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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

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

Printed by authority of the Senate
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<th>State or Territory</th>
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<td>Abetz, Hon. Eric</td>
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(1) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

PARTY ABBREVIATIONS


Heads of Parliamentary Departments

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

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

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

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

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

[The above constitute the shadow cabinet]
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<tr>
<th>Shadow Ministry Role</th>
<th>Shadow Minister/Parliamentary Secretary</th>
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<td>Shadow Minister for Employment Participation</td>
<td>Hon. Sussan Ley MP</td>
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<tr>
<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
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<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
<td>Senator Mathias Cormann</td>
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<tr>
<td>Shadow Minister for Childcare and Early Childhood Learning</td>
<td>Hon. Sussan Ley MP</td>
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<td>Shadow Minister for Universities and Research</td>
<td>Senator Hon. Brett Mason</td>
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<tr>
<td>Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House</td>
<td>Mr Luke Hartsuyker MP</td>
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<tr>
<td>Shadow Minister for Indigenous Development and Employment</td>
<td>Senator Marise Payne</td>
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<tr>
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Tuesday, 16 August 2011

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 12:30, read prayers and made an acknowledgement of country.

PARLIAMENTARY REPRESENTATION

Commission to Administer the Oath or Affirmation of Allegiance

The PRESIDENT (12:31): As Senator Carr was absent from the Senate on 4 July 2011, I will now administer the oath or affirmation of allegiance as required by section 42 of the Constitution. I remind honourable senators that Senator Carr’s certificate of election was tabled on 4 July 2011. Will the honourable senator please come to the table to make and subscribe the affirmation of allegiance.

Senator Carr made and subscribed the affirmation of allegiance.

PARLIAMENTARY OFFICE HOLDERS

Temporary Chairmen of Committees

The PRESIDENT: Pursuant to standing order 12, I lay on the table a warrant nominating Senator Coonan as an additional Temporary Chairman of Committees when the Deputy President and Chairman of Committees is absent.

PRIVILEGE

The PRESIDENT (12:33): Order! I speak on a matter of privilege. The Senate Rural Affairs and Transport References Committee, by letter dated 1 August 2011, has raised a matter of privilege under standing order 81.

The matter relates to a possible improper interference with, and imposition of a penalty upon, a witness. Evidence available to the committee indicates that an attempt may have been made by a person improperly to penalise a witness before the committee in respect of the witness’s evidence and also to influence a witness in respect of the witness’s evidence.

I am required by the procedures of the Senate to consider whether a motion to refer the matter to the Privileges Committee should have precedence, having regard to specific criteria. The manner in which those criteria are applied has been indicated in past presidential determinations under standing order 81.

The matter clearly meets the criteria I am required to consider. The Senate has always taken extremely seriously any suggestion that a witness before a committee has been interfered with in any way, as past cases considered by the Senate and the Privileges Committee indicate.

I therefore determine that a motion to refer the matter to the Privileges Committee may have precedence.

I table the correspondence from the committee.

A notice of motion to refer the matter to the Privileges Committee may now be given.

NOTICES

Presentation

Senator HEFFERNAN: to move on the next day of sitting:

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

Having regard to the material submitted to the President by the Rural Affairs and Transport References Committee, whether a witness was threatened with, or subjected to, any penalty or injury on account of his evidence to the committee, whether there was any attempt improperly to interfere with the witness before the committee, and whether any contempt of the Senate was committed in those regards.
Senator LUDWIG: I move:
That the government business order of the day relating to the Federal Financial Relations Amendment (National Health and Hospitals Network) Bill 2010 be discharged from the Notice Paper.

Senator FIERRAVANTI-WELLS (New South Wales) (12:35): This motion deals with the government withdrawing one of its supposed key planks: the Federal Financial Relations Amendment (National Health and Hospitals Network) Bill 2010. This legislation is now redundant, very much like the Australian Labor Party's grand hospital reforms, which began with such great fanfare. We saw Kevin Rudd and Nicola Roxon daily on our television screens all garbed up in hospital attire for the photo opportunities that found their way onto the MyHospitals website. And of course it was all to no avail because this piece of legislation, like the other pieces of legislation—this whole sad and sorry saga that was the grand hospital plan—is all falling apart. It is falling apart because we are now back to business as usual. This has been an enormous backdown by a desperate Prime Minister. This is the third time Labor has claimed that it has reached a so-called historic agreement on health reform in the past 18 months, but it has failed spectacularly to deliver in relation to health and so-called health reform. What this government talks about as 'health reform' barely resembles the supposed agreement promoted by then Prime Minister Rudd only last year and further watered down, with the revised agreement further watered down by Prime Minister Gillard earlier this year.

Then the government could not get any agreement with the states. Quite frankly, we are not actually sure now what is in and what is out—what has fallen off the back of this reform. We do not know what is going to happen with mental health, we do not know what is going to happen to primary health and we do not know what is going to happen to aged care. Key changes will not be implemented until at least 2014-15. That is seven years after Labor promised it would fix the public hospitals or else hold a referendum to take them over. Remember Kevin Rudd's famous words, 'The buck stops with me'? That is obviously another broken promise from a government that has made breaking promises an art form.

The central tenet of Labor's health reforms was the grand promise that the Commonwealth would become the dominant funder, at 60 per cent of hospital costs. Of course, that has been scrapped. Remember the supposed increase to 50 per cent funding of hospital services? That will not occur until 2017—at least two elections away—and with no explanation whatsoever as to how it is to be funded. The efficient price of hospital services has yet to be agreed to, and further negotiations may even be required on the scope of services eligible for Commonwealth funding.

As I said, we had Kevin Rudd telling us, 'The buck stops with me,' but Julia Gillard today says that the states will be in charge. This is business as usual, and it is very clear that, in the end—and this is always going to be the case—the states will end up rolling the Prime Minister, as they inevitably have done. Julia Gillard has also broken Labor's promise on elective surgery guarantees. Patients in category 1 who had waited the clinically recommended time were promised that they would have their surgery in five days, patients in category 2 in 15 days and patients in category 3 in 45 days. That is now gone. The new national elective surgery targets will not be fully implemented, if they are at all, until 2016, with 'reward'—and I put that word in inverted commas—funding
now paid in advance to state governments. And of course there are absolutely no guarantees to patients. The national emergency access target for patients to be admitted or discharged within four hours has now been watered down from 95 per cent of emergency department patients to 90 per cent—and it will not be fully implemented, if it is at all, until 2015.

So what do we have here? This is not a plan that is going to help patients. It is not going to fix the hospitals as Labor promised, but it is certainly great for the bureaucrats, because we have more bureaucracy. Hundreds of millions of dollars have been spent this year establishing the National Health Performance Authority, the Independent Hospital Pricing Authority and Medicare Locals. We still do not know what Medicare Locals are actually going to do. We do know that they are going to have an office somewhere, but we do not know what they are going to do. Of course, there was the National Funding Authority. In the end, four years after Kevin Rudd first promised health reform as a priority—one of his many priorities for his Labor government—the deal that has now been signed off has been so watered down that it barely resembles what Kevin Rudd said he would do.

Is this really reform? How many new beds are we actually going to see in hospitals as a consequence of it? It is interesting to see some of the comments that have been made in relation to the latest iteration of this so-called deal. The Chairman of the Australian Healthcare Reform Alliance, Professor John Dwyer, summed it up in this way to the ABC on 2 August:

It is a reform package in a financing/accounting sense rather than in a system sense.

So instead of seeing this sweeping national reform that had been promised by the Australian Labor Party, Australians have simply ended up with some system change and more bureaucracy, forking out billions of dollars just so that this very desperate Prime Minister could look like she was actually achieving something.

While more money may flow to the states, there are of course no guarantees of better health outcomes for patients. This is what health reform should have been about. It should have been about better outcomes to patients, but there are no guarantees. All of this promised improvement in healthcare delivery is in the never-never. It is all years and years and years away. There would have to be a third election win before we would even contemplate any changes coming into effect—something that Kevin Rudd promised to do in 2009. And of course Labor will have to win a fourth election victory before any of these reforms will be fulfilled. Can anyone actually believe that this incompetent government will ever deliver on so-called health reform? Julia Gillard said that 2011 was to be the 'year of delivery'. But the latest iteration of this agreement makes it clear that this is certainly not the year of delivery in relation to any form of health reform. We will not be looking at anything happening in health before 2014 at the earliest. All we have seen of late have been reams of paperwork and millions of dollars that have been wasted in preparing all these various iterations, which have absolutely gone—the red book, the green book, the yellow book, the blue book. Then there was the $29 million that was wasted telling us that we would get health reform, but of course we are still waiting—and we are going to have to wait a long, long time.

So, in the end, as I said, guarantees on elective surgery waiting times and emergency department treating times have now become targets; promised private hospital treatment has disappeared; penalties for poor performance have been dropped;
rewards have become upfront payments; and states have become the gatekeepers for the much-hyped National Performance Authority. Can we really believe this Prime Minister when she talks about more beds, more services and less waiting time? We have heard it all before. There has been no delivery, and all we are getting is more talk.

Back in 2008 Kevin Rudd claimed that increased funding in health could support an additional 3,750 hospital beds in 2009-10, growing to 7,800 additional beds by 2012. But of course the State of our public hospitals report last year found that there has only been an increase of—wait for it—11 beds across Australia! All those photo opportunities, all those visits to hospitals—over 100 of them—and all we got were 11 more beds.

There was the $150 million on the elective surgery waiting list 'blitz'. But, as newspaper after newspaper across Australia has reported, waiting lists have only increased in our public hospitals all over Australia. So, what is going to be different this time around? Absolutely nothing. Ms Gillard has backflipped, she has backed down, she has traded off the Kevin Rudd proposals and her agreement was absolutely, totally and utterly unrecognisable when compared to Labor's promises in relation to reform. So it is not surprising that we now see legislation has become redundant. It sort of reminds you of the Monty Python skit with the dead parrot—the parrot is deceased, it is dead, it is no longer. I do not want to trivialise it, but this is the reality of, quite frankly, the farce that has now become this government and so-called health reform.

Question agreed to.

**BILLS**

**Carbon Credits (Carbon Farming Initiative) Bill 2011**

**Carbon Credits (Consequential Amendments) Bill 2011**

**Australian National Registry of Emissions Units Bill 2011**

In Committee

Debate resumed.

**CARBON CREDITS (CARBON FARMING INITIATIVE) BILL 2011**

**Senator PARRY** (Tasmania—Deputy President of the Senate and Chairman of Committees) (12:49): The Committee is considering the Carbon Credits (Carbon Farming Initiative) Bill 2011 and two related bills. In relation to the Carbon Credits (Carbon Farming Initiative) Bill 2011 the question is that Senator Xenophon's amendments (3) and (4) on sheet 7118 be agreed to.

**Senator LUDWIG** (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (12:49): Just prior to going to that I present the government's response to the report of the Senate Environment and Communication Legislation Committee inquiry into the provisions of the Carbon Credits (Carbon Farming Initiative) Bill 2011 and related bills and seek leave to have the documents incorporated into Hansard.

Leave granted.

The document read as follows:

Government Response to the Senate Environment and Communications Legislation Committee inquiry on the: Carbon Credits (Carbon Farming Initiative) Bill 2011 [Provisions]
Carbon Credits (Consequential Amendments) Bill 2011 [Provisions]
Australian National Registry of Emissions Units Bill 2011 [Provisions]

The Senate Environment and Communications Legislation Committee presented its final report on 27 May 2011. The Committee’s report made nine recommendations. The Government’s response to each of these recommendations is set out below.

Recommendation 1

2.36 The committee recommends the government consider options to ensure there are no perverse incentives to cease existing abatement projects, and encourage first movers to undertake further abatement or sequestration activities under the Carbon Farming Initiative.

Response: The Government agrees with this recommendation. The Carbon Farming Initiative (CFI) has been designed to address these issues.

An activity will be considered additional under the CFI if it is not common practice in an industry or under specific regional or environmental conditions. This common practice test will ensure that early movers who have already adopted more sustainable practices are eligible to participate in the scheme. Credits will be able to be earned from activities that reduce or store carbon from 1 July 2010.

The CFI will also recognise projects that were set up under some other abatement schemes – such as Greenhouse Friendly and the ACT and NSW governments’ Greenhouse Gas Reduction Scheme – and provide an incentive for these projects to continue. To be eligible for CFI credits, these projects will still need to be conducted under an approved CFI methodology and meet other scheme requirements including addionality.

The CFI legislation contains several provisions to ensure projects do not have adverse impacts on the environment or communities.

The CFI excludes high-risk activities through a “negative list”, which will be in regulations. Activities that pose a significant risk for the availability of water, the conservation of biodiversity, employment or local communities will be included on the negative list. These activities will not be eligible to receive carbon credits under the CFI.

The Government has released for consultation an indicative list of activities that would be excluded from the scheme. For example, the list includes establishing an identified weed species as a reforestation project. The Government will continue to consult local communities, industry and other stakeholders on the negative list, including when methodologies are proposed for new activities.

All CFI projects will have to comply with any applicable water, planning and environment requirements, and obtain all necessary government approvals, before they are eligible to receive credits under the scheme.

In addition, project proponents will need to take account of regional natural resource management (NRM) plans. As part of its Clean Energy Future plan, the Government will provide $44 million over five years to improve existing regional NRM planning for climate change. Regional plans will provide guidance to landholders on the type and location of carbon projects that will provide social and environmental benefits, and avoid adverse impacts.

The Biodiversity Fund will provide additional incentives for CFI projects that establish, restore or protect biodiverse carbon stores. The ongoing Biodiversity Fund is part of the Government’s plan for a clean Energy Future and will provide close to $1 billion in support for biodiversity over its first six years.

Recommendation 2

2.37 The committee recommends the government consider what more can be done to fast track development of methodologies, and to develop and test the workability of carbon offsets projects in key agricultural industries.

Response: The Government agrees with this recommendation.

The Government has already invested more than $46 million in research and development through the Climate Change Research Program on ways of reducing pollution and helping
Australian farmers adapt to a changing climate. The Climate Change Research Program is addressing the need for research into reducing greenhouse gas emissions and adapting to the unavoidable impacts of climate change. The outcomes from the program will be available by mid 2012 and will assist government and industry to develop new carbon estimation methodologies.

As part of the plan for a Clean Energy Future the Government’s Carbon Farming Futures - filling the research gap program will provide a further $201 million over six years. This program will focus on research into new ways of storing carbon and reducing pollution in the land sector. $20 million will be available to convert research into practical carbon estimation methodologies for use under the CFI.

In addition, the Government will provide a total of $99 million in direct support for landholders to take action on the ground, including testing new ways to increase soil carbon and reduce pollution. This will include a refundable tax offset to encourage the uptake of conservation tillage farming techniques and participation in soil carbon sequestration research. Like all conservation tillage practices, no-till works to improve the organic matter in the soil by retaining crop stubble. It aims to reduce soil disturbance, minimise damage to soil structure, increase nutrient availability and reduce water loss by increasing soil water holding capacity.

Recommendation 3

2.49 The committee recommends the government continue to monitor scientific research relevant to the issue of permanence and adjust permanence obligations in the CFI to reflect international consensus on this matter.

Response: The Government agrees with this recommendation.

Carbon dioxide cycles between the atmosphere, oceans and land biosphere. Its removal from the atmosphere involves a range of processes with different time scales. The Intergovernmental Panel on Climate Change notes that around 50 percent of the increase in CO2 increase will be removed from the atmosphere within 30 years, and a further 30 percent will be removed within a few centuries. The remaining 20 percent may stay in the atmosphere for many thousands of years.

In this context, 100 years has become the internationally accepted timeframe for ensuring that sequestration is equivalent to (and can be used to offset) emissions. Under the CFI, sequestration projects can be terminated without having to pay back carbon credits after 100 years.

The Government will monitor international developments on this issue and adjust permanence obligations in the CFI to reflect international scientific and policy consensus on this matter.

It should also be noted that the CFI permanence obligations allow significant flexibility. Landholders would be able to cancel their sequestration project at any time by relinquishing the number of credits issued for the project.

Recommendation 4

3.31 The committee recommends that in developing the negative list the government takes care to preserve abatement incentives, for example by tightly defining excluded projects to reflect local environmental conditions or circumstances.

Response: The Government agrees with this recommendation.

To maintain abatement incentives wherever possible, the negative list will be tightly defined to identify the specific circumstances where particular activities have significant risks of adverse impacts.

To ensure that activities on the negative list are appropriately defined, the Government will consult with stakeholders before adding to or amending the negative list. The negative list will be included in regulations and subject to Parliamentary scrutiny.

The CFI Bill also provides for reviews of the operation of the CFI, with the first review to be completed by 31 December 2014. This will present a further opportunity to evaluate the effectiveness of the negative list in ensuring that the CFI does not provide incentives for activities that could have adverse social or environmental impacts.
Recommendation 5

3.46 The committee recommends the government consider options for improving the capacity of natural resource management plans to take account of climate change mitigations options and adaptation needs, and to maximise the broader environmental and social benefits of the Carbon Farming Initiative.

Response: The Government agrees with this recommendation.

Regional NRM organisations are well placed to help plan for climate change and to maximise the social and environmental benefits of carbon farming projects. Through Government initiatives such as Caring for our Country, regional NRM organisations have had nearly a decade of experience in providing information, training and support to land managers and environmental, Indigenous, and community groups on sustainable land management.

As part of its Clean Energy Future plan, the Government will provide $44 million over five years through the Regional NRM Planning for Climate Change Fund. NRM organisations will develop plans to guide where carbon farming projects should be located in the landscape. These can be used by landholders to identify and develop carbon farming projects that provide maximum social and environmental co-benefits. The fund will also support research and analysis to develop scenarios on regional climate change impacts which can be used for NRM and land use planning.

Recommendation 6

3.47 The committee recommends the government consider further changes to regional natural resource management plans to improve their governance and consistency, such as by requiring each plan to:

- be managed by a statutory authority;
- address the same basic criteria, at a minimum; and
- be enforced to the same standard.

Response: The Government notes this recommendation.

The Government’s $44 million Regional Natural Resource Management (NRM) Planning for Climate Change Fund will enable the production of NRM plans in each region to a highly professional, nationally consistent standard, to guide where CFI projects, such as tree plantings and avoided deforestation, should be located in the landscape to avoid unintended negative impacts and maximise the carbon co-benefits for biodiversity, water and agricultural production.

