe, LE
Urquhart, AE
Waters, LJ
Whish-Wilson, PS
Wong, P
Wright, PL

NOES

Abetz, E
Bernardi, C
Birmingham, SJ
Boswell, RLD
Boyce, SK
Cash, MC
Colbeck, R
Cormann, M
Edwards, S
Eggleston, A
Fawcett, DJ
Fifield, MP
Heffernan, W
Humphries, G
Johnston, D
Joyce, B
Kroger, H (teller)
Macdonald, ID
Madigan, JJ
Mason, B
McKenzie, B
Nash, F
Parry, S
Payne, MA
Ronaldson, M
Ryan, SM
Seuellion, NG
Sinodinos, A
Smith, D
Williams, JR

PAIRS

Brown, CL
Bushby, DC
Carr, KJ
Brandis, GH
Ludwig, JW
Ferravanti-Wells, C
Lundy, KA
Back, CJ
Siewert, R
Fisher, M

Question agreed to.

The PRESIDENT (21:37): The question now is that the remaining stages of these bills be agreed to and these bills be now passed.

Question agreed to.

Bills read a third time.

Fair Work (Registered Organisations) Amendment Bill 2012

First Reading

Bill received from the House of Representatives.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (21:38): I move:

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

Question agreed to.

Bill read a first time.
Second Reading

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (21:39): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The government believes in a free and independent trade union movement. The government believes in the advocacy of employer organisations on behalf of their members.

We believe the Fair Work (Registered Organisations) Amendment Bill 2012 will improve financial transparency and disclosure by registered organisations to their members. It will improve the way that investigations into breaches of registered organisations provisions are conducted by the General Manager of Fair Work Australia and it will introduce a threefold increase in civil penalties for contraventions of the Fair Work (Registered Organisations) Act 2009.

Registered organisations play a fundamental role in the operation of Australia's workplace relations system. These are organisations created and registered for the purposes of representing Australian employers and employees. They have particular recognition under Australian workplace relations law by virtue of their representative status and it is because of that registration they have particular statutory obligations in relation to their operation, conduct and disclosure.

In recent weeks and months conduct by a small number of officials in some parts of one organisation has dented public confidence in all registered organisations in this country.

Therefore I want to place on the record, again, that it is my view and the government's view that registered organisations in Australia — whether employer organisations or unions—are overwhelmingly democratic, representative, highly professional and member focussed.

And today, we are improving the laws which govern registered organisations covered by this act.

In addition, the government has taken action in respect of some parts of one union by applying to the Federal Court for the appointment of an administrator.

The bill would insert a new object into the Fair Work (Registered Organisations) Act 2009 which provides that the Parliament recognises and respects the role of employer and employee organisations in facilitating the operation of the workplace relations system. The new object recognises the fundamental importance of free and independent unions and employer associations as economic and democratic institutions in our society.

The government considers that improved financial disclosure and transparency rules for registered organisations, as well as targeted training in financial management will improve the operation and accountability of registered organisations and raise public confidence in the operation of the workplace relations system.

This bill will require the rules of registered organisations to provide for the disclosure of remuneration including board fees, of the five highest paid officials of the organisation as well as the two highest paid in each branch, to the members of the organisation. Determining the five highest paid officials will be based upon monetary remuneration rather than non cash benefits. However, where an official's remuneration is required to be disclosed, that disclosure will require non cash benefits paid to the official to be identified.

The rules of the organisation will be able to provide for how remuneration is disclosed. The legislation will enable the rules of the organisation to specify the level of detail on how remuneration is disclosed. This may be on the basis of a specific total remuneration package figure, salary bands or classifications, specifying items of non cash benefits such as, for example, a 'vehicle'. The amendments do not require the disclosure of the reimbursement of expenses, such as airfares, or certain low level non cash benefits like mobile telephones.
In addition, where an official sits on a board because of their status within the registered organisation, or they were nominated to the Board by the organisation of which they are an official or a peak council, then board fees received from that position must be disclosed by the official to the organisation and, if the official is one of the five highest paid officials of the organisation or one of the two highest paid in a branch, by the organisation to its members.

Under the amendments proposed by the government, registered organisations will be required to amend their rules to provide for the disclosure of transactions between the organisation and related parties, which may include the family members of officials. The proposed amendments use concepts of 'related party' from the Corporations Act 2001 and family members as commonly defined in Commonwealth law.

In addition, the rules of an organisation must require that any material personal interests of officials which relate to the affairs of the organisation will be required to be disclosed.

Disclosure must be at least every 12 months, for example to align with the usual reporting periods for annual reports and the filing of financial returns.

The proposed amendments will also require the rules of registered organisations to require the organisation to develop and implement policies in relation to financial expenditure. This could, for example, outline policies in relation to the use and authorisation of expenditure on credit cards, procurement matters and internal financial accountability and authorisation.

The bill provides that the Minister can develop model disclosure rules. The model rules will be developed in consultation with registered organisations.

To improve financial literacy within registered organisations, the rules of organisations will require each officer whose duties relate to the financial management of the organisation or the branch as the case may be to undertake approved training relating to the officials' financial management obligations.

The General Manager of Fair Work Australia may approve training that can be provided by an organisation, a peak council or another body or person the General Manager is satisfied has appropriate skills and expertise to provide the training. This may include for example a peak body for a particular industry or a recognised education provider.

It is intended that the General Manager will be able to approve a range of training of different formats, styles and lengths in recognition of the different significance that financial management duties have to the roles of different officials as well as the backgrounds, experience and qualifications of those officials.

Similarly, it is intended that the General Manager would be able to approve general training that cover a range of financial management duties as well as more specific training that is tailored to a particular area or areas of financial management.

In addition to improvements in the financial management and disclosure regime, the bill proposes to increase penalties. The current maximum civil penalties are $11,000 for an organisation and $2,200 for an individual. These have been unchanged since this legislation was introduced into the Parliament by the then Minister for Industrial Relations, the Hon Tony Abbott MP in 2002.