The 56 regional NRM organisations that develop these plans are currently a mix of statutory authorities, public companies limited by guarantee and incorporated associations. The nationally consistent standards for the plans will be designed to ensure regional NRM organisations provide the required information and detail in the plans to guide CFI projects.

The Government will establish a new statutory body, the Land Sector Carbon and Biodiversity Advisory Board, which will report to the Government and annually to the Parliament about implementation of the land sector measures, including the Regional NRM Planning for Climate Change Fund, announced as part of the Government’s plan for a Clean Energy Future.

Recommendation 7

4.15 The committee recommends the government address obstacles to indigenous participation in the CFI, including resolving outstanding uncertainties in relation to participation by holders of non-exclusive native title.

Response: The Government agrees with this recommendation.

The Government is committed to helping Aboriginal and Torres Strait Islanders benefit from carbon farming.

As part of the Clean Energy Future plan, the Government has committed $22 million over its first five years to an Indigenous Carbon Farming Fund that will assist Indigenous communities to benefit from the CFI. Funding will be provided for specialists to work with Indigenous communities on carbon farming projects. Funding for research and reporting tools for CFI
methodologies will also create further opportunities for Indigenous Australians.

Under the CFI, Indigenous landholders will be able to earn carbon credits for activities including improved savanna fire, livestock, feral animal, fertiliser, soil or forest management, reforestation and vegetation regrowth.

The Government has made the development of a methodology for savanna fire management a priority. This is an activity which is likely to have high indigenous participation and social co-benefits for Indigenous communities.

The legislation makes it easy for holders of exclusive possession native title to undertake abatement projects and to receive carbon credits. The legislation also provides for holders of determined native title to consent to sequestration projects undertaken by other interest holders on their land. This will enable Indigenous landholders to negotiate a share of the benefits from carbon farming projects.

The Government is consulting stakeholders about the circumstances in which native title claimants will need to give their consent to projects conducted on land where there are native title interests. Complex legal issues are involved, and any outcome will be consistent with the Native Title Act and Racial Discrimination Act.

Recommendation 8

4.24 The committee recommends the government make clear that Kyoto-compliant credits will be linked to any future carbon price mechanism.

Response: The Government agrees with this recommendation.

The Government has agreed to link Kyoto-compliant credits with the carbon price mechanism. This will increase incentives for landholders to reduce or store pollution.

Kyoto-compliant activities include reforestation, savanna fire management and reductions in pollution from livestock and fertiliser.

During the initial fixed price period, liable parties under the carbon price will be able to meet five per cent of their obligations using carbon credits generated under the CFI. In the flexible price period, there will be no limit on the use of credits generated under the CFI.

The CFI non-Kyoto Carbon Fund will provide incentives for other activities that are not part of accounting for Australia’s Kyoto Protocol target, such as revegetation and soil carbon projects. This fund will be worth $250 million over the first six years of the program.

Australia will continue working to develop new international rules that recognise a wider range of action on the land to reduce carbon pollution.

Recommendation 9

4.26 The committee recommends that, subject to the recommendations contained elsewhere in this report, the Senate pass the Carbon Credits (Carbon Farming Initiative) Bill 2011; the Carbon Credits (Consequential Amendments) Bill 2011; and the Australian National Registry of Emissions Units Bill 2011.

Response: The Government supports this recommendation.

The CFI package of bills will pave the way for farmers, forest growers and landholders to generate saleable carbon credits for domestic and international carbon markets. This will begin to unlock the abatement opportunities in the land and waste sectors which currently make up 22 percent of Australia’s emissions.

Senator LUDWIG: Thank you. Also prior to going to the specific amendments, can I continue from where I think Senator Feeney may have left off. Senator Nash, as I understand it, was asking about the types of projects that would be eligible and the availability of the regulations. We have today published the exposure draft regulations that set out the sorts of projects that can and cannot be included in the government’s Carbon Farming Initiative and provides protection for the farming sector and the environment.

The government released in key details for regulation a public discussion paper before the coalition made these claims, but we have now released a draft of the key regulations
which take feedback from over 50 submissions into account.

The government's Carbon Farming Initiative has, as I think you have heard me reiterate a number of times, been carefully designed to avoid any adverse impacts on food security and the environment, including water, while working to unlock important greenhouse gas abatement opportunities across regional Australia. It is about providing opportunities in these areas through the Carbon Farming Initiative. The draft regulations set out and include a negative list of excluded activities under the Carbon Farming Initiative. The negative list identifies activities that are ineligible in certain circumstances because they risk adverse impact on biodiversity, water, communities or employment. To give you an example: the managed investment scheme for forestry. The Carbon Farming Initiative additionality test requires projects to go beyond what is required by law. These draft regulations also set out a positive list of activities that go beyond common practice in the land and waste sectors. This will ensure that only projects that are genuinely additional to common practice are credited under the Carbon Farming Initiative.

In contrast, the coalition appear—and perhaps we will have clarity on this—to want a scheme in which politics rather than science and evidence dictates activities that will be eligible. Such an approach would have no credibility in carbon markets or with the community. Instead, it would simply reinforce the suggestion that their subsidies for polluters policy is in essence just a big pork-barrel for the National Party. The Liberals on the other side should stop playing politics and support the government's efforts to reward farmers who are taking action on climate change. I understand that the Liberals opposite may not get the support of their coalition partners, the National Party, but, quite frankly, the Liberals should pursue sensible policy.

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate) (12:53): Firstly, Minister, when were the regulations tabled? I think that I am correct in thinking that it was this morning, but if we could have the time when the regulations were made publicly available, that would be good. I apologise, as I was a little distracted, but I ask the minister to elaborate on his comment about pork-barrelling for the National Party.

**Senator LUDWIG** (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (12:53): The regulations were released today. They are available on the website. I have them here if you want a copy. In fact, we should provide a copy and we will make one available and an attendant will bring it to you.

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate) (12:54): I ask the minister to address the second part of the question.

**Senator LUDWIG** (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (12:54): I thought that it was plain, so I will leave the statement as said.

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate) (12:54): I was not, Minister—that is why I am asking. I apologised for being distracted. I am rather interested in what you were talking about: the specific pork-barrelling for the National Party.

**Senator LUDWIG** (Queensland—Minister for Agriculture, Fisheries and
Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (12:54): It encompasses your direct action policy. Quite frankly, it is nothing more than a pork-barrel. You know that; the Senate now knows that; I am certainly convinced of it.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (12:54): I am not entirely sure who is giving the minister his information, but I see no correlation at all between a pork-barrel and a direct action policy. Perhaps the minister might have liked to have looked into it a little bit further. To be fair to the chamber, rather than just leaving that general comment as it stands, it is incumbent upon the minister to explain exactly what he means.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (12:55): Turning to where we are at in the program—and I am sure that we are all keen to pursue the amendments that are set out for this bill—we are up to items 3 and 4, Senator Xenophon's amendments to clause 56, excluding offset projects, which includes the offset reporting period, excluded offset projects. The position that the government has adopted is that we oppose these amendments. They would shorten the maximum reporting period. A five-year maximum reporting period provides flexibility—for example, it avoids reporting costs at the beginning or end of a project when forest growth rates are slow. The scheme integrity is maintained because credits are issued only after abatement has been achieved. They are the reasons we are not supporting these amendments. However, we accept that in principle Senator Xenophon is endeavouring to improve the bill. But in this instead these amendments would shorten the maximum reporting period.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (12:57): I note for the record that the minister did not answer my question about his comment about pork-barrelling for the National Party more fulsomely. Perhaps before he makes a comment he should research it rather more thoroughly so that he can inform the chamber of what he is talking about. I also note for the record the fact that we have only just received the regulations that go with this piece of legislation. That is far from acceptable, given that it is precisely those regulations that we need to ask the questions about in this particular process. We have not had time to go through them in any detail whatsoever. As such, I indicate to the chamber that this may well be a rather laborious process while we try to understand what the minister has indeed put in front of us in terms of the regulations that relate to this legislation.

Senator Xenophon's amendment 4 refers to 4 part i, the availability of water, or part ii, land and resource access for agricultural production. The amendment states that the minister should determine that, if there is an adverse impact that relates to either of those two, the project is deemed to be an excluded offsets project. Could the minister inform the chamber as to whether there is anything in these regulations that mirrors that requirement in the amendment from Senator Xenophon?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (12:59): This amendment would allow environmentally or socially beneficial
projects to bypass the additionality test. That is, in essence, the reason that it is unsound. The positive list is designed to ensure credits are only issued for emission reductions or increases in carbon stores beyond what commonly occurs already. The CFI includes a co-benefits index which recognises projects that have associated biodiversity and community benefits, but ultimately the market will determine what projects come forward, and those with important co-benefits will naturally stack up better than those without. With the way that Senator Xenophon's amendment is structured, it would simply bypass what we describe as the additionality test, and therefore it remains not supported.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (13:00): Perhaps I was not quite clear enough in my question. I was specifically talking about the excluded offsets projects, specifically talking about the negative list. The way that Senator Xenophon's amendment is worded simply means that the minister must determine that, if there is an adverse impact on the availability of water or on land and resource access for agricultural production then the project is automatically deemed to be an excluded offsets project. It is thereby saying that, if there is an adverse impact on water or on land and resource access for agricultural production, it should automatically be an excluded offsets project. That seems to me to be quite straightforward and quite sensible. Perhaps I was not clear enough in my phrasing of the question, but is there anything in the regulations that have just been placed before us that would automatically deem to be an excluded offsets project an activity that is going to have an adverse impact on the availability of water or an adverse impact on land and resource access for agricultural production?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:01): The short answer is yes. The government is committed to preventing adverse impacts on water availability. Through the negative list, the government will exclude plantation projects in high-rainfall areas unless they hold adequate high-security water entitlements, they are in an area that has a water management plan that has been accredited by the National Water Commission, they are environmental plantings or they address dryland salinity. This regulation will no longer be required once the National Water Initiative commitments are fully implemented across Australia, though. So the short answer is yes.

Senator XENOPHON (South Australia) (13:02): Madam Chair, it is good to be back. I think it has been five weeks since we have debated this amendment that I have moved, and I just want to recap for my colleagues...

The TEMPORARY CHAIRMAN (Senator Crossin): Is it good that I'm back or good that we are all back?

Senator XENOPHON: Madam Chair, it is good that you are back; it is good that we are all back.

The TEMPORARY CHAIRMAN: Sorry to interrupt you, Senator Xenophon!

Senator Birmingham: It's all good!

Senator XENOPHON: It's all good, despite the disapproving look of Senator Bernardi. But he's smiling now!

These amendments relate to the negative list. Amendment (4) states that projects which, based on advice by the Domestic Offsets Integrity Committee, have an adverse impact on the availability of water or on agricultural production should be on the
excluded offsets project list. As I said in my second reading contribution, ensuring Australia's water availability is vital and I do not believe that it should be left up to regulations.

This amendment also states that, where a forest was established as a managed investment scheme, it too should be on the excluded offsets list. I note that, since we last debated this matter, the government has tabled the draft Carbon Credits (Carbon Farming Initiative) Regulations. In terms of types of excluded offsets projects, I note that, in division 12, clause 61, reference is made to forestry managed investment schemes, so they are covered. That of course is welcome, and I congratulate the government for going down that path. Obviously it was something that was within consideration. But this amendment goes further. It states that, if it is determined by the minister, on the advice of the Domestic Offsets Integrity Committee, to have an adverse impact on the availability of water or on land and resource access for agricultural production, the project is deemed to be an excluded offsets project.

What is at stake here is simply this—that a Carbon Farming Initiative project should be an excluded offsets project if it is going to damage the availability of water or if it is going to damage land and resource access for agricultural production. It is that straightforward. It does not go against the integrity of what the government is trying to achieve, but it does give a safeguard in terms of food production and water availability. We know from the very contentious debate about coal seam gas on prime farming land—a different issue altogether—the importance of preserving the integrity of our water supply in this country. That is why it is important that this amendment strengthens those safeguards for both water and prime agricultural production.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:05): I do not want to lengthen the debate on this, but the challenge is that the amendment would mean—and I think this is probably the objective you are trying to achieve—that this would in truth be unworkable. The minister in this instance, when making a decision, would have to exclude individual projects. Our schema is trying to achieve this in a broader sense. The process that you have entertained would add significantly regulatory complexity to the CFI and really undermine the participation within it, by requiring the minister to examine and make decisions to exclude individual projects. It would also create investment uncertainty for individual landholders, who would then have to be stacked up waiting to find out whether or not they would be excluded or included in that process. We have already committed to parliament to make regulations that would put forestry managed investment schemes on the negative list of projects that are excluded from the scheme. So in that way we think we have achieved the same purpose, rather than trying to do it in—if you will forgive my turn of phrase—a piecemeal way.

Senator XENOPHON (South Australia) (13:06): I too do not wish to prolong the debate, but this is a very important issue in terms of water security and food security. Can I perhaps turn it around this way. The government says that this is a piecemeal approach; I think that this is a guaranteed approach. It is not piecemeal; it is a comprehensive approach to deal with this issue. But I will truncate the debate so that we can get to the core of the issue. The government says that it will not support this amendment, which disappoints me, but what
I am concerned about is this: how does the government say it will set criteria in assessing whether a project is an excluded offsets project? How will it set benchmarks? How will it appropriately assess whether a project will have an adverse impact on water or an adverse impact on food production? If, for instance, there is a risk that it could affect the supply of water in a particular area—for interception, for instance, which is a real issue in our river system, and esteemed water economists and scientists such as Professor Mike Young, from the Wentworth Group of Concerned Scientists, have talked about the issue of interception on many occasions—how will that be assessed? How will it be assessed whether a project reduces the production of a particular type of food grain in a particular area? How does the government take these matters into account? The government is saying, 'We agree with you that these are important matters, but this is not the way to do it.' How does the government say it will address these very important and fundamental issues?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:08): From the government's perspective, we think we have achieved that, if you look at the activities on the negative list, projects that were mandatory as at 24 March 2011. Activities that are specifically mandated by government regulations are not additional. Projects that were required by law as at 24 March 2011, when the CFI bill was introduced to parliament, are on the negative list to remove the incentive to repeal regulations in order to circumvent this part—the establishment of vegetation on land subject to clearing of native forest or draining of a wetland within three years of application, as an ineligible offset project; planting a known weed species; the establishment of a forest as part of a forestry management investment scheme—and you look at how you get there.

We will deal with that. Before an activity is listed on the negative list, risks are assessed in accordance with the AS/NZS ISO31000:2009 Risk Management—Principles and Guidelines, so it is—

Senator Xenophon interjecting—

Senator LUDWIG: There are enough zeros there. The risk management principles and guidelines are used. They are the standard that is appropriate. The minister will recommend that types of projects be added to the list following consultation with stakeholders. Regional communities, regional NRM organisations and state, territory and local governments can submit information about likely risks for assessment under that standard. So there is a process before an activity is listed—save the activities on the negative list, as you can clearly now see. The process of how they get on the negative list ensures that there are appropriate risk management principles and guidelines which are used. They are the standards that are accepted in Australia. Then the minister would recommend that types of projects be added to the list following the consultation that you described, and it is a wide-ranging consultation. Of course, it does not preclude regional communities, regional NRM organisations, local governments and the like. They can submit information about likely risks for assessment under that standard. In dealing with this area, we have tried to ensure that there is both a proper standard in place and a proper consultation in place and, of course, information about likely risks for assessment under the standard is input into that process as well.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (13:11):
rise to make a few remarks about this. The Greens were very concerned to make sure that we had a negative list in relation to this piece of legislation so that there was some clarity in the community, and I am very pleased that the managed investment schemes went on to that negative list right at the start. The Greens wanted to make sure that we had the benefits of various projects for creating carbon credits and also biodiversity outcomes under the Biodiversity Fund of the climate bills whilst at the same time trying to deal with the perverse outcomes that potentially could be there.

Members of the Senate will recall that I spoke very strongly against the 100 per cent tax deduction for carbon sink forests because they led to a distortion in land prices and so on in rural and regional Australia, after our experience of the managed investment schemes. So we wanted to make sure, in the course of this legislation and looking at the Biodiversity Fund under the climate bills, that we maximised local participation and maximised benefits whilst taking into account the perverse outcomes that might occur. We also wanted to minimise political interference in the decisions and try to make them systemic and policy based.

We have a scenario now where the NRM groups will be funded to assist them to be brought up to a certain level of proficiency. The NRM plans will be put up in the same sort of context. Projects that are brought forward will be compared with NRM plans, so local communities will be involved through NRM groups and through local government in looking at projects that are being proposed. They will be looked at in terms of the negative list and they will not be disallowable instruments of the parliament. I particularly do not want them to be disallowable instruments of the parliament because I want to make sure that we get to policy based outcomes that are not engaged with individual ministerial interference or parliamentary interference with disallowable instruments in this particular case.

I think we have a pretty good balance here with a recognition that we can enhance carbon in the landscape and that we can create opportunities for people in rural and regional Australia to create projects which are good for carbon, good for biodiversity and good for communities, but there is the capacity for any perverse outcomes which start to become apparent in a systemic way to go onto the negative list and add to the negative list over time. From the Greens' perspective I think we have achieved that through the negotiations that have gone on, through the amendments and through the complementarity of the carbon package as it has been announced. I am satisfied that, providing we get the NRM groups up to the standard needed and get the NRM plans, the collaboration of this will lead to good outcomes.

I note that it has been the Greens and the government who have recognised the value of the negative list by saying, upfront, to rural and regional Australia that these particular things will not be considered, including managed investment schemes. We want to make sure that what we are rewarding is additionality, not just existing good practice, but additional carbon in the landscape. We also need to get some academic rigour into this because, ultimately, when we go to international trading it is going to be critical that Australian projects stand up and withstand scrutiny. You are not going to have a good reputation as a player in a global market unless the product you are selling is rigorous—that is, it is additional and permanent. I am satisfied that we are achieving that. By passing this amendment you would be playing governments into individual project decisions and parliaments into disallowing individual project decisions,
as well as disempowering the very people you want to empower, the NRM groups and the NRM plans, which are based on proper, natural resource management. That is where we are coming from.

I note with interest that it is the coalition which wanted to abolish the negative list. This is extraordinary. They have been out in rural and regional Australia telling people about all the bad things that might happen and not admitting that it is the coalition that want to get rid of the negative list. It is the coalition that do not want to see managed investment schemes put on a negative list. No, they are happy for it to be 'all stations go', and that is completely unsatisfactory.

The Greens will not stand for perverse outcomes in rural and regional Australia on land and water use. We want to maximise the capacity for agricultural production while enhancing carbon in the landscape, enhancing restoration of carbon in the landscape and enhancing and maintaining biodiversity in rural and regional Australia. I think we are on track to achieve that with the way that the legislation is designed and also in complementarity with the carbon bills.

Senator XENOPHON (South Australia) (13:17): I acknowledge the work that Senator Milne and the Greens have done on the issue of managed investment schemes. I know that the Nationals have also been long-time campaigners on the impact of managed investment schemes. I agree with Senator Milne that we need to maximise the benefits of soil carbon and carbon-farming initiatives and minimise perverse outcomes. The intent of this amendment is to do that by ensuring that we do not have the perverse outcomes that we saw with managed investment schemes. I agree with Senator Milne that it is very welcome that a forestry managed investment scheme is included in the context of the regulations being proposed.

I just want to clarify what the minister has previously said. I think Senator Milne touched on the issue of NRM boards having input into this. What are the benchmarks for determining whether a project will be in the excluded offsets list, the negative list, if it is deemed that there will be an adverse impact on water or on the production of food? I still do not quite understand what the criteria will be. I do genuinely appreciate the minister's previous answer in relation to this. I thought he gave a good overview but in terms of the nitty-gritty, the specifics, how would it actually apply and work and how would it be done?

The second issue alludes to Senator Milne's comments about the perverse outcomes that we saw of managed investment schemes, which she has been a long-time campaigner on. If there are perverse outcomes—as I fear there may be in this section's current form—will there be ongoing monitoring and some transparency and accountability to ensure that we do not see those adverse or perverse outcomes that Senator Milne has referred to in a slightly different context? I think it is still relevant in respect of how we deal with this particular amendment.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:20): I table the draft regulations to tidy up the record so that they form part of the debate. In answering the last question, firstly, there is obviously a review in 2014. Secondly, the NRM boards will play a crucial role, as will the department, stakeholders, local councils and many other groups who are interested in this and who will continue to monitor. As we speak, a group of NRM has been receiving training. I had an opportunity to visit one group in
Brisbane who have been trained about how to approach and do this work. It is not only leaving it to NRMs to continue but is also about the government supporting the NRM groups and adding to their skill sets so that they can participate, explain and monitor the process.

To the earlier issue you talked about, the nitty-gritty, it is in the document with a number of zeros. It is the risk management principles and guidelines. It is AS/NZS ISO31000:2009 Risk Management—Principles and Guidelines that is used for risk management. It contains the principles and guidelines that you would use in a risk management system. I am not sure about the availability of that document, but I am sure it could be accessed through the Parliamentary Library, or we are happy to make it available to you. I do not want to table it, because I suspect it is copyrighted. It is an Australian standard but, in any event, we can make it available.

Senator Xenophon: These are the risk management guidelines?

Senator LUDWIG: Yes. That is the Australia/New Zealand ISO31000:2009 standard, which you described as the nitty-gritty of how they would then risk manage. As I described it earlier, the risks are assessed in accordance with that particular document. That would be the document that you would use to risk manage. In other words, it is the principles and guidelines.

In addition there are regional NRM plans. As part of the Clean Energy Future plan the government will provide $44 million over five years through the Regional Natural Resource Management Planning for Climate Change Fund. The NRM organisations will develop plans in each region to guide where carbon farming projects should be located in the landscape. These can be used by landholders to identify and develop activities to reduce carbon pollution. The fund will also support research and analysis to develop scenarios on regional climate change impacts, which can be used for NRM and land-use planning, because the government recognises that NRM plans are a vehicle for local communities to have a say about the types and locations of abatement projects in their region. It is a requirement of the CFI legislation that CFI proponents take account of regional NRM plans in the development of their projects and report any inconsistencies, so it also contains a feedback loop within it.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (13:24): Can I have some clarification. I think we followed all of that. The risk management guidelines will determine whether there is an adverse impact on water or on the land's productive capacity, for want of a better term. I just want to get a clear understanding that that is the process. I also understand that the minister just undertook to provide those risk management guidelines. Could we have a time frame on how quickly we can get those?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:24): We will certainly get them as soon as is practicable. It will not be in the next hour; I can assure you of that. We will see how we go. You can also make your own inquiries for it, but we will endeavour to get it as quickly as possible. As I said, before an activity is listed on the negative list, risks are assessed in accordance with that ISO code, which is called Risk Management—Principles and Guidelines. In the second step the minister will recommend that types of projects be added to the list following consultation with stakeholders, regional
communities and regional NRM organisations. State and territory local governments can also submit information about likely risks for assessment under that standard. I described earlier how the process would work under that fund. I will not go through it again in the interests of time, but I described how that fund would then support NRMIs in that process as well and assist landholders. The whole concept is about assisting landholders in carbon abatement through the CFI framework.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (13:26): Thank you, Minister. I appreciate that. I would say though that the adverse impacts on water and the adverse impacts on agricultural land are probably the key issues in this whole piece of legislation. I understand, as you say, that the risk management guidelines will be provided to us, but as colleagues would understand it is going to be very difficult for us to have a measure of the appropriateness of this whole process unless we can actually see those risk management guidelines, given that the legislation itself only says the minister must have regard to whether there is a significant risk. Perhaps, Minister, you can expedite the provision of those guidelines. I understand there are process issues around that. If it is not within the next hour, perhaps we will ask you again how long it might be until we see those guidelines. I cannot see the committee stage concluding until we are able to actually see that particular document.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:27): I am sure you would not filibuster. Can I draw your attention to the fact that this is about the bill and the amendments to the bill that we are working through. This has drawn your interest because you have raised the regulations. We have answered your questions in relation to how the minister would look at the risks and drawn to your attention source documents that would be utilised for that. Ostensibly it is about a scheme. The scheme is solid and the scheme is about providing carbon farming initiatives to those areas. Using the positive and negative list in an appropriate way is about how we manage those risks. We will do what we can, but I am asking you not to hold your breath.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (13:28): Thank you, Minister. I very rarely hold my breath with this government. I point out to the minister that it is directly relevant to this amendment. The government have indicated they are not going to support the amendment. In part that is due to the fact that there is a process: the risk management guidelines will be used to determine whether or not there should be an excluded offsets project. I would say that it is directly relevant, even to this particular amendment, as it is part of the government's determination of why they are not supporting this particular amendment from Senator Xenophon.

Senator BIRMINGHAM (South Australia) (13:29): As Senator Xenophon said, it is good to be back. My recollection of exactly where we were in this debate on this particular amendment is perhaps a tad hazy, I have to confess. I am not sure whether I made a contribution to this amendment previously and indicated that the opposition is inclined to support the amendment. As Senator Nash has been highlighting, we do have particular concerns about ensuring the integrity of this scheme in relation to its interaction with water resources and the availability and protection of key agricultural land and how it may or may not impact on
those issues. We think that it is important that they are fully thrashed out.

I am attempting to digest the draft regulations that the minister has laid on the table. I see that they were finished at 11.43 this morning, so they are a new edition according to the printout on the bottom of them. I suspect the coalition will have some questions. I am pleased the draft regulations have been produced. We have been calling and arguing that, for the sake of completeness, given that so much of this bill hinges on the operation of the regulations, they all should have been presented in tandem in a final version so we could have a fully informed debate in this place. Having the draft regulations at least takes us a step closer to that. It does not give us the final version, but as quickly as we can we will seek comment from stakeholders and other interested parties to help inform us on how these regulations might work. I suspect we will have some questions about some of the decisions that have been made in the regulations as well as we go through this.

In relation to the amendment of Senator Xenophon, firstly, on a very minor matter, assuming my printout and copy of the amendment is the one that is in play, I suspect that there is a typo in (a) of the proposed clause 1A which currently reads

... was established as, or as part, of a managed investments scheme.

Is that meant to be 'as part of' or 'is part of', Senator Xenophon? It may be 'as part of'. Now that I have read it out loud it makes more sense than when I read it before.

Senator Xenophon: It is 'as part of'.

Senator BIRMINGHAM: 'As part of' does work so that is okay. I accept that. Minister Ludwig, one of your main or primary arguments against this has been that it creates project-by-project type assessment criteria. I am wondering if in relation to the operation of the bill, you could give us a little clarity as to how or when the Domestic Offsets Integrity Committee will assess individual projects. Will they purely be projects that are brought to its attention by the administrator or projects that require changes to the methodology? The methodology changes are outlined in some detail in the bill. But individual projects may in their individual nature impact on matters of biodiversity or water availability, regardless of the generic nature of how you might attempt to define them. Specific projects, especially in the biodiversity concept, are locality specific in what impact they may or may not have on biodiversity. At what point would you imagine that the administrator or someone would bring a project to the attention of the Domestic Offsets Integrity Committee who may then provide some advice to the minister if there was a concern about biodiversity, or would it purely be assessment exclusively against these regulations that have been laid on the table?

Senator XENOPHON (South Australia) (13:34): The minister has stated in relation to this that there are some risk management guidelines used by Australia and New Zealand for these matters that the government says would deal with the issues that are the subject of this amendment which the government says will deal with them adequately. I cannot test that. I cannot compare what is contained in those guidelines with what is contained in this amendment. I wonder whether the government would have this amendment deferred until those risk management guidelines have been obtained. If the government is not so inclined to do so, it leaves me with no choice but to go to a vote, but I would have thought that may be relevant for the debate in relation to this particular subclause. It is an invitation to the government; whether the government accepts it is another matter. I am concerned
that the risk management guidelines are not readily available. I note the government is being quite open that it will make them available at relatively short notice. I appreciate that, but I just wonder whether it would be prudent for this amendment to be dealt with after those risk management guidelines are provided.

The TEMPORARY CHAIRMAN: I am going to call the minister, but I remind Senator Xenophon that would be a matter for the Senate chamber to determine.

Senator LUDWIG: That is exactly what I was going to say.

The TEMPORARY CHAIRMAN: I am just giving Senator Xenophon some guidance. Bearing in mind the response the minister might give you, you are still able to move that those two amendments be deferred to a later hour.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:35): It is a matter for the Senate and I am not going to correct the chair; I completely support the chair’s position in this. The documents are available through the infostore at saiglobal.com in their store index if you want them. I indicated earlier that I do not know the status of those documents. If we do provide them they would be one copy that is made available at some point for people to use but they would be returnable. I suspect there is a price attached to them as well if you want to buy and keep one.

Senator XENOPHON (South Australia) (13:36): Is this not so much user pays as legislator pays? It is quite extraordinary that something that is relevant to the consideration of an amendment is something that we have to pay for in order to properly consider the context of the amendment given what the government has said. I just find that extraordinary. Madam Temporary Chair, I have taken your objective guidance in relation to this given what I foreshadowed, so I move:

That consideration of amendments (3) and (4) on sheet 7118 be deferred to a later hour.

Question agreed to.

Senator XENOPHON: by leave—I move amendments (5R) and (6R) on sheet 7122 revised:

Clause 56, page 81 (line 25), omit “significant”, substitute “material”.

Clause 56, page 81 (line 26), omit “significant”, substitute “material”.

These amendments relate to the regulations to be determined as to projects that should be on the negative list based on their impact on the availability of water, conservation of biodiversity, employment and the local community. However, under the current drafting the application of the significance test is at a very high threshold. These amendments remove this test from the bill and say that the minister must have regard to whether there is a material, rather than a
significant, adverse impact on the availability of water, the conservation of biodiversity, employment and the local community. The government takes these issues associated with the negative list very seriously and has, in addition—which I think we have been discussing this morning—put out details of excluded project types for consultation. But, clearly, the importance of this is to get it right and we agree that these amendments will go some way to achieving that.

Senator BIRMINGHAM (South Australia) (13:40): I think this is not the first time that I have engaged with Senator Xenophon in a discussion or in a debate or in an amending about the significance of the word 'significant'. I do appreciate the manner in which Senator Xenophon has approached this issue. His original amendments were simply to remove the word 'significant', and the opposition was not favourably disposed to that. However, the substitution of the word 'material' does, I think, provide for an adequate test that where there is something that is of adequate import it should be considered a risk but it does not have to pass a size and scope test as to just how great that risk may be to qualify as being a significant risk or a significant adverse impact. The opposition is pleased to hear that the government is also supporting Senator Xenophon on these amendments. We offer our support and hope that at least this is an appropriate strengthening of the process for the making of these regulations and for the creation of the negative list and that it will provide all the appropriate protection of water availability issues and biodiversity issues and the other factors that are included in proposed section 56(2) of the bill.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (13:41): The Greens had some concerns about the word 'significant' because it depends on the perspective of the person speaking as to what the meaning of 'significant' is. I am pleased that Senator Xenophon has made that change to 'material'. We will agree with that. That does not preclude, of course, the discussion about what is a material impact. Nevertheless, I think it is a bit clearer and I support it.

Senator BIRMINGHAM (South Australia) (13:42): Having indicated our support here—and, of course, perhaps we will return to these when we return to Senator Xenophon's deferred amendments—I want to try to start working through some of the earlier issues in the draft regulations that the government has tabled. I am wondering if the minister would be so kind as to advise the chamber on what basis the figure of 600 millimetres of long-term average annual rainfall, which is specified in the regulations, was set and what evidence or parties were consulted in relation to that as a minimum benchmark, why that benchmark applies, what advice was taken as to whether that is an appropriate benchmark across all regional areas of Australia and whether there may be some merit in different benchmarks for different geographic localities.

Senator XENOPHON (South Australia) (13:43): Very briefly, Madam Temporary Chair, I indicate my appreciation for the support of the government, the coalition and the Australian Greens for these amendments. It shows you that with a bit of goodwill sometimes you can actually improve legislation in a way that I think has bipartisan support. It is one of the rare pleasures in this place when that happens.

Senator BIRMINGHAM (South Australia) (13:44): I would just say that if the minister would rather get some evidence and come back to that issue when we deal with Senator Xenophon's other amendments that would be fine. I am just noting that,
given we are in the section of amendments that deals with the excluded offsets projects and the minister has tabled this information, the 600-millimetre threshold is one of the early questions and I would appreciate some feedback from him on how that has been set. He can deal with that now while we are dealing with these amendments or deal with that when we return to dealing with Senator Xenophon's other set of amendments and considering the other issues there. That is up to him. I do not want to spoil the group love of unanimous endorsement of Senator Xenophon's amendments at present, but I think this is the appropriate zone in which to consider some of the issues related to these regulations. As I said, the 600-millimetre threshold is an early question that stands out as to why it has been set and who was involved in its setting.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:45): We will do it shortly. I do not want to lose the ability to pass one amendment.

The TEMPORARY CHAIRMAN: Third time is lucky. I now put the question that amendments (5R) and (6R) on sheet 7122 revised, moved by Senator Xenophon, be agreed to.

Question agreed to.

Senator XENOPHON (South Australia) (13:45): Amendment (7) on sheet 7118 is consequential to the earlier amendments being dealt with and that I sought to defer. For the same reason I seek to defer this amendment.

The TEMPORARY CHAIRMAN: Senator Xenophon, you have not actually moved the amendment.

Senator XENOPHON: I had better move it and then seek to defer it. You cannot defer something that you have not actually moved.

The TEMPORARY CHAIRMAN: You can just leave it. You can just jump to the next one, if you like.

Senator XENOPHON: It can be done at a later time, I take it.

The TEMPORARY CHAIRMAN: Correct.

Senator XENOPHON: Thank you, Madam Chair.

The TEMPORARY CHAIRMAN: Minister, we will get you to move your next amendment.

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (13:46): Are we moving through the same running sheet: clauses 27, 29 to 38, land registration officials?

The TEMPORARY CHAIRMAN: No. We have sheet revised 4. On the amendment sheet, it should have 'revised 4' at the top of the first page.

Senator LUDWIG: Where are you up to?

The TEMPORARY CHAIRMAN: We are now at clause 56, amendment (1) on sheet BR247.

Senator LUDWIG: I am with you now, Chair. Maybe it is easier if I move it at this point in time, because the government supports a similar amendment, which is listed below it on the sheet. The government's version in this instance is clear and avoids the ambiguity about the meaning of 'resources'. The difficulty is that, in deferring 56, I am now trying to address
something that is no longer there in part; but, nonetheless, we will march on.

The TEMPORARY CHAIRMAN: Let me get this clear: you are moving that amendment, which would make the opposition's amendment irrelevant if it succeeds.

Senator LUDWIG: This amendment seeks to ensure that when making the negative list, the minister considers whether there is—it will now read—'material risk of adverse impacts on land access for agricultural production'. This amendment will give effect to one of the recommendations made by the National Farmers Federation in its submission to the Senate Standing Committee on Environment and Communications during its inquiry into the Carbon Farming Initiative. The bill already provides that the minister is required to consider whether there is a material risk, if that is the kind of project which will have a material adverse impact on the availability of water, the conservation of biodiversity, employment and the local community in or in the vicinity of the project areas for that kind of project.

The TEMPORARY CHAIRMAN: Minister, could you formally move the amendment.

Senator LUDWIG: I thought I had formally moved it.

The TEMPORARY CHAIRMAN: We just want to ensure, for Hansard, that you formally move amendment (1) on sheet BR247.

Senator LUDWIG: I formally move amendment (1) on sheet BR247:

Clause 56, page 81 (after line 31), after paragraph (2)(d), insert:
(e) land access for agricultural production;

The TEMPORARY CHAIRMAN: Thank you very much.
agricultural production'. The government has presented a slightly different version, 'land access for agricultural production', instead. That is fine. That is welcome. We certainly would not proceed with our amendment should this amendment succeed—and, given that the opposition supports this amendment, we certainly expect that it will succeed. I note that the government has circulated an explanatory memorandum to explain what this means. The explanatory memorandum highlights that it would require the minister to also consider whether there is a significant, now material, risk that a particular kind of project would have a materially adverse impact on land access for agricultural production:

... in, or in the vicinity of, the project area, or any of the project areas, for that kind of project.