The government's bill proposes to triple the maximum civil penalties to a maximum of $33,000 for an organisation and $6,600 for an individual. This represents a significant increase in penalties to reflect the seriousness with which this government, and registered organisations, take compliance with workplace relations law.

The increase in penalties will align them with the maximum civil penalties available under the Fair Work Act 2009.

The government committed in early May this year to introducing improved financial accountability rules for organisations and this bill delivers on that commitment. These amendments can be built upon if organisations want to adopt additional or best practice measures. The government has developed the content of this bill with the members of the National Workplace Relations Consultative Council (NWRCC), who
are the peak representatives of this nation's employer and employee organisations.

I thank the representatives of organisations who are members of the NWRCC and who participated in these discussions – representatives from the ACTU, UnionsNSW, the AEU, AI Group, the Business Council of Australia, Master Builders Australia, the Australian Chamber of Commerce and Industry and the National Farmers' Federation. I thank the NWRCC for their diligence and cooperation in developing this legislation which will apply to their members and organisations.

The bill also provides for improvements to the conduct of investigations into compliance with the Fair Work (Registered Organisations) Act 2009 by the General Manager of Fair Work Australia, or their delegate.

In addition to the measures contained in this bill, is the government's intention to implement any recommendations arising from the independent review being conducted by KPMG into the conduct of the investigations into the HSU Victoria No 1 Branch and HSU National Office by the delegate to the General Manager Fair Work Australia. The government has made clear that those investigations took too long. The General Manager of Fair Work Australia has indicated publicly there are a number of matters that could improve the operation of the investigation provisions within the Fair Work (Registered Organisations) Act. The amendments proposed in this bill are designed to address these matters.

The bill requires Fair Work Australia to conduct investigations as soon as is practicable.

If the General Manager has notified an organisation's reporting unit of a contravention, then the General Manager must, within 12 months, make inquiries as to whether the reporting unit is complying with the provision, guidelines or rule the contravention of which was notified to the reporting unit.

The General Manager of Fair Work Australia will be given the express power to disclose information to third parties such as the AFP, state police forces and other Government regulatory agencies where the General Manager considers it necessary or appropriate to do so in the course of performing their functions or to assist in the administration or enforcement of a law of the Commonwealth, a state or a territory. This power will only be able to be exercised by the General Manager and not a delegate.

The General Manager will be able to delegate investigative functions beyond current SES officers to third parties with substantial and significant experience or knowledge in fields like accounting, auditing, financial reporting, conducting compliance audits or investigations. This will enable Fair Work Australia to draw upon particular expertise for investigations where this is required. The General Manager will retain the current final decision making functions currently conferred by section 336 of the Fair Work (Registered Organisations) Act.

The bill will expand those to whom notices to produce documents or to attend and give evidence can be issued. Currently such notices can only be issued to designated officers and former officers or the auditor of the reporting unit. The bill will expand this to other parties where the General Manager has reason to believe that a third party has information or a document that cannot be provided by the auditor, officers or former officers of the reporting unit and that is relevant to the investigation. This line of inquiry can only be undertaken by the General Manager following initial inquiries within the reporting unit. The power to issue such notices cannot be delegated.

Fair Work Australia is an agency independent of the Executive. It must retain its independence, particularly in the face of partisan politicking. These amendments are proposed by the Government for the sole purpose of improving the operation of Fair Work Australia's investigative function. They are supported by the government and the members of the NWRCC. They deserve to be supported by the parliament.

Debate adjourned.
That these bills be now read a second time.

Senator CORMANN (Western Australia) (21:40): As part of our commitment to help work towards the most efficient, the most transparent and the most competitive superannuation system possible, the coalition supports the Superannuation Legislation Amendment (Stronger Super) Bill 2012 and the Superannuation Supervisory Levy Imposition Amendment Bill 2012. The coalition of course recognises that only the most efficient, the most transparent and the most competitive superannuation system, with the highest corporate governance and transparency standards possible, will serve members to maximise the value of their investments so that they can maximise their chances of achieving self-funded retirement.

Schedule 1 of the Superannuation Legislation Amendment (Stronger Super) Bill 2012 introduces a framework to support the implementation of superannuation data and payment regulations and standards that will apply to specified superannuation transactions undertaken by superannuation entities, retirement savings account providers and employers. Schedule 2 amends the Australian Prudential Regulation Authority Act 1998 to enable costs associated with the implementation of the Super-Stream measures to be included in the determination, specifying the amount of the levy that is payable to the Commonwealth. The cognate bill, the Superannuation Supervisory Levy Imposition Amendment Bill 2012, amends the Superannuation Supervisory Levy Imposition Act 1998 to enable the Treasurer to make more than one determination on the imposition of levies for a financial year. As I have mentioned, the coalition supports this bill because we support any measure to improve the efficiency, transparency and competitiveness of the administration of the superannuation system by making the system easier to use for employers, ensuring fewer lost accounts, providing a more timely flow of money to super fund member accounts and delivering savings to employers and to fund members.

As part of the government's Super-Stream proposals, these bills provide for the implementation of data and payment regulations and standards that will allow participants in the super system to communicate by using standardised business terms in a consistent and reliable format. The electronic transmission, using agreed transport and security protocols, will allow for a more automated and timely processing of transactions with fewer errors. If properly implemented, these changes will deliver significant efficiency savings to the super industry and employers. These savings have been estimated by the Financial Services Council to be in the order of about $20 billion over the next 10 years. Much of the detail on the new data standards will be in regulations that industry participants consider to be appropriate. However, a careful consideration of the regulatory impact on all stakeholders, including small business employers, will be necessary.

Of some significant concern is the cost of implementation of the proposed measures, which the government has claimed will be $467 million from 2012-13 to 2017-18, including costs of $121 million in 2012-13. These costs are proposed to be recovered by a direct levy on all APRA-regulated super funds, which means that in effect the costs will be borne by super fund members across
Australia in higher administration fees. The government is yet to provide a full breakdown of estimated expenditure. There are also additional costs that will be imposed on super funds and employers to convert to the new system and apply the new standards. These costs do not appear to have been fully considered by the government or in the regulatory impact statement. However, the Financial Services Council estimates that those costs to industry would be in the order of about $1 billion, which is supposed to include the cost recovery measures in this bill. It is for these reasons that these bills were referred to the Parliamentary Joint Committee on Corporations and Financial Services for inquiry. The PJC inquiry highlighted some significant concerns within the superannuation industry about the transparency and accountability of how government agencies, particularly the ATO, will spend the $467 million in funding that will be provided to them through additional industry levies. These levies will ultimately be paid by super fund members through higher fees. To address these concerns the parliamentary joint committee—in a bipartisan recommendation, I stress—recommended that the ATO be required to provide a regular, detailed breakdown of its costs and expenditure of the additional levies to the SuperStream Advisory Council, based on reporting guidelines developed in consultation between that council and the ATO.

Another concern raised by the industry during the inquiry was the strict-liability nature of offences under this legislation which would apply to employers who are trying to comply with the data standards but who commit technical breaches. The ATO have assured the Parliamentary Joint Committee on Corporations and Financial Services that they did have some administrative flexibility in these circumstances to waive or limit penalties where employers are acting in good faith. I can only hope that the Australian Taxation Office will use that administrative flexibility that they pointed out during the inquiry wisely. I hope that in such circumstances people will not be inappropriately hit around the head by the indiscriminate use of strict-liability penalty provisions. In its report the PJC urged the ATO, in fact, to use its discretion to waive or limit penalties in all of the appropriate circumstances.

This is, of course, one part of the superannuation reform agenda which the coalition have supported. We think it makes sense to make use of the improved opportunities that come with technological progress to maximise efficiencies and achieve cost savings which ultimately can only be good for super fund members. Ultimately, superannuation, of course, is a means to an end; it is not an end in itself—and the means is to provide a vehicle for Australians to save towards what hopefully, for as many Australians as possible, will be the ultimate achievement of a self-funded retirement.

But there are a whole range of other areas in the superannuation field where, sadly, the government has not been appropriately enthusiastic about progressing necessary and important reform—for example, in the area of improving corporate governance standards. I might just pause here to note that former Senator Nick Sherry, who took a particular interest in this whole area, commissioned the Cooper review into superannuation systems. The Cooper review made some very sensible recommendations on how corporate governance and transparency standards in superannuation could and should be improved. But the current Minister for Financial Services and Superannuation, Minister Shorten, has been rather unenthusiastic about embracing some
of these sensible recommendations. Why is it that Minister Shorten has been so unenthusiastic about taking action to ensure that there is appropriate provision of independent directors on superannuation boards? Why is it that Minister Shorten has been so unenthusiastic about requiring those directors who want to sit on multiple superannuation boards to have to declare any foreseeable conflicts of interest? Why is it that Minister Shorten has been so unenthusiastic about embracing the Labor Party's own pre-election commitment to ensure that the process to select defined funds under modern awards and other industrial instruments is appropriately open, transparent and competitive? I think all of us in this chamber know the answer to those questions. The answer is that we have a Minister for Financial Services and Superannuation who is fundamentally conflicted. For someone who supposedly has set out to remove conflicts from the financial services industry, he has taken a very one-sided view when it comes to regulating the financial services and superannuation industries. Invariably, that view is informed by his experiences and his relationships in the context of one particular segment of the financial services and superannuation market. I call on the minister—

Debate adjourned.

ADJOURNMENT

Defence Budget

The ACTING DEPUTY PRESIDENT (Senator Stephens): Order! It being 9.50 pm I propose the question:

That the Senate do now adjourn.

Senator MARK BISHOP (Western Australia) (21:50): Tonight I want to address the Defence budget, the hysteria it seems to have generated and the reality behind that. As with so many other issues in public life, the Defence budget has been greeted with a complete lack of rationality and understanding. Yes, it is true that the Defence budget has been cut by $5.5 billion over the next four years—I repeat: the next four years, from a budget totalling in excess of $103 billion on present-day prices; with $971 million next financial year from a total budget of almost $25 billion.

For the record, the so-called cuts are as follows: savings of $1.3 billion from rescheduling projects, cancelling some and changing others. For example, there is a saving of $900 million for deferral of the purchase of 12 Joint Strike Fighters. The reason is that the production schedule is slipping, for which payment simply does not have to be made, as was originally planned—nothing to do with the Australian government; a simple fact, but a fortuitous saving this year. Indeed, it is a very healthy sign to see that projects are being re-examined as to their scope and detail and that some are being cancelled. Hence 10 projects, saving $1.7 billion, have been eliminated—and for good reason. Let us take, for example, the $220 million self-propelled Howitzer, which has been plagued by controversy throughout its procurement. No doubt a few million dollars have been wasted, but better to admit it and make the savings, regarded as a sunk cost, rather than persist with a flawed process. Also included is some $700 million for the deferral of additional JSF aircraft beyond the 14 already committed. Again, it is more common sense, simply because original hopes for this aircraft have changed again due to production delays in the United States. Once again, funds do not need to be committed and, regardless of the speculation and doubt, alternatives do exist—perhaps more Super Hornets off the shelf from Boeing, as has already been done. There will not be any gap in air power in those circumstances.
Similarly, there will be a deferral of $1.2 billion of capital facilities, construction that is not critical to capability. Simply put, when any government is faced with reduced revenue, and expenditure has to be reduced, some things on the wish list have to go on hold. An amount of $438 million is to be cut from administrative costs, which really shows how much fat there is in the system. Another saving of $360 million will come by reducing the civilian workforce, an area that has grown significantly in the last few years. It will be reduced by about 1,000, but, I stress, over four years, which, at a rate of 250 civilians per year, is hardly severe, especially given that the ADF will continue to grow to an estimated 58,500 next year, the highest since 2005, when it was just over 51,000. Next, there is $250 million in savings to be made from the early retirement of the C130 aircraft, which is clearly tolerable operationally, particularly given the recent purchases of extra capacity. Timely procurement decisions are preferable to patching up old aircraft. Again, it is good management.