The opposition pursued this issue by presenting our amendments at the earlier stage of debate on this legislation because we agreed with the concerns the National Farmers Federation had and with the recommendation they had put that it was important to have an amendment of this type included in this legislation. Also, the government circulated this amendment prior to the recess we have just had, and that of course means that the government has known for some considerable period of time that it was intending to insert part (e) into proposed section 56(2) and that land access for agricultural production would become a factor for consideration.

Minister, given the strong support around the chamber for this inclusion and given the fact that the government has intended to include it for close to a month and a half, I have a question for you that I would appreciate your feedback on: how is this new section reflected in the draft regulations that you have intended for some time to include, is reflected in these draft regulations?

Senator IAN MACDONALD (Queensland) (13:55): I also am very interested in this clause and the question which my colleague Senator Birmingham, who is in charge of this bill in this chamber, has asked. I am delighted, actually, to take part again in this debate on a day which is the very first anniversary of that famous statement by the current Leader of the Labor Party, Julia Gillard, when she promised all Australians that there would be no carbon tax under a government she leads. Not only did she promise that; the federal Treasurer, Mr Swan, confirmed that the Labor Party in government would not introduce a carbon tax. In fact, he rubbish the Leader of the Opposition, Tony Abbott, who had predicted, I think on no fewer than 10 occasions, that the Labor Party would introduce a carbon tax if they won the election. Mr Swan said Mr Abbott was being hysterical even to suggest that, but where are we one year later? We are in the throes of a debate surrounding the new carbon tax which the Labor Party intends introducing.

Madam Temporary Chair, you may recall that the Leader of the Labor Party, Julia Gillard, promised that she would not take any action on a carbon tax until she had a consensus in the parliament. There was a consensus on the carbon tax. A year ago today there was a consensus between the Liberal Party, the National Party, the Labor Party and most of the Independents, and that consensus was: there will be no carbon tax under the next government, whoever it might be. Yet here we are, just 12 months on from that very famous, very obvious and very clear promise by the Leader of the Labor Party, Julia Gillard, to the Australian public that if they voted for her and her party, and for the senators sitting opposite—and about 50 per cent did, with the Greens pref-
erences—there would be no carbon tax. That is why Australians voted for either the Liberal-National Party or the Labor Party. They knew, because of a solemn promise by the Leader of the Labor Party, that there would be no carbon tax under the government she led. Here we are, exactly 12 months later, debating a bill that is putting into place some of the legislation surrounding the carbon tax that Julia Gillard promised would not be introduced.

How can anyone in Australia believe anything the current Leader of the Labor Party, Julia Gillard, might say about any policy issue? She cannot be believed on the carbon tax and she could not be believed on border protection and boat people. Heaven knows how many different changes of policy we have had since the election about 12 months ago. Nobody in Australia can possibly take Julia Gillard's word for anything. Today is the 12-month anniversary of Julia Gillard, and of all my Senate colleagues sitting opposite me here, promising the Australian people there would be no carbon tax under this government—and where are we today? I know many of my colleagues in the Labor Party sitting opposite are devastated by the fact that they are required by Labor Party rules to support this policy, which was born of a lie by the Labor Party leader 12 months ago today.

Progress reported.

**QUESTIONS WITHOUT NOTICE**

**Climate Change**

**Senator ABETZ** (Tasmania—Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Can the minister confirm that according to the latest International Energy Agency report China's CO₂ emissions in 1990 were 2,211.3 million tonnes of CO₂? Can the minister also confirm that according to the IEA China's CO₂ emissions in 2008 were nearly three times greater at 6,508.5 million tonnes of CO₂?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (14:01): I do not have the International Energy Agency document to which the senator is referring in front of me, but listening to the question I think the proposition is: as China has been growing, its emissions have been growing. I do not think there is anybody who would suggest that that is not the case. We have seen extraordinary growth in China over the last 20 years as well as an increase in disposable income and of course that growth is one of the strengths of the Australian economy. Of course there is anybody who would suggest that that is not the case. We have seen extraordinary growth in China over the last 20 years as well as an increase in disposable income and of course that growth is one of the strengths of the Australian economy. One of the underlying strengths of the Australian economy is the ongoing growth in China. I would have thought that the senator would not be churlish about that.

I would make the point that the opposition have persisted with the proposition that other countries, including China, are not acting on climate change—amongst the array of reasons they put forward against action on climate change. Of course they neglect to remind Australians that China has the world's largest installed renewable energy electricity generation capacity—some 37 gigawatts of renewable power capacity; more than any other country in the world—and
that China has also indicated it proposes to introduce emissions trading pilot schemes in a number of provinces, including the industrial centres of Beijing, Shanghai and Guangdong. The World Bank recently indicated these schemes may be expanded to a national scheme by 2015. The fact is that there are other countries that recognise that to move ahead in the global economy and to be a first-rate economy, you need to be a clean energy economy. On this side, we understand that. Regrettably, those on the other side who did understand that are silent.

(Time expired)

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:03): Mr President, I ask a supplementary question. I now refer the minister to the government's Clean Energy Future website fact sheet which states:

According to the International Energy Agency, in the last 20 years China has reduced its amount of carbon pollution faster than any other major economy and, as a developing country, its efforts to limit emissions have been substantial.

On what basis is this claim made, given China has tripled its output of CO₂ in the past two decades?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:04): I think I dealt with that in the first question. I do not think there is a suggestion anywhere in the world that we will not see growth in emissions from certain countries. The question is: to what extent is growth in your economy linked to growth in emissions? Other countries have recognised that prosperity in the future will require GDP growth to be delinked from growth in pollution. We cannot continue to have an industrial-age approach to this which says that every unit of economic growth that we have will equivalently increase pollution by a unit. We have to delink those. A great many economies around the world recognise that to be a first-rate economy, you need to be a clean energy economy. That is why China is investing in the sorts of things I described and that is why we need a price on carbon in Australia.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (14:05): Mr President, I ask a further supplementary question. Is the minister aware that according to the latest International Energy Agency data, China's emissions represent an increase of a staggering 194.3 per cent over just the last decade? Can the minister explain why the government is spending millions of dollars of taxpayers' money on promoting its carbon tax with information that is just simply wrong?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:06): This from the man who presided over the Work Choices advertising campaign. How many millions of dollars in mousepads and fridge magnets did Senator Abetz sign off on in order to convince Australians that somehow reducing penalty rates—

Senator Ian Macdonald: On a point of order, Mr President: question time becomes a farce when ministers simply attack the questioner instead of attempting to answer the question. On the point of relevance: nowhere has the minister in her 15 seconds so far even bothered to address the question. She has simply, as she always does, attacked the questioner personally because quite obviously she is incapable of addressing the substantive part of the question.

Senator Ludwig: On the point of order, Mr President: I will not be drawn on the way Senator Macdonald attacks questioners and the technique that he uses.

Senator Abetz interjecting—

The PRESIDENT: This is not the time to debate the issue.
Senator Ludwig: The minister has been directly answering the question. The minister has been ensuring that she meets the question. In the stretch of the question that Senator Abetz raised, it is within the ability of the minister to range a little more widely than usual. That is acceptable in providing a direct response.

The President: The minister has been going 15 seconds, as has been rightly pointed out. I am listening closely to the answer of the minister. The minister knows the question which has been asked and has 45 seconds remaining.

Senator Wong: I was simply pointing out the hypocrisy of Senator Abetz, of all people, asking the government about communications and advertising when he presided over the largest advertising campaign, some $55 million, to convince Australians that taking away their penalty rates and other conditions was a good thing. Again I remind the Senate that China is the world's largest producer of both wind turbines and solar panels. It has added some 37 gigawatts of renewable power capacity, more than any other country in the world. Its target is to reduce carbon emissions per unit of GDP by 40 to 45 per cent by 2020. And on a per capita basis, China's level of pollution is about six tonnes a person and ours is 27. (Time expired)

Economy

Senator Moore (Queensland) (14:09): My question is to Senator Wong, the Minister for Finance and Deregulation. Can the minister outline to the Senate the importance of responsible economic and fiscal management, especially in this time of international economic uncertainty? How has this approach been received and what is our government's response?

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:09): Thank you, Senator Moore, for the question. Certainly we have seen a lot of volatility in international markets in recent times. We have seen a concern, as people know, about those markets for a range of reasons, including what has occurred in the United States and in relation to Europe. The fact remains that Australia is better placed than just about any other nation to ride out the current global turbulence. Despite some difficult circumstances, Australians have good reasons to be confident. We have strong fundamentals and we are located in the fastest growing part of the global economy. One of the strengths to which we can point is an enviable fiscal position—one of the best in the developed world—and our highly credible fiscal strategy.

Senator Brandis: No debt left by the coalition, by John Howard!

Senator Wong: Those on this side have put forward a budget which has restricted real spending growth to just one per cent on average over the forward estimates.

Senator Brandis: Who paid off the debt?

The President: The time for arguing this issue is post question time.

Senator Cormann: Who left you with no government debt and a surplus?

The President: Senator Cormann, post question time!

Senator Sherry interjecting—

The President: Senator Sherry. When we have silence on both sides, we will proceed.

Senator Wong: In times like these, it is crucial to have a clear, achievable and disciplined plan for fiscal consolidation and the government does. That is why our fiscal strategy has received such a resounding endorsement by ratings agencies, by the international community and by the International Monetary Fund. We know what
the opposition want to do. On the back of their $11 billion black hole from the election we now find another 70 billion reasons to worry about Mr Abbott. The opposition has finally started to understand that their decisions not to get their costings right during the election campaign, to continue to oppose savings measures, to continue to support spending measures have left us with an even bigger black hole. Mr Hockey's black hole has gone from $11 billion to $70 billion. What an achievement! (Time expired)

Senator MOORE (Queensland) (14:12): Mr President, I ask a supplementary question. Can the minister advise the Senate on any risk to delivering on the government's fiscal strategy?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:12): Self-evidently, the risk is those opposite—being unable to explain their $11 billion black hole. I noticed Mr Oakes appears to have been backgrounded by both Mr Hockey and Mr Robb anxiously blaming each other for the $11 million black hole, but now we see that Mr Hockey's outstanding contribution to the argument about economic credibility is to dig an even bigger hole, from $11 billion to $70 billion. That is the equivalent of stopping all Medicare payments for four years or stopping the family tax benefit for three years. And this opposition could not even cobble together $2 billion worth of savings in order to avoid imposing a flood levy. (Time expired)

Senator MOORE (Queensland) (14:14): Unlike those opposite, we are serious about fiscal responsibility. That is why the IMF have given us a tick. Instead, what we have from those opposite is an economic team that is simply a joke. Mr Abbott has described economics as boring. He said he does not care about the opinion of economists. The reality is actually worse. He does not care what he damages as long as he lands a punch. Mr Abbott is a risk to the Australian budget. Mr Abbott is a risk to the Australian economy. That is demonstrated by the fact that his shadow Treasurer has done nothing except dig a big black hole.

Now the opposition, because of all their decisions, just to get to the starting line have to find the equivalent of stopping Medicare payments for four years. (Time expired)

Carbon Pricing

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:15): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. On this first anniversary of the Prime Minister's election promise that 'there will be no carbon tax under the government I lead', will the minister explain why the government feels no obligation to keep its promises to the Australian people?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:15): The government has been very clear about why it is in the national interest to act on climate change. Those opposite who were supporting Mr Turnbull will recall there was a time when you were not led by someone quite so reckless, when you also recognised the importance of acting on climate change.

We have been very clear with the Australian people about the need to act on climate change. The Prime Minister has spoken at length about the reasons for the
decision to move to a fixed-price system followed by a floating price—that is, an emissions trading scheme. One thing is clear: it is absolutely in the nation’s interest to deal with climate change. This is not an issue that is going to go away. This is not an issue that can be chased away simply by the scaremongering of those opposite.

The government understands there are a great many Australians who are concerned about this policy, who are concerned to understand the impact of the Clean Energy Future package on their households and on their families, which is why the government has worked very hard to ensure that that information is provided to the Australian people. This is, no doubt, a difficult reform. It is a reform that requires this parliament to look to the longer term and not just to the short-term politics. What you can always guarantee is that those opposite are led by a man who will never look to the long term, who will only ever look to what he believes is a short-term political advantage. He used to believe that he needed to act on climate change and that supporting an emissions trading scheme was the way forward, until he thought the politics had shifted.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:17): Mr President, I ask a supplementary question. Is the minister aware that the Prime Minister assured the parliament on 10 May this year that the government will be:

… returning the budget to surplus in 2012-13, on time, as promised, as I said to the Australian people at the last election.

Does the minister stand by the Prime Minister's statement that a budget surplus in 2012-13 was a promise—not an objective, not an aim, not a goal but a promise?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:18): Mr President, I am very happy to answer that, although it is not a supplementary question, I would submit. I am not sure what it had to do with a carbon price.

Unlike those opposite, the government have a clear plan to return the budget to surplus in 2012-13 and we are determined to get there. We laid that plan out in the budget, we made the savings decisions that were required, we exercised restraint in expenditure so that, on average, the growth in expenditure is one per cent—

Senator Ian Macdonald: What a joke!

Senator WONG: I will take that interjection from the very loud senator at the end there and make the point that if you want to find that kind of restraint in expenditure over a five-year period you have to go back to the 1980s. It was not ever achieved by Mr Costello. The reality is: we have a plan; they do not. The opposition have a $70 billion black hole just to get them to the starting line. That is what they have. (Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:19): Mr President, I ask a further supplementary question. Minister, I refer you to your statement on 29 June that:

… there’s really only one set of numbers I’m worried about. That’s making sure we get back into surplus by 2012-13 …

Minister, do you regard that as a promise? Should the Australian people have as much faith in this promise to return the budget to surplus by 2012-13 as in the Prime Minister's promise that there will be no carbon tax under the government she leads?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:20): We have laid out a clear plan to return the budget to surplus in 2012-13 and
we are determined to get there. Those opposite may not like the fact that we have demonstrated fiscal restraint and credibility, in stark contrast to them, but those are the facts.

It is true, there is no doubt, that events in the global economy do make that task more difficult—

Opposition senators interjecting—

The PRESIDENT: Senator Wong, you might just resume your seat for a moment so that people can settle down and I can listen to the answer.

Senator Ronaldson: This claptrap is intolerable. Was it a lie or wasn't it a lie—yes or no?

The PRESIDENT: Senator Ronaldson, if people wish to debate the issue, the time for that is three o'clock. You know that as well as I do.

Senator Conroy interjecting—

Senator Brandis interjecting—

The PRESIDENT: Senator Brandis and Senator Conroy, if you wish to have a discussion about Queensland, I suggest you go outside.

Senator Wong: As I said, we have a clear plan to return the budget to surplus in 2012-13 and we are determined to get there. We put forward our budget to the Australian people and to this parliament. What I would say is this: I wonder if the $70 billion is a promise? I wonder if the $70 billion is a commitment? I wonder if the $70 billion will ever be delivered on?

Senator Brandis: Mr President, a point of order on direct relevance: I only want to know one thing: is it still a promise?

The PRESIDENT: Order! There is no point of order. Senator Wong, continue—you have 15 seconds.

Senator Ludwig interjecting—

Senator Ronaldson interjecting—

The PRESIDENT: Senator Ronaldson and Senator Ludwig, if you wish to go outside, go outside and have your discussion.

Senator Wong: I am sure the Australian people will be very interested in knowing whether or not the $70 billion is a promise. We have a budget. We have put it forward to the Australian people through this parliament, clearly costed, based on Treasury and Finance advice—the same people who found your first black hole. It is a smaller black hole—(Time expired)

Palestine

Senator Bob Brown (Tasmania—Leader of the Australian Greens) (14:23): My question is to Senator Conroy, representing the Minister for Foreign Affairs. Is the government aware of calls, including those from the Australian Jewish Democratic Society, for Australia to back next month's move by the Palestinian delegation at the United Nations for recognition of Palestine as an independent state?

Senator Conroy (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:23): I thank Senator Bob Brown for his question and interest in this area. Australia's position on the Middle East peace process is clear. Australia has consistently and strongly supported a negotiated two-state solution that allows a secure and independent Israel to live side by side with a secure and independent future Palestinian state. Australia continues to urge both parties to return to direct negotiations as a matter of urgency. The government and, indeed, the international community are under no illusions about the difficulty of such negotiations.
The Minister for Foreign Affairs, Kevin Rudd, has underlined to both sides Australia's strong support for a negotiated two-state solution during visits to Israel and the Palestinian Territories in December 2010 and March and April 2011. Australia is a longstanding friend and close partner of Israel. We have a strong longstanding commitment to Israel's right to security and self-defence. Australia played an important role in the 1948 negotiations that led to Israel's creation and voted in favour of General Assembly resolution 181 in 1947 to establish separate Jewish and Arab states. This support is unwavering.

Australia is also making a tangible contribution to the peace process through our support for the Palestinian people. Since 2007 we have provided nearly $170 million in humanitarian and institution-building assistance to the Palestinian National Authority and refugees. Australia is now the 10th largest donor to the UN Relief and Works Agency for Palestine Refugees in the Near East. The government has also established a five-year development partnership with the Palestinian Authority, including regular budget support delivered through the World Bank and scholarships focused on disciplines critical to institution building. *(Time expired)*

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (14:25): Mr President, I ask a supplementary question. I gave notice of this question to the foreign minister and I would expect an answer to the question I put, which is: will the Australian government next month be supporting or opposing the move, which has a majority of countries supporting it, in the United Nations for Palestine to be recognised as an independent state?

**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) (14:26): There have been a number of developments this year that have focused the attention of the international community on the Middle East peace process. The Arab spring has been one of these developments. In May of this year President Obama delivered an important speech on developments in the region, saying that the future borders of Israel and a future Palestine state should be based on 1967 borders with mutually agreed land swaps. There are growing indications that the Palestinians are preparing for some form of statehood initiative at the September meetings of the UN General Assembly. As yet, no draft resolution has been formulated, nor is the nature of the proposed resolution clear.

The government is closely following developments around a possible UN resolution on Palestinian statehood. The government will make a decision on any vote closer to the time, based on principle and in close consultation with our friends in Israel and the Arab world. In our view, the best, most sustainable and durable solution to the Middle East peace process is a two-state outcome that has been negotiated directly between Israel and the Palestinians. *(Time expired)*

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (14:27): I have a further supplementary question, Mr President. In view of the Australian government not having made up—

**Senator Brandis:** Do you still support Jewish businesses, Bob?

**The PRESIDENT:** Order! Interjections are disorderly, you know that.

**Senator BOB BROWN:** Will the minister give an assurance to the Senate that he will report to the Senate before the United
Nations deals with this matter on Australia's position once the resolution has become clear?

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) (14:28): I am happy to seek any further information from the Minister for Foreign Affairs in response to that final supplementary question and come back to you, Senator Brown.

Carbon Pricing

Senator CORMANN (Western Australia) (14:28): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to evidence given to the Select Committee on the Scrutiny of New Taxes last Wednesday when the Secretary of the Department of Climate Change and Energy Efficiency, Mr Blair Comley, said and confirmed that under the government's proposed legislation the carbon tax would in fact apply to fuel from 1 July 2012. Given this admission, will the minister now also admit that this means that around 60,000 Australian businesses will have to pay the carbon tax directly as of 1 July 2012, not just the 500 the government misleadingly claims, and that about 100,000 businesses will have to pay it from 1 July 2014, not just the 500 that the government misleadingly claims.

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:31): Mr President, I ask a supplementary question. Given that, after all of her bravado, the minister just quietly confirmed that tens of thousands of Australian businesses will be forced to pay the additional 6.21c per litre for fuel under the government's carbon tax, what compensation, if any, will these small businesses get from this government?

Senator CORMANN (Western Australia) (14:31): I am rather wary of accepting what has been asserted as having been the evidence, having just been advised that Senator Abetz misquoted the Clean Energy Future website in his question. He left out the per unit of GDP, which was a rather important aspect of the question—anything to get a question in, I suppose. I also congratulate Senator Cormann on his House of Representatives ambitions. I see that he is seeking to make a move. I do not know whether he should be congratulated or commiserated for seeking to leave the chamber.

In any event, the government has made clear that all fuel, including petrol, diesel and LPG for passenger motor vehicles and light on-road commercial vehicles, will not be subject to a carbon price. Households and most small businesses already pay fuel excise on their transport fuel and will not face a further carbon price. I am not sure whether or not the senator has been accurately quoting the evidence from the committee. It is the case that some businesses get fuel tax credits, which obviously means they pay no excise or road user charges. The fuel tax credits will be reduced for many businesses, such as mining businesses who use fuel off-road, so that they face an effective carbon price. To help the heavy on-road sector transition to the carbon price, the government's position is also that heavy on-road vehicles will be exempted for the first two years of the scheme, but the government's intention is to bring them into the scheme from 2014-15. Fuel tax credit entitlement will not change for agriculture, forestry and fisheries.

Senator CORMANN (Western Australia) (14:31): Mr President, I ask a supplementary question. Given that, after all of her bravado, the minister just quietly confirmed that tens of thousands of Australian businesses will be forced to pay the additional 6.21c per litre for fuel under the government's carbon tax, what compensation, if any, will these small businesses get from this government?
take issue with the premise of his question, which appears to suggest that the government has not been clear about this. This information has been on the public record from the day of the announcement. If the senator checked the documentation which was released on the day of the announcement he would see that the various ways in which fuel is treated were made clear on that day and subsequently. So any suggestion that this is only now being revealed by virtue of Senator Cormann’s fabulous questioning is untrue. I would also make the point that all fuel, including petrol, diesel and LPG for passenger motor vehicles and light on-road, will not be subject to a carbon price. (Time expired)

Senator CORMANN (Western Australia) (14:33): Mr President, I ask a further supplementary question. Given the government’s own Department of Climate Change and Energy Efficiency has now clearly contradicted the Prime Minister, is it not the case that the Prime Minister’s ‘No carbon tax on fuel’ promise is just another one of her broken promises?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:33): That is not the case. The position is as I have outlined and was the same position that was articulated by the government on the day of the announcement. I am not sure how much further I can assist Senator Cormann on this issue. I have outlined the position in relation to fuel. It is regrettable that those opposite persist in peddling a range of false information about climate change, about the carbon price and about the Clean Energy Future package. It is regrettable because this is an issue that is important for the long-term interests of the Australian nation. It is about ensuring that we do move to a clean energy economy. A carbon price does act as a signal to investment to ensure that we see even greater investment in clean energy jobs in clean energy industries. That is the way of the future.

Budget

Senator FURNER (Queensland) (14:34): My question is to the Minister for Small Business and the Minister representing the Assistant Treasurer, Senator Sherry. Can the minister advise the Senate how the government’s fully costed and budgeted economic policies are building a stronger economy and a fairer Australia? Is the minister aware of any alternative policies and do these alternative policies pose risks to the economic wellbeing of all Australians?

Opposition senators interjecting—

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:35): Mr President, the Liberal senators opposite will not be laughing when they come out of the ERC after looking for $70 billion in savings, I can assure you of that. We have seen in recent times a great deal of volatility in world financial markets. In large part, that has arisen as a consequence of concerns about Europe and the United States having very significant debt levels and high levels of unemployment. There is no better place in the advanced economic world to be than Australia in current circumstances. We have solid economic growth, low unemployment, well-regulated and well-capitalised banks, and this government has a proven track record throughout the global financial crisis of implementing policies to ensure that we did not enter recession and to ensure stability in our economy.

I have referred to the debt crisis. There is no doubt that many advanced economies have government debt levels that in many cases exceed 100 per cent of the total value
of their economy, but Australia has lower debt than most major advanced economies. We are among only 14 major countries with a AAA credit rating and we have a clear plan to bring the budget back into surplus. So I was somewhat taken aback last week when I saw the press headlines, 'A $70 billion black hole'. I thought to myself, 'Where has this occurred in Australia?' The Liberal-National Party opposition have worked up a $70 billion black hole. At the last election it was $11 billion—

Opposition senators interjecting—

Senator SHERRY: They are laughing, but apparently Mr Hockey leaked this to highlight the seriousness of it. They have been promising so much. Mr Abbott has been around promising so much, like all of the shadow ministers— (Time expired)

Senator FURNER (Queensland) (14:37): Mr President, I ask a supplementary question. How is the Gillard government's plan to deliver the benefits of the mining boom to all Australians central to the nation's economic future?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:37): The Liberal-National Party has promised to scrap the mining tax, the resource tax—

Senator Ian Macdonald: Hear, hear!

Senator SHERRY: 'Hear, hear', but where are you going to find the money to replace it? They are doing this at the same time as they are promising tax cuts. The money from the resource rent tax is to pay for cutting the tax on superannuation contributions, cutting the tax on the first $1,000 of savings, reducing company tax to 29 per cent and introducing a new generous depreciation arrangement for small business. Where is the Liberal-National Party going to get the money for those measures if it scraps that tax? The reality is, that is why they have to find some $70 billion in savings—because they have been running around the country saying they will scrap this tax while at the same time wanting to keep the measures it pays for. That is why they need the $70 billion. (Time expired)

Senator FURNER (Queensland) (14:38): Mr President, I have a second supplementary question. Can the minister inform the Senate how the Gillard government is keeping up the responsible economic management that is so important to keeping our economy strong?

Senator SHERRY (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:39): It is irresponsible of those opposite to promise to scrap a tax—and of course another one is the carbon tax—but where are they going to get the money from to pay for the pension increase? Maybe in this $70 billion of savings they are actually going to cut pensions? If you remove the tax that pays for the increase, you have to make these savings somewhere. Maybe they are going to reduce Medicare payments; otherwise, where will they find the tens of billions of dollars they need? Reduce pensions? If they reduce the resource rent tax they will have to claw back the compensation in income tax and social security payments. That is why they are $70 billion in debt. (Time expired)

Carbon Pricing

Senator PAYNE (New South Wales) (14:40): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency. Is the minister aware that according to the Housing Industry Association building approvals are down by 15.5 per cent compared with one year ago? Given this and the fact that global economic
conditions are increasingly fragile, can the minister advise the Senate why the government is introducing the carbon tax, which will add an average of $5,000 to the cost of building a new home?

**Senator Wong** (South Australia—Minister for Finance and Deregulation) (14:40): I understand Minister Combet has previously indicated the government's expectation in relation to the cost impact of the carbon price on housing supplies and house prices is expected to be less than 1 per cent. Information provided by the CSIRO shows that most of the products used in building a house, such as steel, cement and aluminium, will receive maximum rates of assistance under the carbon price Jobs and Competitiveness Program. The government has also, as Senator Payne would know, taken a range of policy initiatives to address housing affordability, with a package of measures to improve competition in the mortgage market, the National Rental Affordability Scheme—which is assisting with the construction of new affordable rental properties—and the Better Cities Regional Program.

There are a lot of claims being made about the impact of pricing carbon. Many of those claims do not stack up in terms of the Treasury economic modelling which was released, which was done by the same people who provided modelling to Mr Costello and Mr Howard and presumably who advised the Howard cabinet when it also adopted a policy of pricing carbon.

**Senator Sherry:** Mr Abbott.

**Senator Wong:** Of course Mr Abbott was a member of that cabinet. I believe Senator Payne was one of those who used to believe we ought to act on climate change. It is regrettable that she, too, has chosen to engage in a scare campaign which is all about trying to divert this debate. The government understands that this is a difficult policy reform. It is not an easy reform. It is certainly an easy reform to campaign against but it is the right reform. (Time expired)

**Senator Payne** (New South Wales) (14:42): Mr President, I ask a supplementary question. Is the minister further aware that the most recent figures estimate the housing shortage in Australia at over 202,000 dwellings and that is expected to increase to over 300,000 dwellings by 2014? Can the minister advise the Senate of the extent to which the carbon tax will further increase the shortage of housing in Australia?

**Senator Wong** (South Australia—Minister for Finance and Deregulation) (14:43): I think I have answered the question, and that answer refutes the proposition in relation to price and tries to set out the advice the government has received. One wonders whether or not housing programs would be amongst the $70 billion worth of programs that the opposition would have to cut. Perhaps Senator Payne, who has a good relationship with the shadow Treasurer, is saying to us that the reduction in investment in housing under this government will not occur under Mr Hockey's $70 billion black hole expenditure reduction program. That is the reality. There are a lot of claims being made about what will occur as a result of the carbon price. Many of them do not stack up against the economic evidence. I have laid out for the chamber the government's advice in relation to the housing price issue. (Time expired)

**Senator Payne** (New South Wales) (14:44): Mr President, I ask a further supplementary question. Given that the costs of building materials, tools and fuel will all be substantially higher under the carbon tax of your government, can the minister confirm whether or not the government plans...
to provide compensation to the residential building sector?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:44): I previously explained the likely impact of a carbon price on housing. I have explained that many of the inputs such as cement, steel, aluminium, etc., will be provided with the highest level of assistance under the Jobs and Competitiveness Program—94.5 per cent assistance. I would also say this: when the opposition were in government they had no housing minister and they cut funding to social housing by $3.1 billion resulting in a loss of 33,000 properties. What I suggest to you, Senator, is you might want to make sure that Mr Hockey, in his desperate attempt to claw back some economic credibility and to beat off Mr Andrew Robb for his job, does not come after your portfolio of housing when he is looking for $70 billion.

Coal Seam Gas

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (14:45): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Can the minister inform the Senate whether coal seam gas extracted in Australia is less greenhouse gas intensive than black coal on a life cycle analysis basis and, if so, by what percentage?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:46): It is the case, through you Mr President, that gas is generally lower in emissions than coal. It has been some time since I looked at the figures, so I do not want to make a guess here in the chamber. In terms of a question about whole-of-life cycle and so forth I am not in a position to provide any information on that at this point, but I will see if I can provide some further information on that. I will say that in a number of countries where there have been carbon price or equivalent carbon price policies gas has been a transition field. The senator would know that because, in general, gas is less emissions intensive than coal fired power. From recollection, for example, in the United Kingdom gas is the transitional baseload power fuel.

Obviously we are a government that is investing very substantially in renewable energy. The first aspect of that has been the government’s Renewable Energy Target Scheme which has previously been through this chamber, I think, on two occasions, increasing the amount of renewable energy in the market to 20 per cent. The senator would also know the range of investments in renewable energy that the government has proposed as part of the Clean Energy Future package in which she and other members of parliament were involved.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (14:47): Mr President, I ask a supplementary question. I thank for the minister for her answer and acknowledge that she indicated her remarks were probably on the basis of the megawatts at the point at which the burning takes place and not a life cycle analysis. I ask her further: has the Department of Climate Change and Energy Efficiency conducted or commissioned any independent analysis of the greenhouse gas intensity of coal seam gas produced in Australia or is the government relying on industry studies from here and from overseas to form its view?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:48): I do not know what studies have been undertaken in relation to that issue by the department of climate change, so I will take that part of the question on notice and see if I can provide further information. I
would say this, Mr President—and I know some of the senator's views on these issues, which are on the public record—this government does see LNG as a critical industry for Australia. The government does see LNG as a cleaner burning fuel and an essential part of the global solution to reduce greenhouse gas emissions. This government does see the importance of this industry providing jobs and opportunities in regional Australia. So on this issue I suspect, from the tender of the questions, Mr President, that Senator Milne and the government do have a different view about the importance of this industry and our support for the industry. Having said that, we recognise this is an issue that the senator has some concerns about and I will certainly seek information. (Time expired)

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (14:49): Mr President, I ask a further supplementary question. Given that the minister has undertaken to get some more information, would she please get information on whether the government is relying on studies from industry alone, here and overseas, and whether those studies have taken into account not only the fugitive emissions from leaking wells and pipes but the energy input from reverse osmosis of the billions of litres of produced water and also the energy embodied in liquefaction and transport here and overseas?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:50): As the senator would know—and I am surprised he did not ask the question of Senator Evans—this is a government that is making record investments in Australia's universities. He might come in here and try to construct some convoluted argument that, amongst the things that are going to fall apart when this country prices carbon—as Prime Minister Howard promised to do—is the Australian tertiary education sector, but I would suggest to him that that is simply untrue and an example of more scare-mongering by the opposition. This government is making record investments in Australia's university system. This government is seeing additional students going to Australia's universities, including more from low-socioeconomic backgrounds. These are good things.

Senator Brandis: Mr President, on a point of order: this answer has no bearing whatsoever on the question that was asked. The question asked whether modelling had been undertaken. The question more broadly asked about the impact of the carbon tax on universities. Nothing the minister has said has had anything whatsoever to do with either the narrower or the broader implications of the question.

The PRESIDENT: Minister, I draw the question to your attention. There is one minute and seven seconds remaining for you to address the question.

Senator WONG: I was simply making the point that the backdrop of the carbon price is unprecedented investment in Australia's universities. I know the opposition may not wish to recognise that the carbon price will come in at a point where
we have a federal government which has delivered to the university sector 100,000 more students than when we came to government. That is the context in which the carbon price will be in place.

It is the case that, as consumers of energy, there is an impact through energy prices on the university sector, as there is on others. But as I said, this is in the context of a government that has made very substantial and significant additional investments in universities and has delivered 100,000—

Senator Ian Macdonald: Are they going to get any compensation?

Senator WONG: One hundred thousand more students are now attending Australia's universities as a result of the policies of this government. That may be something the opposition does not wish to talk about, but those remain the facts.

Senator MASON (Queensland) (14:53): Mr President, I ask a supplementary question. If there is no modelling that the minister is aware of, can the minister advise the Senate of the government's estimate of the direct and indirect financial impact of the carbon tax on universities? Is the minister aware that the total direct and indirect costs for an average sized university of 25,000 students will be just under $7 million a year in 2012-13, making the total cost for the sector at least $280 million in the first year and rising every year thereafter?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:54): We have released a very substantial amount of whole-of-economy modelling—

Senator Ian Macdonald: When are you releasing it? When are you going to show us?

Senator Carr: You have got to be able to read. That helps.

The PRESIDENT: Senator Wong, continue. Ignore the interjections. They are disorderly. You know that.

Senator WONG: I just thought I would wait for him to stop, Mr President—undertaken by the Treasury. It is the case that the government has made—

Senator Ian Macdonald interjecting—

The PRESIDENT: Senator Wong, ignore the interjections. They are disorderly.

Senator WONG: The government has released a range of details about household price impacts. Included in that was electricity, which was on average—this is for households—$3.30 a week. Obviously the question the senator is asking would be answered by how much energy a university uses. I am not sure we have done an average price across all universities in this country.

Senator MASON (Queensland) (14:55): Mr President, I ask a further supplementary question. Can the minister confirm whether any of Australia's 39 private or public universities are any of the top 500 polluters that will be slugged with the carbon tax? If so, which are they?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:55): I think Mr Combet has previously been asked by the opposition to name the polluters, which was an interesting question for the opposition to put. We have declined to do that for obvious reasons, but we have indicated the sorts of industries that you would anticipate—

Senator Ronaldson: You can't get away with an answer like that. You either know who they are or you don't.

The PRESIDENT: I remind those interjecting that it is disorderly. If you want to debate it, debate is after three o'clock. Senator Wong, continue.
Senator WONG: As I was saying, the government has declined to release the details of the companies. I think that is reasonable. We have outlined the sorts of industries you would anticipate and they are highly emissions intensive industries. That is unsurprising. We have gone through a process of discussing in great detail with industry the sort of assistance that is required and many of those industries will be receiving assistance. (Time expired)

Hospitals

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (14:57): Mr President, my question is to the Minister representing the Minister for Health and Ageing, Minister Ludwig. Can the minister please inform the Senate about recent developments in the Gillard government's health reform agenda?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:57): I thank Senator Carol Brown for her question. The Gillard government has struck an historic deal with all states and territories that will significantly reform the health system in Australia. This historic agreement will deliver the funding public hospitals need with unprecedented levels of transparency and accountability, less waste and significantly less waiting for patients. Most importantly though, it is a health reform deal that will deliver for patients. It is a deal that will mean 1,300 beds. This deal will result in $19.8 billion in extra funding. We will share in the growth in services in equal partnership with full accountability of where every dollar of public hospital funding is going. To deliver value for money hospitals will be paid for the services that they actually perform. There will also be national standards for emergency departments and elective surgery.