There will also be savings from forward estimates. An example is the cessation of the gap year initiative, which will save $91 million. Why this saving? It simply recognises that healthy recruitment levels have made the program redundant. Savings of $50 million will be realised by deferring the rollout of the Family Health program. This program was motivated by concern for Defence families' health and welfare. In a nation with an excellent public health system this was always going to be problematic, especially where the supply side is so tight. Finally, a further $91 million is to be saved from the Strategic Reform Program initiatives, addressing travel and posting arrangements. There are also other deleted minor capital works projects, which will just have to wait until the revenue recovers.

Having gone through that list, one might ask: what has all the heat been about? Political prejudice, which sees Defence budgets immune from financial reality and any common sense, simply is not good enough, especially where there is a complete blind spot to repeated waste and appalling management within Defence going back over many years. All we have done is reduce the planned growth factor, leaving the Defence budget relatively stable in cash terms, hence my disdain for the silliness of the slogans that have been mouthed about this Defence budget.

For those critics, let me provide some context, which they have to date failed to recognise. At present Defence has a total permanent workforce of 57,882 and it will reach over 59,000 in the next four years. This compares with 51,199, in 2005. Adding reserves and high-readiness reserves to this, the total this year will be over 80,000. That is part of a total Defence workforce that is estimated to grow despite civilian cuts.

The overall financial commitment to procurement of materiel is barely dented. There are no changes of any great substance to the Capability Plan. The massive naval shipbuilding program remains unchanged. Likewise, the government has been quick to fill the gap in the amphibious fleet by the purchase of HMAS Choules, from the UK. We have also acquired the humanitarian relief ship MSV Skandi Bergen. Upgrades to the fleet of Anzac frigates will continue as planned. Approval has been given for the upgrade of Sea Sparrow and SM2 missiles. Old aircraft are being sold and new ones ordered. There are six C17s and, recently, the 10 new Alenia Spartans, not to mention continuing upgrade programs for Orion long-range patrol aircraft and the C130Js. There is also the potential for upgrades of some Super Hornets to Growler configuration. The purchase of 24 new naval combat helicopters
has been approved, as has the purchase of two heavy-lift Chinooks. For the Army, there are 101 new Bushmasters and 900 G-Wagon trucks, both of which are significant additions to Army's capability.

A further $2.9 billion has been reprioritised within the existing Defence budget for new and emerging priorities. This includes putting a few Abrams tanks and M113 personal carriers into storage. This is not reduced capability but operational sense at a time when there is simply no anticipated deployment for the entire fleet. More sensible management.

Among reprioritised funds is $550 million to continue the rebuilding of Defence's chronically incapable IT network. Historically, it has caused so much inefficiency and failed accountability. An amount of $300 million has been approved for the relocation of Defence units from Moorebank to Holsworthy for the new intermodal freight hub, an important decision to the people of Sydney who are choking on freight transport from the south-west. Most pleasing is the additional $270 million for Navy fleet maintenance, which in recent years has completely failed through sheer negligence over the last 15 years.

These redirected resources are the best signs of all that management of Defence is now getting serious about budget management and about accountability responsibilities. There is absolutely no reduction of capability. At last we have some new, fresh honesty about dealing with waste and past failures, hence we have a needed fresh approach to strategic planning. This will be done through the early revision of the 2009 white paper, within which it is hoped that achievement is not measured by dollars alone. Above all else, we need to see much greater transparency and accountability for what Defence and the DMO do. If projects start to fail let us admit it and cancel them in whole or in part, just as this government is doing through its revision of the major projects review. Let us also look at productivity and the elimination of waste, especially that caused by overdue procurement projects and the overlays of unnecessary management addressed by the Chief of the Defence Force last week in committee hearings. In that context, Defence, like everyone else, will strive to do more with less.

New South Wales Central Coast
Senator SINODINOS (New South Wales) (22:00): I rise to speak about the Central Coast region within my state of New South Wales. Just one hour's drive north of Sydney with an approximate population of 312,000, it attracts a mix of residents, with older people opting for a sea change retirement and young families searching for affordable housing and a coastal lifestyle for their families. Despite this, the people of the Central Coast continue to endure adverse economic conditions relative to many other parts of Australia.

The Central Coast Research Foundation's March quarter 2012 update highlighted the following economic trends. Unemployment was at 6.9 per cent, against the seasonally adjusted national average of 5.2 per cent, in March 2012. The participation rate was 58.6 per cent, against a seasonally adjusted national average of 65.4 per cent, an indication that people of the Central Coast do not have confidence in finding work. Only 26 per cent of Central Coast businesses are reporting good profitability over the March quarter, while only 34 per cent of Central Coast businesses are reporting good trading conditions over the same quarter. That is two in three businesses saying the local economy is in trouble. The figures are significantly worse than 12 months ago. To add to this
pain, only 15 per cent of businesses expect to increase employment levels in the coming year.

Of particular concern on the Central Coast is youth unemployment. It is unacceptably high. According to the latest ABS statistics, the local unemployment rate for 15- to 19-year-olds looking for both full-time and part-time jobs is 18.8 per cent against a national average of 16.3 per cent. Of particular concern is the even higher rate of 33.1 per cent for those seeking only full-time employment, against a national average of 23.3 per cent. In recent times, the full-time unemployment rate for 15- to 19-year-olds on the Central Coast has exceeded 40 per cent. Last week, I spoke in this chamber about the importance of hope and putting hope back on the national agenda. There is nothing that saps the hopes, dreams and aspirations of young people more than the lack of opportunity. Youth unemployment in the range of 30 to 40 per cent is not only an economic statistic, it has a very human dimension. As noted by Aristotle in *The Art of Rhetoric*, young people:

… are ambitious, but even more keen to win … and for the most part they live in hope; for hope is of the future and remembrance of the past, and for the young the future is long and the past is short; for on one's first day one can remember nothing but hope for everything.