Further, to improve transparency performance will be publicly reported on the MyHospitals website. There will also be more local governance of health services through the establishment of local hospital networks and Medicare Locals. The extra Commonwealth funding will mean our hospitals will be able to take on millions of extra services that would never have been possible before, including, to give you context, 2.9 million extra cases in our emergency departments, 2 million additional in-patient services such as major surgery and 19 million more out-patient consultations. These are some of the millions more services that will be delivered. Australia needs a health system that is built on a firm funding basis. (Time expired)

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (14:59): I thank the minister for his answer and I ask him a supplementary question. Can the minister explain to the Senate some of the patient benefits contained in this historic health agreement?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:59): I thank Senator Carol Brown for her supplementary question. This deal will ensure faster access to emergency departments and elective surgery. The agreement includes examples such as four-hour targets for emergency waiting times with the aim that 90 per cent of patients across all triage categories are seen within four hours. For elective surgery times, the agreement sets 100 per cent elective surgery targets aimed at ensuring all patients waiting for elective surgery are treated within
clinically recommended times. The Senate may be aware that, in 2009-10, 16 per cent of more than 606,000 elective surgeries performed in Australia were not carried out within the clinically recommended times. Under the agreements struck by the Gillard government with the states and territories on board, we will work to ensure that— (Time expired)

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (15:00): Mr President, I ask a further supplementary question. Can the Minister representing the Minister for Health and Ageing please outline to the Senate why this agreement is historic for health reform?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (15:01): Thank you, Senator Carol Brown.

Opposition senators interjecting—

Senator LUDWIG: Those opposite are interjecting about their own position. Let me say this: this agreement has been struck by the Prime Minister and the states and territories. It is the first time that such an agreement has been reached across state borders and party lines. It is unfortunate that I am unable to report to the Senate that this bipartisanship has extended into the federal area. The opposition said yesterday—they can correct it if I am wrong about the reporting in the Financial Review—that they oppose legislation that would lock in extra funding for hospitals. Shame on them; they would oppose funding that locks in extra funding for hospitals. This means that health spending is on a chopping block, just as it was when Mr Abbott was health minister, and Mr Joe Hockey is looking directly at that chopping block. (Time expired)

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

ANSWERS TO QUESTIONS ON NOTICE

Question No. 437

Senator CORMANN (Western Australia) (15:02): Pursuant to standing order 74(5), I ask the Minister representing the Treasurer for an explanation as to why an answer has not been provided to question on notice No. 437 regarding how much of the stimulus package remains to be spent in 2010-11, 2011-12 and 2012-13 even though that question was asked back on 11 March 2011?

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:02): I can indicate to Senator Cormann that my advice is that the response to this question was tabled with the Senate today. I thank him for letting my office know he intended to raise this.

Senator Abetz: You could have told him.

Senator WONG: Senator Abetz, I was somewhat busy in question time, otherwise I would have sent him a note. I thank him for having the courtesy to raise this with my office this morning.

Senator CORMANN (Western Australia) (15:03): I move:

That the Senate take note of the explanation. In doing so, I do express disappointment that we have been waiting for 150 days for some pretty basic information which goes to the government's financial and economic management. We wrote to the minister at 9.30 or 10 o'clock this morning and nobody had the courtesy to let us know that the intention was to table it today. At this point I do not have a copy of the answer, even though the minister was well aware that this issue was going to be raised after question time. I wrote to the minister twice in relation
to this. I wrote to the minister back in May, I wrote to the minister again in July. We had a debate about it for 20 minutes back in July, which you might remember, Mr Deputy President Parry, because it was your first opportunity to chair this session with us as the new Deputy President.

We have a government here in Canberra which is incompetent, fiscally reckless and irresponsible, and refuses to be accountable to the parliament. It is just not good enough that the government is unable to provide an answer for 150 days about how much of the stimulus package remains to be spent for 2011-12 and 2012-13. Some of the information sought has since become public through other channels, specifically in relation to 2010-11 and 2011-12. The fact that for 150 days this government refused to provide an answer to a question that should be answered within 30 days would seem to indicate that there is something to hide. I would be very interested to read the answer that finally has been put forward and to see why the government would try to avoid answering a basic question like this for more than 150 days.

We have a bad Labor government here in Canberra which spends too much, borrows too much and taxes too much. Whenever questions are raised this unaccountable Treasurer, who treats the Senate with absolute contempt, refuses to provide answers in a timely and appropriate fashion.

We always have to remind ourselves why this government is now able to brag about the stronger position that Australia is in compared to other countries around the world. The reason we are in a better position than we otherwise would be is because this government inherited a budget with absolutely no government net debt. This government inherited a budget where we had to spend zero dollars on interest payments servicing the debt that was paid off by the previous government.

We now have an incompetent Treasurer who treats the Senate with contempt, who was not able to provide an answer in good time. Whenever he has something to hide, he goes for the cover-up. And we can well understand why he would go for the cover-up. With the government having inherited a very strong budget position, we are now in a position where four out of four budgets under this government have been deficit budgets. Every single budget that has been put together by the Labor Party has been a deficit budget—every single one of them.

But we were told that 2012-13 was going to be different, that 2012-13 was going to see the historically unprecedented experience of a surplus under this Labor government. The Treasurer, Wayne Swan, was going to deliver a surplus budget in 2012-13, but he was not prepared to tell us how much he was still going to spend on his fiscal stimulus package in 2012-13. I would be very interested to see what the answer says and even now maybe somebody can provide me with a copy of the answer that the government supposedly has tabled here in the parliament. I think it is quite extraordinary that the minister would just tell us that the answer has been provided without actually giving it to us.

Here we have a government which in 2009-10 spent $28 billion on stimulating the economy through fiscal stimulus—that is, by spending taxpayers' dollars, by borrowing money, by going into debt. Do you know what the Reserve Bank was doing at the same time? In 2009-10 the Reserve Bank increased interest rates six times in a row. This government was completely panicked, they were completely out of their depth and they did what they always do when they do...
not know what to do. They looked at their Labour friends and at their Democrat friends in other parts of the world. They looked at what Gordon Brown was doing in the UK and they looked at what Barack Obama was doing in the US and they thought that, as they were spending money, as they were spending more and as they were taxing more and going into debt, 'maybe we should do the same'. So off they went and spent $89 billion of taxpayers' dollars. Even at a time when the Reserve Bank was putting on the brakes through monetary policy, this government was still out there stimulating the economy. So you have the Reserve Bank and this incompetent and fiscally reckless and irresponsible government going in opposite directions.

I was very interested to observe that in the US we have had interest rates at record lows—hovering around zero per cent—for a couple of years. In fact, the US Federal Reserve said that interest rates in the US would remain at 0.25 per cent or thereabouts until the middle of 2013. That was their attempt to provide additional impetus to the market. Of course, in the UK and in the US they have been printing money for a number of years. They call it quantitative easing.

I have just had advice that the Senate Table Office as at 3.07 pm, which was three minutes ago and was after Minister Wong said to this chamber that the Treasurer's answer had been tabled, had not received an answer to question on notice No. 437. So here we have Senator Wong misleading the chamber. I hope that Senator Wong has the courtesy to come back into this chamber as this is an absolute disgrace. This incompetent government is treating this Senate with absolute contempt. For more than 150 days it has refused to provide an answer to a very legitimate question about how much of the fiscal stimulus package remains to be spent in 2012-13, and here we have the minister for finance, on behalf of the Treasurer, advising this chamber that an answer was tabled in the Senate, when I have advice now from the Table Office that so far there is still no answer. This government is perpetuating the cover-up. This is an absolutely disgraceful and outrageous contempt of the Senate.

We have a government that has completely mismanaged our public finances. We have a government that inherited a strong budget position but has completely made a mess of it. Every single one of those Labor senators on the other side of the chamber is going to be responsible, in the passage of history, for the mess that they have created. They are making it worse. We are already in a situation where we are looking at $107 billion worth of government net debt. We have had four successive deficits. In question time today, Minister Wong was laying the groundwork, was laying the foundation, for the delivery of a deficit in 2012-13. The words she used were that, oh well, the world has changed. There is always an excuse for yet another Labor deficit. There is always another reason as to why this government cannot live within its means.

The truth of the matter is that we did not need to go this far into debt. We did not need to spend $89 billion worth of taxpayers' dollars—taxpayers' dollars raised today or taxpayers' dollars borrowed against future generations. In Australia our official cash rate bottomed out at three per cent. In 2009-10 alone we had six successive increases in interest rates to take the interest rate in that year from three to 4.5 per cent. Of course, since then we have had another 0.25 per cent increase, to take it up to the current rate of 4.75 per cent. Clearly, there was an opportunity for the Reserve Bank to continue to do its job and to continue to provide stimulus to the economy, if that was required in its judgment, by further lowering interest
rates. Our interest rates bottomed out at three per cent and have since gone up to 4.75 per cent but in the UK and in the US they are still at record lows. We know that is one—not the only one, but one—of the reasons why the Australian dollar is in the position that it is in, which is putting further pressure on exporters across Australia. It is one of the reasons why the Australian exchange rate is where it is compared to that of the US.

If only the Reserve Bank had been allowed to do its job and if only the Reserve Bank had not faced a government that was putting billions and billions and billions of dollars of fiscal stimulus into the economy—in inefficiently, mind you, through pink batts, through school halls, through the Building the Education Revolution and through all of the inefficient programs that they put out there. It would actually have been much more efficient if the Reserve Bank had been able to effectively put more money into the economy by reducing interest rates, which would have left people with more money in their pocket and they would have allocated their money throughout the economy way more efficiently than this incompetent government could. Instead we have pink batts, school halls and all sorts of things that have been examples of bad and wasteful spending of taxpayers’ dollars and we have been left with $107 billion of government net debt—from a start of zero net debt and it is rising. In this budget alone, $26 billion is going to be spent on servicing the interest on the debt that this government has accumulated—and again it is rising.

I make the point here that this incompetent government is actually going to introduce new multibillion dollar taxes that are going to make us less competitive internationally, that are going to have a serious impact on our economic prosperity into the future. All of that leaves the budget in a worse fiscal position at the end of the process. I will explain: only the Labor Party can come up with a new multibillion dollar tax that would leave the budget in a worse position. We have two examples of this. There is the mining tax, which Treasury tells us will raise about $38½ billion over the decade. Incidentally, $25 billion of that will come from iron ore production in Western Australia. The cost of the related measures—the proposed increase to compulsory super, the company tax cuts and various other measures—is about $57 billion over the same period.

Over the next decade, the budget is going to be about $20 billion worse off than when this government started, further worsening the structural deficit position. This does not even take into account the fact that every time a state government—or the state government in Western Australia, the state government in Queensland or any other state government with resources—makes a decision to remove a royalty concession or to increase royalties, it will be a further black hole in the budget, courtesy of the dodgy mining tax deal that this government entered into with the three big mining companies. No wonder this budget is in a mess. No wonder the Labor Party cannot deliver a surplus budget. Every time they make a decision, the budget is in a worse position than before they started.

I will stay on the mining tax for a moment. The government promised to credit all state and territory royalties to those who have to pay the mining tax. Here we have the government which dodgily and inappropriately did a deal behind closed doors—it was exclusive and in secret—with the three big mining companies. Not only were all their competitors excluded; state and territory governments, who just happen to have responsibility for royalty arrangements, were also excluded. Nobody included them in the deal, but here we have this
incompetent government making a promise to these three big mining companies. Clearly they stared them down. The three big mining companies got this Prime Minister and this Treasurer to promise to credit all state and territory royalties without the state and territory governments being part of the agreement. In this country, you cannot have tax reform in the area of resource taxation or in the area of royalty arrangements without actively engaging and seeking agreement from state and territory governments. Any competent federal leader would know that and any competent federal Treasurer would know that—except for this Prime Minister and this Treasurer. Of course, this is just one example of incompetence.

There is also the carbon tax. I was there on budget night on Lateline. I was sitting next to the Minister for Finance and Deregulation, Senator Wong. We were both giving our assessment of the budget. Senator Wong was saying how fantastic it was, and I was saying, 'It's just not worth the paper it's written on.' Do you know why I said that, Mr Deputy President? The carbon tax information was not in it. So we said: 'The revenue figures are wrong. The expenditure figures are wrong. The inflation figures are wrong. The economic growth figures are wrong—everything is wrong.' Minister Wong said, not to worry, that it will be broadly budget neutral. We now know that it will not be. The government will raise $25 billion and spend $4.3 billion more. The budget is going to be $4.3 billion worse off, yet again.

I conclude my contribution on this: I cannot believe that Minister Wong has not come in here to explain why she has misled the Senate. I hope that an explanation from the minister will be forthcoming at a later hour. She told us that an answer to the question that I raised had been tabled, when clearly the Table Office has confirmed—and I suspect that it is still the case right now—there is no answer from the Treasurer. I think that is absolutely disgraceful. I look forward to it being provided to us ASAP.

Senator IAN MACDONALD (Queensland) (15:19): I was going to defend Senator Wong from that attack on why she had not answered the question, until I heard that she had actually misled the Senate. She followed her leader's cause of telling mistruths—in her leader's case, lies, deliberate lies, to the Australian public. It was exactly one year ago today that Julia Gillard, the Leader of the Labor Party, promised Australians that there would be 'No carbon tax under a government I lead'. She also promised that she would not introduce a carbon tax until there was a consensus. There was a consensus a year ago, and that was a consensus of most politicians in this parliament that there would be no carbon tax.

I wanted to defend Senator Wong because I can understand why she, on behalf of the Treasurer, has not got the time to answer questions. It is because she has been so busy trying to explain and excuse her leader, Julia Gillard, who deliberately lied to the Australian public a year ago today when she said that there would be 'No carbon tax under a government I lead'. A year ago Senator Wong was the minister for climate change. She was the one running around at Copenhagen who was going to save the world from climate change. She was the one who no doubt joined with her leader in putting forward this solemn promise to the Australian public that there would be no carbon tax under a government Julia Gillard led. And I can understand why Senator Wong has since that moment been so busy trying to explain that deliberate and outright lie of her leader, Julia Gillard.

One might understand why Senator Wong was not able to pass on the answer from the Treasurer. Could I also just perhaps offer a
little helpful advice not only to Senator Wong but to all of the ministers on the other side. If Senator Wong, and she is the principal offender, at question time actually tried to answer a question, perhaps there would not be as many questions put on notice because we would get the answers in question time, which is what question time is all about. We in this chamber and the Australian public expect that at question time the government is asked questions about its administration of the government and we and the Australian public expect that reasonably competent ministers might be able to answer those questions in question time.

Very few of the ministers on the other side, perhaps with the exception of Senator Sherry, can ever answer a question without notice. When she is asked a question Senator Wong has adopted the tactic—and just bear my words on this, and look through the Hansard—whereby, for the first half of her time, at least, for answering questions she chooses to attack the questioner. It happened today, but that is not unusual. She does it all the time. I would suggest to Senator Wong and other ministers in this chamber that if they were to put a little more effort into actually answering questions rather than attacking the questioner, or rather than talking about anything except what the question is about, there would perhaps be fewer questions put on notice and we would not have the sort of debate and anger that comes up when governments cannot answer questions after 135 days, as it is in this case.

I urge government ministers to try and have a go at answering questions put to them. If you have not got a clue on the answer, which is basically all of the time, can you just sit down instead of wasting the Senate's time in attacking the questioner. In that way we may not have so many questions needing to be put on notice.

Question agreed to.

Question Nos 232 and 274

Senator HUMPHRIES (Australian Capital Territory) (15:24): Pursuant to standing order 74(5), I ask the Minister representing the Minister for Foreign Affairs for an explanation as to why answers have not been provided to question Nos 232 and 274, asked nine months ago, in November 2010.

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) (15:24): I understand that the senator will be receiving a response to his important questions in coming days. I am also advised that the opposition will not be able to cover its $70 billion black hole from the modest amount of stationery purchased by the Minister for Foreign Affairs and the Minister for Trade.

Senator HUMPHRIES (Australian Capital Territory) (15:24): I move:

That the Senate take note of the explanation.

The fact is that, however the minister chooses to make light of this question, I have asked a serious question about the government's use of stationery, mobile telephones and travel and other issues that go to the competence and good administration, or lack thereof, of this government. I asked those questions of every minister in November last year, which is nine months ago. The Minister for Foreign Affairs does not seem to be able to answer those questions. I accept that that minister may have travelled somewhat more than other ministers and probably has more staff and maybe more mobile phones than other ministers, but I also note that his colleagues were able to answer those questions in a much shorter time frame—for example, the
Minister for Defence, with a very complex portfolio and presumably as large and complex an office, was able to answer these very questions back in January this year, seven months ago. If this government is serious about transparency and about good administration, it ought to be upfront about what it is spending on these matters. I urge the minister to provide those answers very quickly.

Question agreed to.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Answers to Questions

Senator RONALDSON (Victoria) (15:26): I move:

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

I assume that the two ministers at the table will not be speaking in relation to this motion. I assume that Senator Brown is not and, therefore, I assume that Senators Feeney and Pratt will be speaking on this matter today. I ask them this question and I want them to give the chamber the answer: 12 months ago were the Australian people entitled to believe the Prime Minister when she said, 'There will be no carbon tax under a government I lead'? Were they entitled to believe her when she made that comment 12 months ago?

The answer to that question must surely be yes. But I will wait for Senators Pratt and Feeney to confirm that the answer must be yes to that simple question of whether the Australian people were entitled to believe their Prime Minister when she said to them that 'there will be no carbon tax under a government I lead'? The answer to that question must be an emphatic yes, they were entitled to believe it.

So the next question for Senators Feeney and Pratt must be: on what basis do you now justify what was a clear lie to the Australian people? Rise today and tell the chamber and the community on what basis you justify a lie told 12 months ago. If there is no justification, and there can be no justification, stand up and tell this chamber, tell the people in the gallery, the people listening today and the thousands of people who were demonstrating today on what basis you justify not going to the Australian people for a fresh election to let them vote on this issue.

There are three key issues; there are three key answers to three key questions. I will be very interested to hear, Senator Feeney and Senator Pratt, what your responses will be. You cannot leave this chamber today without answering those questions because they are fundamental questions about the public policy debate we are having at the moment. They are fundamental questions which you must answer. The Australian people surely were entitled to believe their Prime Minister when she told them six days before the last election that there would be no carbon tax. You and I know, Senator Feeney, through you Mr Deputy President, that had she been truthful to the Australian community the outcome of that election would have been entirely different.