Last week I spoke about the need for hope to be restored, particularly in a climate of declining economic circumstances. Given the relatively adverse economic conditions faced by people on the Central Coast, specifically our young people, we in this place should be taking action to ensure that a culture of despair, and the social consequences that go with it, does not take hold on the Central Coast.

In considering these matters, the question before the people of the Central Coast is whether they are satisfied with the economic conditions that they have experienced not only in recent months but also in recent years. Is there a better alternative? Since 2007, the Central Coast has been represented by the Australian Labor Party. Mr Thomson has represented the electorate of Dobell for all of that time and Ms O'Neill has represented the electorate of Robertson since the last election, taking over from Belinda Neal. I will not cover in this speech the less than pleasant affairs of Mr Thomson and Ms Neal that have hit the headlines in recent years. Suffice to say that the Central Coast has not had the best political representation possible. With respect to Mr Thomson, his ongoing difficulties continue to hamper his ability to provide the best representation to the people of Dobell. On the policy front, the question to be asked is what policy victories and results have the members for Robertson and Dobell initiated or supported to improve the economic conditions for the people within their electorates. The numbers to date say they have achieved little, if anything. Let me now look to the future. I will start with the carbon tax, which commences this Sunday. Both Mr Thomson and Ms O'Neill are enthusiastic supporters of it. You could say that they are Julia Gillard's representatives in the seats of Dobell and Robertson rather than the representatives of those seats in the federal parliament. The carbon tax has been well publicised in terms of its adverse impact on families and businesses through cost-of-living increases. The main form of this increase will be a rise in electricity prices, which, in New South Wales, is expected to increase by 18 per cent this Sunday, of which the carbon tax is about half. Given that, according to the Central Coast Research Foundation, up to 75 per cent of Central Coast businesses are not experiencing good profitability conditions, the commencement of the carbon tax this
Sunday will be an additional hit on the cost of doing business, which will adversely impact the employment prospects of Central Coast workers and the viability of some Central Coast businesses. This is coming from businesses on the coast.

Another policy area to consider for the future is transport and roads. According to the Central Coast Research Foundation, 63.8 per cent of Central Coast residents indicated that traffic congestion was an issue impacting on them. Bodies such as the New South Wales Business Chamber have long advocated the building of the F3 to M2 missing link to reduce the congestion and inordinate delays afflicting commuters travelling to and from Sydney.

In 2006, the former member for Robertson and the then Minister for Local Government, Territories and Roads, the Hon. Jim Lloyd, made a commitment of $150 million to get the project started and a further $1.5 billion in 2007. In response to this commitment, both the former and current members of the seat of Robertson made a commitment of $150 million in both 2007 and 2010 respectively to get this project started. However, rather than delivering on this commitment, the government, as stated by the Minister for Infrastructure and Transport on 30 May, has allocated only $25 million for a special purpose vehicle to undertake a study into financing options of the M5 East and the F3 to M2. Meanwhile the people of the Central Coast wait and wait and the traffic congestion and queues get longer every day.

I am committed to action on this issue. Recently, I joined up with the Missing Link Action Network, which is a group of coalition federal and state members of parliament who are fighting for the prioritisation of the F3-M2 Link. These are two examples—the carbon tax and transport and roads—where the current Labor members are failing the people of the Central Coast.

Let me conclude by talking about something very hopeful to do with the Central Coast, something that gives me optimism for the future—and that is the remarkable Karise Eden, who is from the Central Coast and who won The Voice recently. Her journey represents a powerful analogy, or a powerful path forwards, for kids everywhere, not just those on the Central Coast. It has been well publicised that Karise worked at an adult shop on the Central Coast. She has previously said that she accepted the role after sending her CV to several prospective employers. Like many teenagers on the Central Coast struggling to find employment, Karise took the job, stating that 'beggars can't be choosers'. During the competition, Karise was described by her coach, Seal, as having the voice of a generation. Karise is now holding the top three songs on the ARIA chart—a feat only ever achieved by the Beatles in 1964.

Her extraordinary journey forces us to ask: if the voice of a generation has been hiding in an adult shop on the Central Coast, what other talent is hiding among Central Coast teenagers? Australia's next Olympic champion? Australia's next innovator? Australia's next Nobel laureate? Perhaps even a future prime minister? Are we ever going to find out? Karise was lucky that she had a television competition to demonstrate her talent, but what about all the other young people on the Central Coast? What is their outlet?

Last week, I suggested that the role of government in part is to best equip individuals to succeed in the global economy. I will finish with the following question: what has this government, specifically through the members for
Robertson and Dobell, done to give the youth of the Central Coast hope and opportunity and to promote the talent hiding away within their electorates? Given the record of this government and the current hardship being experienced by the people of the Central Coast, I think these electors have good reason to seek an alternative government at the next election.

My role in the period ahead is to represent all parts of New South Wales, but I believe the people of the Central Coast, a region I often used to visit in my youth, deserve a break. I will be looking to put together an action plan for how we can promote real jobs and opportunities on the Central Coast, with particular focus on its young people.

**International Day in Support of Victims of Torture**

Senator WRIGHT (South Australia) (22:09): I rise to speak about and commemorate tomorrow's International Day in Support of Victims of Torture. This day is observed internationally every year on 26 June as a reminder that torture is one of the vilest acts perpetrated by human beings on their fellow human beings and to express solidarity with those who have suffered its ravages. It was the United Nations who proclaimed this date in 1997 to remind us that torture is a crime under international law and that according to all relevant instruments it is absolutely prohibited and can never be justified under any circumstances. The prohibition on torture forms part of customary international law. This means it is binding on every member of the international community, regardless of whether a state has ratified international treaties in which torture is expressly prohibited.

The systematic or widespread practice of torture constitutes a crime against humanity. Torture may be physical or psychological and can take many forms, such as beatings, sexual abuse, solitary confinement, sensory deprivation and being forced to witness others, including loved ones, being violated, tortured or killed. The common characteristic of all torture is its intention to destroy the subject's essential humanity and sense of human worth.

Living in a country like Australia, it may be tempting to consider this a theoretical issue, a phenomenon which does not affect us, but not all Australians are exempt from having experienced inhumane, degrading treatment and torture. Today we have many citizens and residents who have fled cruel regimes and conflict zones. STTARS, the Survivors of Torture and Trauma Assistance and Rehabilitation Service, which operates in Adelaide, is an excellent not-for-profit organisation which was established by GPs and psychiatrists in 1990 and assists people from a refugee and migrant background who have experienced tortured or been traumatised as a result of persecution, violence, war or unlawful imprisonment prior to their arrival in Australia. There are of course other Australians, such as David Hicks and Mamdouh Habib, who were Australian citizens at the time they experienced torture. Tomorrow is a timely occasion to remember, too, what they experienced to ensure that their experiences are never repeated.

As history records, David Hicks was imprisoned in Guantanamo Bay detention centre as one of its first inmates shortly after it opened in January 2002. He was ultimately detained there for five years. Hicks's experiences during those years are now well known. If we make a conscious effort to consider what he underwent, we realise that the facts about his incarceration and treatment at the hands of our US ally remain horrifying. David Hicks was subject to years of incarceration before he was even charged. During that time he experienced
systematically cruel and degrading treatment at the hands of the United States. For long periods he was deprived of communication with the outside world. He spent more than eight months in total isolation in a small cell, with no sunlight or stimulation. Overall he was detained for more than five years. During that time he was beaten, handcuffed for long hours, deprived of sleep and he described mental and physical torture of a kind which the FBI has subsequently acknowledged did indeed occur at Guantanamo.

I still remember the evening in 2006 in Adelaide when I heard a presentation from his military lawyer, Major Michael Mori, a man who became a hero to many because of his quiet courage in standing up against the might of US military authorities to demand basic justice for his client. He described David's plight—deprived of human company in his cell. Even the few, sporadic letters he was allowed to receive from home were censored, so that any endearments or expressions of support or love from his family and those who loved him and wanted to help sustain him were censored—redacted with thick black pen. It struck me then—I distinctly remember it—what a calculated act of cruelty that was. It took my breath away that someone would consider so carefully such deliberate acts to dehumanise and crush a man's will. Guantanamo Bay was a human rights black hole and is still operating today.

The circumstances surrounding David Hicks's incarceration remain a dark spot on the Australian government's record of protecting its citizens' human rights. His detention and treatment raise fundamental questions for all of us about the role of the Australian government at the time and the ongoing responsibility of any Australian government, past, present or future, to protect its citizens and defend the rule of law both at home and abroad. The Australian government at the time, led by Prime Minister John Howard, failed to adequately protect the legal and human rights of one of its citizens. It made no protest when David Hicks was arbitrarily detained without charge and without access to a lawyer for more than two years; and, in the face of mounting evidence to the contrary, it maintained that he was being detained in safe and humane conditions and in accordance with the law.

There are still strongly held views about what David Hicks may or may not have done. But what I am talking about tonight is much bigger than David Hicks. After all, in Australia we take pride in the fact that we do not scale down our legal standards or deprive a person of a fair trial or basic human rights because of what we happen to think of them or their alleged crime. We expect our government to apply the law fairly and consistently and to protect our rights as citizens, no matter who we are or where we might be.

The Howard government's support for Hicks's incarceration and prosecution by US authorities continued despite the US Supreme Court's finding that the first military commission process was invalid as it was contrary to international law and basic principles of a fair trial, something that independent legal experts in Australia, the US and Europe had been warning for years. In 2007, Hicks was charged again, this time under a revised military commission process, which was still soundly condemned by many. With growing public concern in Australia and an election looming, there is disturbing evidence that the Howard government called in a favour with the Bush administration to expedite the indictment of Hicks. This saw him finally plead guilty to a concocted offence that did not exist at the time he was taken into US custody.
The Australian government's support of the sham military commission processes and its complicity in Hicks's detention and degrading treatment were in stark contrast with the stance taken by other governments. No US citizen was held in Guantanamo. The then British Attorney General, Lord Goldsmith, publically declared that the process was unacceptable and would not provide a fair trial by international standards. Britain and Europe insisted on the repatriation of their citizens.

So, on the eve of the International Day in Support of Victims of Torture, I repeat the Australian Greens' call for an independent inquiry into David Hicks's case and the Australian government's role in his detention, treatment and unfair trial. I strongly urge the Attorney-General and all members of this parliament of good conscience who were disturbed by his treatment at the time and know the importance of upholding the rule of law and the right to a fair trial to support and act on this call for an inquiry. After all, as Australians we have a right to know how this breach occurred and why. We have to know and trust that our government is willing to stand up for the rule of law; we have to know that the government is willing to defend the human rights of its citizens; and, most importantly, we have to know that safeguards are in place to ensure that something like this does not happen again. As we look around the globe and see Australian citizens subject to the legal courses of other nations, we must know that our government will ensure that their human rights are defended as much as possible and without fear or favour, whether it is Melinda Taylor, Julian Assange or any other Australian.

The Greens have consistently been calling for better human rights protection in Australia, and it is critical that the government of the day, whatever its complexion, be prepared to protect and defend the fundamental legal, democratic and human rights of its citizens, whether we are at home or venturing abroad. In a country such as Australia, such a commitment must be absolutely non-negotiable.