It was a bald faced lie designed to put people at ease about a carbon tax prior to the election. She either knew it was a lie at the time, having had the discussions with Senator Brown before then, or knows there can be no justification whatsoever for her behaviour since. If the Australian people are not able to rely on their Prime Minister to be truthful with them about such a significant
public policy matter, how can they believe anything else she tells them? How can they believe her? This debate is about the Prime Minister's integrity. This debate is about the sorts of matters that Senator Wong refused to answer today. We saw utter incompetence from this senior government minister. She had absolutely no idea of the implications for the freight sector, the small business sector and regional and rural Australia in the answers she gave. She had absolutely no idea whatsoever. My home city of Ballarat, along with Geelong and Bendigo, are great manufacturing centres in regional Victoria.

Senator Feeney, you and I know what the outcome of this tax will be. You and I know what your own union leaders are saying about this insidious, toxic tax. You know what effect it will have on the coal industry and you know what jobs will be at risk. You have provided absolutely no level of comfort for anyone outside regional and rural Victoria, let alone metropolitan Australia, in relation to what this tax will do.

Let me go very quickly through some of the ramifications, all of which are undeniable and all of which beggar belief—and it beggars belief that an Australian Prime Minister can do this to her own people. A family on a single income of $65,000 a year will receive no compensation—(Time expired)

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (15:31): I rise on the motion to take note of Senator Wong's answer.

Senator Ronaldson: Answer my question.

Senator FEENEY: Senator Ronaldson, having just endured your hyperbole for the last few minutes, I am sure you will pay me the courtesy of listening. The Labor Party's policy is to achieve a five per cent cut in 2000 emission levels by 2020. This represents a goal of abating some 160 million tonnes of carbon by 2020. I think that policy is generally well known. What I think is perhaps less well known is that the Liberal and National parties have the same policy. It is also their policy to cut 2000 carbon emission levels in this country by five per cent by 2020. One might think that the fact that we have the same target and the same policy might mean that we are in an environment where there could be accord. One might think that it might be the basis for agreement. Of course once upon a time it would have been. The reason it is not the case now, the reason it is not the basis for an accord, is that the Liberal and National parties live in shame of their own policy. Theirs is a policy that was cobbled together in the aftermath of dealing with the clash between those opposite who are sceptics and those who believe in climate change. They now have a policy which they seek to hide. This is why those opposite wander around Australia and say different things to different audiences. This is why those opposite attend rallies of climate change sceptics and shamelessly agree with those audiences.

The fact that their policy is the same policy as the government's is hidden. When one looks in detail through their policy, their so-called direct action policy, one finds it is neither direct nor about action. It is a policy that aims to achieve the very same targets as our policy, but they have found a more expensive route to do it. The direct action policy is a policy which ultimately boils down to paying polluters and sending the bill to Australian households. Theirs is a command economy model and it goes to one of the more extraordinary features of this debate. The government are promoting a policy which ultimately will result in an emissions trading scheme—a floating price. The fixed permit will ultimately transition
into a carbon market and that market will mean—

Senator Fifield: It is an artificial market.

Senator FEENEY: On that interjection, one might reflect that the very first markets in every sphere of activity were. There is demand. There is supply. There will be a market and that market will set a price. If those opposite want to have angst about the design of this market, let them do that. But surely their first order of business should be to try and craft a market of their own. But they are not doing that; of course they are not. Those opposite are seeking to achieve the same target that this government are seeking to achieve, but they have looked to the Soviet Union for inspiration. It is a five-year tractor factory in the Urals that sits as the guiding light for the policy of those opposite.

While it is estimated that the carbon price designed by this government and to be delivered by this government will cost something in the order of $550 per person, I have seen an assessment that under the coalition's policy it will cost $750 per person. How can this be so? Those opposite are crafting a policy which hinges on the idea of a committee of cabinet handing out enormous sums of money to their friends, the polluters. The extraordinary proposition, as Malcolm Turnbull has so eloquently put it, is that those who are polluting will be paid to abate their polluting. Under their own system there is absolutely no incentive for polluters to reform their behaviour. But wait; it gets worse. Under their carbon plan, 70 per cent of the carbon to be abated is to be abated through soil carbon. As we know, soil carbon is not presently accounted for in the Kyoto accounting standards. So their 70 per cent target is something that cannot be accounted for in the international system. That may be an unfortunate thing—(Time expired)

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (15:36): I rise on the motion to take note of Senator Wong's answer. I was listening with great interest to Senator Feeney, particularly where he said that both parties have the same emissions reduction target of five per cent by 2020, and that given this it would be nice if there could be bipartisan accord. Can I say that there is a bipartisan accord on the way to deal with this and it is not the one Senator Feeney was referring to. In fact, the bipartisan accord came into existence exactly one year ago today when the Prime Minister put a hand on her heart and solemnly said to the people of Australia, 'There will be no carbon tax under a government I lead.' From that day on there was a bipartisan approach to dealing with emissions reduction, based on the fact that neither major party would introduce a carbon tax. Earlier this year, the bipartisan approach to emissions abatement which Senator Feeney longs for evaporated when the Prime Minister broke her solemn promise to the Australian people.

So here we are on the first anniversary of her statement that—and I repeat her very clear statement—'There will be no carbon tax under a government I lead.' On this anniversary of her solemn statement to the Australian people the Prime Minister should apologise. Today thousands of people have been out the front of Parliament House, all of them incensed by the fact that the Prime Minister managed to achieve a victory at the last election based, at least in significant part, on the fact that she had made that promise to the Australian people. We all know there is no doubt that there are seats around the country which Labor would not have won had she not done that.

The Prime Minister now says, 'Things changed after the election and we had to go with the circumstances we faced at that point.' When Tony Abbott, as Leader of the
Opposition, was challenging the Prime Minister prior to the election, there was absolutely no doubt as to the circumstances he was talking about. When he said to the Prime Minister, ‘Will you rule out introducing a carbon tax after the next election?’ it was in the full knowledge that the Greens had an excellent chance of winning the balance of power in the Senate and that the Prime Minister would need to deal with the Greens. It was in the full knowledge that the election was going to be tight and that there could be a need to deal with Independents in the post-election environment. The Leader of the Opposition put that challenge to the Prime Minister knowing full well that that was the case and the Prime Minister, in making her response, knew full well that those were the circumstances in which that challenge was being put to her. Yet she still stood up and said, 'There will be no carbon tax under a government I lead.'

So after the election, when what was likely to occur did occur, the government, for what can only be considered grubby personal reasons of wanting to hang on to power, did a deal with the Greens. As a result the Prime Minister had to renege on her promise to the Australian people and, as we all know, is now seeking to introduce this carbon tax.

I say again, the argument we have in this place when talking about the government’s carbon tax is not whether Australia should take action to reduce emissions. That is accepted by both major parties. Senator Feeney acknowledged that just a few minutes ago. The argument is: what is the best way to do this? This is despite the fact that government senators—Senator Feeney excluded on this particular occasion—continue to paint themselves as the only major party committed to this outcome. It is disingenuous and dishonest to do that because clearly both major parties have a plan to reduce emissions. The government's plan is far more about being seen to be doing something than actually addressing the problem. Their toxic new carbon tax may help them to feel warm and fuzzy and may even help them sleep better at night—because they feel they have done something for the environment—but their tax will not help reduce global emissions and will not address the challenge of climate change.

In answering a question from Senator Abetz, Minister Wong spoke about China’s renewable energy production but failed to look at the relativities, to mention the percentage of renewables of the total economy which that represented. This is massive compared with Australia's energy production. (Time expired)

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (15:41): In question time today, Senator Wong gave excellent responses to the questions asked of her and said in one of her responses, 'To be a first-rate economy you need to be a clean energy economy.' Australia's carbon pollution is continuing to grow at a rapid rate. Without action it is expected to grow by almost two per cent a year to 2020. That is why the Australian government has a comprehensive plan to build a clean energy future. Our plan includes introducing the carbon price, promoting innovation and investment in renewable energy, encouraging energy efficiency and creating opportunities in the land sector to cut pollution.

Climate scientists have been telling us for years that the world is warming and that carbon pollution poses a threat to our environment and our economy. The rest of the world is acting and we cannot be left behind. Eighty-nine countries, which represent 80 per cent of global emissions and 90 per cent of the world's economy, have
already pledged to take action on climate change. Australia generates more carbon pollution per capita than any other developed country, including the United States. We also produce significantly more pollution per person than India and China. Our carbon pollution is increasing at a rapid rate and without action it will continue to grow. We cannot wait any longer. We must act now and the Gillard Labor government is taking action to reduce greenhouse gas emissions.

A price on carbon is not a tax on ordinary Australians. It is the big polluters who will pay under the government's carbon price plan—unlike the direct action plan of those opposite who insist on making taxpayers pay. Under their plan, families will be worse off with each Australian household paying around $1,300 more in taxes. In the government's plans, Australia's 500 biggest companies will be charged for the pollution they produce. This will help drive investment in clean energy technologies. It will be good for our children and our grandchildren. All of the money raised from the carbon price will be used to support households and jobs and to invest in clean energy and climate change programs. To assist households with price impacts, the government is introducing a comprehensive assistance package. This will comprise two rounds of tax cuts and increases in pensions, allowances and benefits. The tax cuts and increased payments will be targeted at those who need them most. This will mean Labor will ensure that pensioners, low- and middle-income earners and families are assisted.

Under our assistance package, nine out of 10 households will receive assistance through a combination of tax cuts and increased payments. Almost six million Australian households will receive tax cuts or increases in payments that fully cover the average price impacts of the carbon price. Labor will also provide a 20 per cent buffer for over four million Australian households. This means that those households will receive assistance that covers 120 per cent of the average price impact of the carbon price. Age, disability support and carer pensioners will receive $338 a year for singles on the full rate and $510 a year for couples combined on the full rate.

We know that self-funded retirees will also require support when the carbon price is implemented, so we will be providing the same assistance to eligible self-funded retirees that we are providing to age and disability pensioners. We are also tripling the tax-free threshold to over $18,000, which means that over one million Australians will no longer need to lodge a tax return.

In my home state of Tasmania the assistance package will ensure that 102,300 pensioners receive assistance through their pension payments to offset any carbon price increases. More than 45,600 families in Tasmania will also receive household assistance through their family assistance payment. On top of this, taxpayers in Tasmania with an annual income under $80,000 will get a tax cut, with most receiving at least $300 per year. This assistance is in stark contrast to the plan offered by the opposition. (Time expired)

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (15:47): The opposition has asked questions today on the carbon tax and is seeking to take note of answers to those questions for the very simple reason that every Labor member and senator who was elected at the last election—every single one—was elected on the basis of a lie. In the House of Representatives, of 150 members, 148 presented themselves to the electorate on a platform of there being no carbon tax—because I assume that Mr Oakeshott and Mr Bandt presented themselves on a platform of
a carbon tax. The entire economic policy of this government is therefore also based on a lie.

I take a particular interest in the effect of this so-called economic reform because my state of Victoria will be hit first and hit hardest by the carbon tax. You may know, Mr Deputy President, that my office is in the south-eastern suburbs of Melbourne and the south-east of Melbourne is the home of manufacturing in Australia. Somewhere in the order of 44 per cent of manufacturing output comes from the south-east region. There are 70,000 people employed in manufacturing in that region. I have been visiting manufacturer after manufacturer during the break, with Mrs Mirabella from the other place, the shadow minister for industry, innovation and science, and when you talk to manufacturers it is not a pretty story that you hear. They tell you in detail the number of employees they will have to lay off if a carbon tax comes into place and about how much their energy bills will go up. We are talking hundreds of thousands of dollars in increased costs for many of these businesses.

I do want to acknowledge, however, that one Labor member, Mr Dreyfus from the other place, who is the parliamentary secretary for climate change and a carbon tax, has been visiting manufacturers in the south-east. Indeed, when I went to the annual general meeting of SEMMA, the South East Melbourne Manufacturers Alliance, a week or two back, Mr Dreyfus was addressing the meeting on the topic of 'Why a carbon tax is good for you'. He did not receive a terribly good reception, it would be fair to say. He did not persuade the audience. I recall that one manufacturer stood up and said, 'In my business we're going to have to pay $120,000 a year more in electricity because of the carbon tax,' and Mr Dreyfus's response was, 'That just goes to prove my point that the impact of a carbon tax will only be modest.' What Mr Dreyfus considers to be modest is something entirely different from what a business considers to be modest.

We have spoken a bit about the manufacturing sector and we have spoken about the steel industry and other industry sectors, but there is one area that has received scant attention from this government in relation to the impact of a carbon tax. That is the area of disabilities, carers and the voluntary sector. The government, when it comes to people with disabilities, says: 'Trust us. We'll give compensation. It'll be sorted.' The government is offering an increase to the disability support pension. That sounds fine if you accept that that compensation is adequate—which I do not, but let's just put that to one side for a second. There are over four million Australians with a disability. There are 813,000 odd people on the disability support pension. That means there are in excess of 3.2 million Australians with a disability who will receive no direct compensation as a result of the carbon tax. It is ironic in the extreme that at a time when the government is talking about improving long-term care and support for people with disabilities through the idea of a national disability insurance scheme—and that is something I am very supportive of—and making the lives of people with a disability easier, it is also looking at a way, a method, that will impact directly on the living standards of people with disabilities. Carers, according to the government, will receive an increase in their carers payment, but there are many millions more carers than there are people on the carers payment. This tax will hit the south-east of Melbourne hard. It will also hit people in my portfolio hard. (Time expired)

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (15:52): I rise to respond to an answer the minister
gave in relation to coal seam gas. I find what is going on in Australia with coal seam gas fascinating because there is an assumption, which keeps getting trotted out all over the place, that coal seam gas is cleaner than coal as an energy source and, therefore, we should embrace a massive expansion of coal seam gas.

When I asked the minister today if she could tell the Senate whether coal seam gas extracted in Australia is less greenhouse gas intensive than black coal on a life cycle analysis, she could not answer the question. That is because the work has not been done here in Australia on the greenhouse gas intensity of coal seam gas on life cycle analysis. It is about time that it was. I am one of those people who has said strongly that gas internationally has to be seen at the maximum as a bridging fuel. In Australia we need to move straight to renewables and people looking at gas need to see it as an interim measure and not as a long-term investment. Because certain companies see the profits that they think they can get from coal seam gas, tragically they have completely overrun rural communities in Australia. These communities are outraged at what has been going on, as is the medical fraternity which is out there very strongly warning of the health impacts of coal seam gas.

The Greens will bring in legislation which will give farmers the right to say, 'No, you can't come on to the property to extract coal seam gas.' I will be very interested to see what the coalition does. The Leader of the Opposition, Mr Abbott, has got into quite a pickle on this. Last week he said that farmers should say no, but he has spent the past 24 hours back-peddling and trying to dig himself a place to hide from that issue. We need to have Australian studies on the greenhouse gas intensity of coal seam gas from whoa to go, including fugitive emissions from the areas where these gas wells are being drilled and fugitive emissions from not only those leaking wells but also the pipes. We need to have the energy input analysed from the reverse osmosis of the billions of litres of produced water. We also need to look at the energy embodied in the transport of the gas to the liquefaction facilities, the liquefaction itself and the transportation overseas. Once you start looking at the greenhouse gas emissions and the intensity of all that, you will find that all these people who claim that coal seam gas is cleaner than coal are in fact wildly exaggerating any benefits. When you take away the disbenefit of loss of agricultural production, you will show that coal seam gas is not the great investment that so many people claim it is.

It is time we took food and water security seriously. I have argued in here until I am blue in the face that you cannot deal with these issues separately. You need to look at the water crisis, the food crisis, the energy crisis and the climate crisis all at once and not take actions that lead to perverse outcomes if you deal with only one of those and not the rest at the same time. Farming communities across Australia are quite rightly saying they are under enormous pressure. They are under pressure because they are losing land to the expansion of urban areas. They are losing because they cannot make a decent farm gate price anymore because of the impact of the supermarkets in Australia and competition from imported food, which is coming into this country having been grown under different environmental conditions and lower wages elsewhere. They are under pressure all over the place and now they find that the gas industry is marching onto their properties with no consideration, no consultation in many cases and completely disrupting life on
their land—not to mention the impacts on the Great Artesian Basin. We still cannot get an answer from the government or anybody else on the impacts of this massive expansion of coal seam gas on water availability in Australia and the Great Artesian Basin.

I am glad the minister is going to come back because we want to know on what basis these claims are being made. Are the claims being made just on the basis of industry or have there been any independent reports? Are these reports based in Australia or overseas? I would not mind betting that most of them will come from companies that have done some sort of studies elsewhere. (Time expired)

Question agreed to.

CONDOLENCES

Holding, Hon. Allan Clyde


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) (15:58): by leave—I move:

The Senate records its deep regret at the death on 31 July 2011, of the Honourable Allan Clyde Holding, former minister and member for Melbourne Ports, and places on record its appreciation of his long and meritorious public service and tenders its profound sympathy to his family.

Allan Clyde Holding was born in Melbourne on 27 April 1931. After being educated at Hawthorn West Central School and Trinity Grammar School in Kew, he studied for a bachelor of laws degree at the University of Melbourne, graduating in 1955. As John Cain recalls, it was Clyde and he who promoted the activities of the Melbourne University Labor Club and the Victorian Young Labor association into strong and effective student and policy organisations which produced a number of future Victorian Labor politicians and activists. Clyde's early career was as a solicitor specialising in industrial law, particularly industrial accidents. He co-founded the law firm which today is known as Holding Redlich. In 1962 he was elected as the member for Richmond to the Victorian parliament. In 1967 Clyde became leader of the parliamentary Labor Party and Leader of the Opposition, a position which he held until 1977. His 10 years of party leadership were a tumultuous time in which Labor lost two state elections, saw factional fighting which led to federal intervention and a leadership challenge from Barry Jones, which Clyde remarked as being unsuccessful on the grounds that 'Quiz kids can't count'. After the second election loss, he resigned the leadership. He successfully won the seat of Melbourne Ports at the 1977 federal election, and held the seat at the following seven elections, finally retiring in 1998 after 21 years in the Commonwealth parliament.

As an authentic and influential Labor politician, Clyde was loved and hated—often at the same time. He bore the scars of his upbringing between the Great Depression and the Second World War and the experiences of a political party under stress during the 1950s. For some, he was a 'cynic with decency', others described him as 'an old style' Labor numbers man who was prepared to promote Bob Hawke's leadership aspirations, but for many he is remembered as a competent and conscientious administrator who took on vested interests after he became
the Minister for Aboriginal Affairs in the first Hawke government in 1983.