Whiteley, Mr Brett
Allen, Mr Peter

Senator FAULKNER (New South Wales) (22:19): In this month 20 years ago Australia lost two great figures in our cultural life, two unique contributors to our nation's artistic legacy, two men who died too young, two men who will be remembered not only for their colourful art but also for their colourful lives. June 1992 saw the deaths of Brett Whiteley and Peter Allen. Brett Whiteley AO was born in 1939 and grew up in Longueville in Sydney. He attended school in Bathurst and Bellevue Hill, where his artistic talents saw him win numerous youth art prizes. His success in competitions continued in his adult life. He won a variety of scholarships, a Perth Festival art prize, the Archibald Prize twice, the Wynne Prize twice, the Sulman Prize twice and the Sir William Angliss art prize. He married Wendy Julius in 1962, and their daughter, Arkie Whiteley, was born in London in 1964. During the 1960s he studied and worked in Europe, the United States and Fiji. He was at the cutting edge of modern art, experimenting with colour, forms, styles, techniques and genres to create a unique Australian art form.

When he returned to Australia in the 1970s, he set up the Yellow House artist collective and began working on his magnum opus, the 18-panel masterpiece known as Alchemy. This sexually charged multimedia work is an exploration of extreme levels of consciousness. It hangs in the Brett Whiteley Studio in Surry Hills. It is
a modern Australian masterpiece. His contribution to Sydney's public art is unrivalled. All Sydneysiders are familiar with the famous sculpture *Almost Once*—the two giant matchsticks, one charred and one not, which stand in the Domain and are seen by the many thousands every day who use the Eastern Distributor driving onto the Sydney Harbour Bridge.

By his own admission, it was during the time Whiteley was working on *Alchemy* in the mid-1970s that he began to use 'more serious mind-altering chemicals'. Brett Whiteley died as a result of drug use on 15 June 1992. Like so many brilliant modern artists, part of his imagination and inspiration was drug assisted. Twenty years after his death, I think we can confidently say that the genius of Brett Whiteley—an extraordinarily influential Australian artist—will endure and that his work will be enjoyed and studied by generations of Australians to come.

Legendary Australian songwriter and entertainer Peter Allen also passed away 20 years ago this month, on 18 June 1992. Peter Allen, 'the boy from Oz', made a unique and indelible mark on the Australian and international music and entertainment scenes in the 1970s, 1980s and, until his death, the early 1990s. His most famous songs, including *I Go to Rio*, *I Still Call Australia Home* and *I Honestly Love You*, made famous by Olivia Newton-John, are instantly recognisable as the work of Peter Allen.

Peter's international show business career, his marriage to Liza Minnelli, the glitz and glamour of his time on Broadway and his performances for royalty could not be further removed from his upbringing in the historic country towns of Tenterfield and Armidale in the New England region of northern New South Wales. He would, of course, immortalise his home town, Tenterfield, and his grandfather, George Woolnough, in the famous song *Tenterfield Saddler*. The Senate will be pleased that I do not intend to sing the song this evening, but I will share some of the lyrics.

**Senator Williams:** I'll help you!

**Senator FAULKNER:** I thank Senator Williams. I am sure he would know the words. The lyrics are known to so many Australians:

The late George Woolnough worked on High Street and lived on manners
Fifty-two years he sat on his veranda, and made his saddles
And if you had questions about sheep or flowers or dogs
You'd just asked the saddler, he lived without sin
They're building a library for him
And then it goes on to those very famous lines that not only all senators but so many Australians know:

Time is a traveller
Tenterfield saddler
Turn your head
Ride again Jackaroo
Think I see kangaroo up ahead

Peter Allen began his performing career as one half of the popular 1960s cabaret and television act the Allen Brothers, with Chris Bell. In the 1970s, Peter Allen released his own solo recordings but achieved fame with smash hits he composed being recorded by others. Stars such as Olivia Newton-John, Dusty Springfield and Frank Sinatra were among many that covered Peter Allen's work to very great acclaim. Peter Allen won an Academy Award for *Arthur's Theme* in 1981. He was a musician and entertainer of immense talent. He was a great showman and he was a great ambassador for our country. I much admire Peter Allen's courage as a visible gay identity at a time when this was taboo. But like Brett Whitley he died far too early. Peter Allen's final performance
was in Sydney on 26 January 1992—a truly memorable Australia Day for many. Peter Allen was 48 years of age when he passed away, but his music lives on.

I hope that this month, 20 years after their deaths, Australians will remember the lives, the art and the legacy of both Brett Whiteley and Peter Allen.

Senate adjourned at 22:27

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[A 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.]

Aged Care Act—Residential Care Subsidy Amendment Principles 2012 (No. 1) [F2012L01279].

Airspace Act—Airspace Regulations—Instrument No. CASA OAR 078/12—Determination of airspace and controlled aerodromes etc [F2012L01286].

Australian Participants in British Nuclear Tests (Treatment) Act—Select Legislative Instrument 2012 No. 102—Australian Participants in British Nuclear Tests (Treatment) Amendment Regulation 2012 (No. 1) [F2012L01278].


Defence Act—Determination under section 58B—

Defence Determinations—

2012/28—Leave travel to a restricted destination—amendment.

2012/29—Leave and travel—amendment.

2012/30—Vehicle allowance—amendment.

Defence (Employer Support Payments) Amendment Determination 2012 (No. 1).


Financial Management and Accountability Act—


Financial Management and Accountability Determination 2012/19—Section 32 (Transfer of Functions from DPMC to DRALGAS) [F2012L01269].

Immigration (Education) Act—Instrument IMMI 12/038—English courses for holders of certain temporary visas [F2012L01288].

Migration Act—Migration Regulations—

12/016—Australian values statement for public interest criterion 4019 [F2012L01293].

12/018—Language tests, score and passports [F2012L01287].

12/019—Specification of an assessing body for certain educational qualifications [F2012L01282].

12/020—Credentialled community language qualifications [F2012L01285].

12/021—Designated areas [F2012L01305].

12/022—Specification of occupations for nominations in relation to Subclass 457 (Business (Long Stay)) and Subclass 442 (Occupational Trainee) Visas [F2012L01312].

12/025—Visa subclasses for the purposes of the health requirement [F2012L01291].

12/029—Professional Year Programs [F2012L01290].

12/032—Areas for Business Innovation and Investment (Permanent) Visa and State and
Territory Sponsored Business Owner Visa [F2012L01308].

12/033—Refund of second instalment of visa application charge [F2012L01306].

12/047—Specification of income threshold and annual earnings [F2012L01294].

12/048—Level of salary and exemptions to the English language requirement for Subclass 457 (Business (Long Stay) Visas [F2012L01275].

12/052—Industry associations and membership levels [F2012L01309].

12/053—Eligible education providers and educational business partners [F2012L01295].

12/058—Classes of persons (exempt from the age criteria) [F2012L01284].

12/059—Classes of persons (exempt from the English language criteria) [F2012L01292].

12/060—Classes of persons (exempt from the skill criteria) [F2012L01283].


12/062—Specification of training benchmarks [F2012L01311].

12/064—Securities in which an investment is a designated investment for the purposes of Subclasses 131, 162, 165, 188, 405, 644, 888, 891 & 893 [F2012L01310].

12/066—Regional certifying bodies and regional postcodes [F2012L01270].

12/071—Granting of parent and other family visas in 2012/2013 financial year [F2012L01307].

Navigation Act—Marine Order No. 5 of 2012—Marine Orders Part 63 Amendment 2012 (No. 1) (AUSREP) [F2012L01304].

Private Health Insurance Act—

Private Health Insurance (Accreditation) Amendment Rules 2012 [F2012L01289].

Private Health Insurance (Complying Product) Amendment Rules 2012 (No. 6) [F2012L01276].

Remuneration Tribunal Act—

Determinations—


2012/10—Compensation for Loss of Office for Holders of Public Office [F2012L01297].

2012/11—Recreation Leave for Full-Time Holders of Relevant Offices [F2012L01298].

2012/12—Remuneration and Allowances for Holders of Full-Time Public Office [F2012L01299].


2012/14—Principal Executive Office – Classification Structure and Terms and Conditions [F2012L01301].


Sydney Airport Curfew Act—Dispensation Report 04/12.

Veterans’ Entitlements Act—Select Legislative Instrument 2012 No. 103—Veterans’ Entitlements Amendment Regulation 2012 (No. 1) [F2012L01280].
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Immigration and Citizenship
(Question No. 1806)

Senator Abetz asked the Minister representing the Minister for Immigration and Citizenship, upon notice, on 13 April 2012:

With reference to the answer provided to question no. 328, taken on notice during the 2011 12 Additional Estimates hearing of the Legal and Constitutional Affairs Legislation Committee, relating to charter flights to the Pontville Immigration Detention Centre, can a list be provided detailing the cost of charter flights to and from Hobart, indicating:

(a) how many detainees were on each flight; and
(b) if the flights were multiple sector flights, at which airports did they land and for what purpose.

Senator Lundy: The Minister for Immigration and Citizenship has provided the following answer to the honourable senator's question:

The first tranche of Irregular Maritime Arrivals (IMAs) was transferred via charter to Pontville Immigration Detention Centre on 1 September 2011.

From this date to 4 March 2012, there have been 14 charters in total to and from Hobart. The cost, number of clients and purpose of each flight is attached.

Chartered flights to and from Hobart for IMAs
Total cost of charters, not including the 6 December 2011 flight, is $1,710,066

<table>
<thead>
<tr>
<th>Date of Charter</th>
<th>No of clients</th>
<th>Cost</th>
<th>Airports landed and purpose for landing</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.09.2011</td>
<td>45</td>
<td>$46,000</td>
<td>Direct flight from Derby to Hobart.</td>
</tr>
<tr>
<td>17.09.2011</td>
<td>47</td>
<td>$44,000</td>
<td>Direct flight from Derby to Hobart.</td>
</tr>
<tr>
<td>29.10.2011</td>
<td>113</td>
<td>$166,000</td>
<td>Departed Darwin. Landed Derby to pick up additional clients. Proceeded to Hobart.</td>
</tr>
<tr>
<td>13.11.2011</td>
<td>77</td>
<td>$158,000</td>
<td>Direct flight from Derby to Hobart.</td>
</tr>
<tr>
<td>30.11.2011</td>
<td>43</td>
<td>$159,000</td>
<td>Direct flight from Derby to Hobart.</td>
</tr>
<tr>
<td>06.12.2011</td>
<td>39</td>
<td>Multiple stops – unable to provide separate figure for Hobart sector.</td>
<td>Headland for refuelling and Customs clearance. Landed in Derby to drop off and pick up clients. Proceeded to Hobart.</td>
</tr>
<tr>
<td>10.12.2011</td>
<td>47</td>
<td>$241,095</td>
<td>Direct flight Christmas Island to Hobart</td>
</tr>
</tbody>
</table>
Cabinet

(Question No. 1867)

Senator Abetz asked the Minister representing the Prime Minister, upon notice, on 30 May 2012:

With reference to the answer to question on notice no. 1810, has there been a shortfall between the Cabinet Trust Fund and the actual amount spent on catering for Cabinet and Cabinet committee meetings over the 2008 09, 2009 10 and 2010 11 financial years; if so, for each financial year can that shortfall be specified.

Senator Chris Evans: The Prime Minister has provided the following answer to the honourable senator's question:

I am advised that the answer to the honourable member's question is as follows:

As outlined in the answer to question on notice no. 1696, consistent with long standing arrangements, each minister makes a personal contribution to the Cabinet Trust Fund to assist in the costs of catering for Cabinet and Cabinet committee meetings. The Department of the Prime Minister and Cabinet provides a supplementation to cover the cost of refreshments for officials assisting in the Cabinet Room.

### Table

<table>
<thead>
<tr>
<th>Date of Charter</th>
<th>No of clients</th>
<th>Cost</th>
<th>Airports landed and purpose for landing</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.02.2012</td>
<td>104</td>
<td>$134,750</td>
<td>Hobart to Melbourne (client drop off) to Sydney</td>
</tr>
<tr>
<td>04.03.2012</td>
<td>49 &amp; 66</td>
<td>$309,221</td>
<td>Hobart to Darwin (two flights)</td>
</tr>
</tbody>
</table>