Clyde strongly pushed for uniform national Aboriginal land rights, which at the time were not fully supported within the Labor leadership, or by the mining industry or state governments. As the history of his time shows, there was intense lobbying against land rights and, without the direct support of his ministerial colleagues, he was unable to prevail. In 1987, after nearly four years, he was removed from Aboriginal Affairs to have his responsibilities focused on the lesser portfolio of Employment Services and Youth Affairs. Within 12 months, his main portfolio was switched to Transport and Communications Support, and finally to cabinet in the portfolio of Immigration, Local Government and Ethnic Affairs. Not many ministers would have enjoyed the experiences of having three such disparate portfolios in such a short period. As part of a wider reshuffle in 1989, Prime Minister Hawke demoted Clyde to the Arts and Territories portfolio. By the accounts of the time, this was a messy, widely leaked demotion, which Clyde resisted. In 1990 he went to the backbench and remained there until he retired in 1998.

It would be misleading to define a person's achievements in one paragraph. Yet there were a number that I am sure he would have been enormously proud of: the handing back of Uluru to its Indigenous owners; the appointment of Charles Perkins as Secretary of the Department of Aboriginal Affairs; the appointment of Betty Churcher to the directorship of the National Gallery of Australia; his direct support to the National Film and Sound Archives and to Film Australia; and his push to establish the National Museum of Australia, which now dominates the northern edge of the western basin of Lake Burley Griffin. Clyde's passion for justice, the arts and Aboriginal issues continued after his retirement from the parliament. Put simply by Bob Hawke, Clyde 'was pre-eminently a good, decent and remarkably brave man'.

On behalf of the government and, in particular, Victorian senators, we mark his passing on 31 July 2011 with respect. We offer our sympathies to his surviving family: his second wife, Judy, and their daughter, Isabella, and his first wife, Margaret, and their children, Peter, Jenny and Danny, and the four grandchildren.

I was lucky enough to be able to attend the memorial this morning in Melbourne, along with those from both sides of parliament, in recognition of his work. It was a very fond recollection of Clyde's life, with many very funny stories told. There were many stories about his determination to stand up to the worst of the elements of the Victorian socialist Left—the Bill Hartleys and the George Crawfords—who pushed such divisive policies. Clyde was remembered fondly for being part of those who made the success of the Victorian Labor Party their mission. His leadership in standing up to those elements and his willingness to take risks in pursuit of sound public policies, at the expense of support from the likes of Crawford and Hartley, were remembered fondly. The intervention that became the foundation for the success of the Victorian Labor Party governments of John Cain, Steve Bracks and John Brumby goes back to that period when Clyde Holding was one of the key figures who democratised the Victorian branch of the Labor Party. This was fondly remarked on by some who were more directly involved than myself.

I am lucky enough to have inherited the benefits of Clyde Holding's work. I doubt that I and a number of people in this chamber today would be able to stand up in a federal Labor government if it had not been for the
courage and determination of Clyde Holding in overturning those who sought to put warped ideology ahead of the needs of the Victorian and Australian public. I, like many others in this chamber, will miss Clyde Holding.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (16:05): The Hon. Clyde Holding was a respected political opponent of the coalition. More importantly, he was highly regarded by his own and was a faithful servant of the ALP and the people of Victoria. He served 15 years in state parliament and 21 years in the federal parliament, making a total innings of public service of some 36 years. That is a huge innings in anybody's language. To remain opposition leader for 10 years is a huge task. Losing elections always leads people to seek the silver bullet—a new leader is all you need—so to retain the confidence, albeit amidst challenges, for so long and then be promoted to federal politics is an exceptional accolade.

From there, a distinguished ministerial career followed. Senator Conroy, on behalf of the Labor government, has provided a detailed, eloquent tribute. I do not seek to add to that but to simply say that as a coalition we note his resilience, his skill as an orator and his passion. We also note that he was deservedly seen as a respected friend of the Jewish community. The coalition acknowledges the service of the Hon. Clyde Holding to our nation. Our condolences are expressed to his widow and his four children.

Senator FAULKNER (New South Wales) (16:07): I too speak in support of this condolence motion on the death of the former Leader of the Opposition in Victoria and former member for Melbourne Ports and minister in the Hawke Labor government, Clyde Holding. The name 'Clyde Holding' was first noticed by members of the Labor Party when as a 24-year-old law student in 1955, following the catastrophic split in the party, he was appointed as the new antigrouper secretary of the Victorian Young Labor Association. It was to be the start of a very long life in politics. As a young lawyer in the 1950s, Clyde specialised in industrial accidents and went on to establish, with other Labor lawyers, the law firm Holding, Ryan and Co., now Holding Redlich, which was later to become a leading Melbourne legal practice.

The death in 1962 of Bill Towers, a bootmaker, Gallipoli veteran and also president of the Collingwood branch of the Australian Soviet Friendship League during World War II, required a by-election for the seat of Richmond. Clyde contested Labor preselection—held under the questionable auspices of the Victorian central executive—and he was elected by one vote. Needless to say, he easily won the seat in the May 1962 by-election, with a thumping 66 per cent of the primary vote, commencing 36 years of continuous service in state and federal parliament. In the early years he established his member's office in the front room of his house in Waltham Street, Richmond. He maintained cordial relations with the Richmond local Labor machine, those dynasties of the Loughnan and O'Connell families—a not inconsiderable achievement in itself. Much has been written about the ALP in Richmond in those years, both fiction and non-fiction, but throughout it all Clyde survived and his standing and reputation grew.

It is difficult in the 21st century to understand the parlous state of the Victorian branch of the Australian Labor Party in the 1960s and 1970s. For me, it is summed up best by Barry Jones's wonderful description of Labor's campaign launch in 1964, when Clyde was seeking re-election after his first term. Barry himself of course, as we have
heard, contested a leadership battle against Clyde in 1976, leading to that famous comment from Clyde, ‘Quiz kids can't count’. Barry Jones vividly recalled the 1964 campaign launched by Labor opposition leader Clive Stoneham in Prahran Town Hall with a speech televised live:

We sat in the hall, hoping for the best but fearing the worst. The speech had been prepared by the ALP head office, with minimal consultation with Stoneham. He was to read the speech from large sheets of pasteboard on which the text had been written. At the top left corner of the first sheet his name, 'CLIVE', had been written in capitals as a cue to avoid confusion. Unfortunately, the curves of the letter 'C' had been drawn over-generously, so the letter resembled an 'O'.

At 8pm the live telecast began. Allan Fraser—the member for Eden-Monaro, who had been brought down from New South Wales to be campaign director in the election—stood by the first pasteboard sheet, pointing to the name 'CLIVE'. The Leader looked baffled and said nothing. Allan Fraser tapped the name 'CLIVE' again. Silence. He tapped a third time. Clive Stoneham smiled, relaxed and mysteriously began his televised campaign election speech with the words, 'Thank you, Olive'.

Worse was to come. The speech was due to run on television for 30 minutes, but Stoneham finished after 25. Inviting questions from the floor was not considered to be a good idea, so Dinny Lovegrove, Deputy Leader and an excellent impromptu speaker, was called on. Unhappily, he reached back to his deep memory as a Trotskyist in the 1930s. He began:

'We know what this election is about: the struggle between the rich and the poor. We know who our enemies are: the kind of people who have two cars in the garage, central heating and a sprinkler system in the lawn. And on their walls, they have something that looks as if two cockroaches have been crawling about in Indian ink, a piece of so-called modern art!'

Barry concluded:

It was great rhetoric. Unhappily, Labor lost more seats and it was eighteen years before we won another Victorian election.

It fell to Clyde Holding, after Labor suffered its fifth consecutive defeat in the 1967 Victorian state election, to succeed Clive Stoneham and take on the tough job of party leader. His 10 years of leadership coincided with a party struggling to deal with the impact of the split, a weak and ineffective parliamentary team, a state parliamentary organisation overwhelmingly focused on internal party matters, and Victorian politics dominated by Henry Bolte and then Dick Hamer as Liberal premiers, propped up in power by the DLP. Clyde Holding led Labor in three successive election losses in 1970, 1973 and 1976. For Clyde these years must have been as frustrating as they were gruelling. Clyde was a committed campaigner against the death penalty in Victoria. He was an active and vocal opponent of the death penalty cases of Robert Peter Tait in 1962 and of Ronald Ryan in 1967, the last man to be legally executed in Australia.

Clyde was arrested at one protest against the hanging of Ronald Ryan. He used to recount with great amusement the story of how the local police sergeant had ordered a compliant constable to go down to the demo and pick out the biggest yobbo he could find and bring him in. That yobbo was Clyde. Back at the station Clyde was asked for his name, which he gave, Allan Clyde Holding; his occupation, which he gave, lawyer and member of parliament; and was bowled over by the next question: 'Can you read or write?'. Clyde survived the experience.

Clyde was a tough operator in a tough environment against an equally tough opponent, Henry Bolte. On one occasion he received a grudging compliment from Bolte at an end-of-year function. I have been told that Bolte said of Clyde Holding, 'I don't
have a son but if I did have one I'd like him to be like you—dirty, hard and rotten.' Praise indeed from Henry Bolte.

Clyde made the move to federal politics in 1977 when he contested Labor preselection for Melbourne Ports, which had been held by Frank Crean for 26 years. He was up against a very strong candidate in Frank's son, Simon, but repeating the pattern of his 1962 preselection success he won the ballot by the narrowest of margins: one vote. Clyde represented Melbourne Ports for 21 years from 1977 to 1998. Unlike his career in the Victorian parliament, spent entirely on the opposition benches, he served in the federal parliament throughout the years of the Hawke and Keating governments.

From 1983 to 1990 he served as a minister and for a short period in cabinet. As Minister for Aboriginal Affairs in the Hawke government from 1983 to 1987, he placed Aboriginal land rights firmly on the national agenda. The handing back of Uluru to its traditional owners in 1985 in the face of hostile opposition, particularly from the Northern Territory government, was a highlight. In fact Clyde Holding had a very early and deep commitment to Aboriginal and Torres Strait Islander affairs long before they became mainstream issues. He was deeply frustrated by opposition to his plans to recognise native title years before the High Court's Mabo decision.

He concluded his ministerial career with responsibility for the arts. Not all ministers for the arts have been passionate about the arts themselves but Clyde was widely read. He was a Shakespearean tragic, a collector of paintings, including Aboriginal barks, and a lover of music. He played a central role in the Commonwealth's receipt of the great gift of Bundanon from the painter Arthur Boyd. He was responsible for expanding the Film Finance Corporation, the National Archives, the National Gallery and the National Library.

After Labor was returned in the 1990 federal election and after service in five portfolios Clyde stayed on the back bench until his retirement from parliament at the 1998 election. I served in the federal parliamentary Labor Party with Clyde for nine years. He had a quirky sense of humour, always seemed easygoing, was a prodigious reader, was curious and certainly was very skilful on his feet. He was a stump orator of the very highest calibre. More than that, he was exceptionally effective in parliamentary debate. And he was deeply committed to Labor values.

Mr President, Clyde Holding made a difference and he will be missed. My sincere sympathy also goes to Clyde's family and his many friends.

Question agreed to, honourable senators standing in their places.

Wake, Mrs Nancy Grace Augusta, AC, GM

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (16:20): by leave—I move:

That the Senate records its deep regret at the death, on 7 August 2011, of Nancy Grace Augusta Wake, AC, GM, decorated Second World War servicewoman, and places on record its appreciation of her service to the allied forces and resistance to the German occupation of France and tenders its profound sympathy to her extended family.

It is rare for the Senate to move a condolence motion other than for very specific groups of persons like former members of the parliament but, on this occasion, the Senate has agreed to do so, given the outstanding nature of Nancy Wake's contribution and her place in the history of Australia.
It is very rare for Australians to adopt New Zealanders, but Australians claim her as an Australian. Nancy Wake was actually born in Wellington, New Zealand, on 30 August 1912. Despite her many exploits she lived a very long life. Her family moved to Sydney in 1914. Nancy's early life was challenging. Her father abandoned the family in Australia after selling the family home and heading back to New Zealand. Nancy's mother was allegedly quite religious and apparently oppressively strict. It was perhaps her experiences as a child with an absent father and a controlling mother which encouraged the defiant and rebellious streak in Nancy.

At 16, she took her first job as a nurse. Then she used a small family inheritance to fund travel to Europe, with the aim of training as a journalist, a career which she would eventually pursue. We should remember that at that stage it would have been very unusual for a woman to pursue a career like that. As a journalist one of her first assignments was to interview Adolph Hitler. Her travels in the 1930s in Vienna allowed her to witness the Nazi regime firsthand. Speaking about this experience of witnessing the persecution of Jews she said, 'I don't know what I'll do about it, but if I can do anything one day, I'll do it.'

Settling in Paris, she met her first husband, French industrialist Henri Edmond Fiocca. Together they both joined the French Resistance shortly after the invasion of France by the Nazis in 1940. In this early period in the resistance, she began by smuggling messages and goods in Vichy, France. Buying an ambulance, she successfully smuggled refugees fleeing the German advance. By 1942, the Gestapo had become aware of an unidentified woman agent who they sought to capture. Nancy was nicknamed the White Mouse and placed at No. 1 on the Gestapo wanted list, with a 5 million franc bounty. She escaped to London around this time but tragically her husband was captured, tortured and killed by the Gestapo after their resistance network was betrayed.

After moving to London she joined the British Special Operations Executive, where she became a member of a 470-strong specially trained resistance force set up to work directly with local resistance forces. In 1944, Nancy Wake was parachuted into Auvergne to assist the D-Day landings. She was required to organise and coordinate an army of 7,000 resistance troops. Perhaps the most significant operation of her unit was a very successful attack on a Gestapo headquarters.

One of her resistance colleagues said of Nancy: 'She is the most feminine woman I know, until the fight starts. Then she is like five men.' Wake was never shy of being put in the middle of action, often taking responsibility because a woman was deemed to have more chance of success. In one particularly gruelling operation, she cycled about 500 kilometres in 72 hours, crossing several German checkpoints to find an operator to radio Britain and request new radio codes. That she survived the war is indeed a remarkable fact.

After the war she resettled in Australia with her second husband, ex-RAF pilot John Forward. She then, strangely, became interested in Liberal Party politics, running as a candidate for the federal electorate of Barton in the 1949 election against Doc Evatt, where she secured a 13 per cent swing to the Liberal Party. She again ran against Evatt at the 1951 election, missing out by a mere 250 votes. Her final attempt to win a federal seat was at the 1966 election in the safe Labor seat of Kingsford Smith, where she only lost by about 1,500 votes.
Her awards are numerous and she is arguably the most decorated woman of the Second World War. She has received numerous awards from France. She has the Medal of Freedom from the United States. She has the George Medal from the United Kingdom. In 1970 she was appointed Chevalier of the Legion of Honour and in 1998 was promoted to Officer of the Legion of Honour. Unfortunately, it was not until 2004 that her exploits were recognised by the Australian government, when Nancy was awarded the Companion of the Order of Australia. She has also received recognition from New Zealand.

After her second husband died in Port Macquarie in 1997, she returned to England in 2001. She lived an extraordinary life and her story is just an incredible one. I cannot do justice to it in a short condolence motion speech here, but I do recommend Peter FitzSimons's biography. I have got to be careful about advertising, I suppose, but he did a great job of bringing her story to life and providing the colour and adventure that was so much a part of her incredible story. Peter is an ex-second rower for the Wallabies and played a lot of rugby in the south of France, so he had to be tough and probably a little on the dirty side, but he said after writing the book that, 'We both agreed that she was 10 times the man I would ever be.' He paid an extraordinary tribute to her life in the book.

Nancy Wake was an extraordinary woman. Her life story is one of courage, determination and incredible commitment to freedom and opposition to the invasion of France and the German regime there. It is an incredible life story and I am very pleased to be part of the Senate as it acknowledges that tremendous life and the tremendous contribution she made to Australia and the broader allied Second World War effort.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (16:28): I regret that I did not meet Nancy Wake, but I am glad that I did not meet Nancy Wake in the first 16 years of my life. She once famously said, 'I killed a lot of Germans and I am only sorry I didn't kill more.' Nancy Wake was Australia's most decorated servicewoman and one of the most decorated allied servicewomen of World War II. She was a true heroine in every sense of the word. Her courage and resourcefulness in a wartime France saved thousands of allied lives. The French government made her a Chevalier de Legion d'Honneur, France's highest honour, and awarded her the Croix de Guerre with star and two palms and the Medaille de la Resistance. She also received Britain's George Medal and the US Medal of Freedom. In 2004, she was made a Companion of the Order of Australia, long overdue recognition from the country in which she grew up and to which she returned on war's end.

Nancy Wake trained as a nurse before an inheritance from a New Zealand aunt enabled her to fulfil her dream of travelling to New York, London and Paris. After studying journalism in London, she became a correspondent for the Chicago Tribune in Paris and reported on the rise of Adolf Hitler in Germany. A 1933 trip to interview Hitler in Vienna galvanised her views on the Nazis. 'I saw the disagreeable things that he was doing to people, first of all the Jews,' she told ABC radio in 1985. 'I thought it was quite revolting,' she said.

When war broke out, along with her French husband she helped downed British pilots and Jewish families to escape the German occupying force, planning escape routes for thousands of Allied troops. She often used her feminine wiles to glean information from the Germans and to evade security. By 1943 Gestapo agents were
closing in. Wake told her husband she was going shopping and would soon return. They never saw each other again. She later learned that her husband had been captured, tortured and then executed for refusing to divulge information about her activities or whereabouts. It took her several attempts to cross the Pyrenees into Spain. On one attempt she was held and interrogated by the Vichy French. She eventually did reach Britain where she convinced the Special Operations Executive to train her as a spy.

In early 1944 she was parachuted into the Auvergne region of central France to organise the local Maquis Resistance, collect air drops of ammunition and arms, and establish radio links with their base in Britain. Wake helped recruit an additional 3,000 fighters to build a force of about 7,000. She led groups of these fighters on guerrilla and sabotage raids on German troops, installations and equipment in the lead-up to D-day.

A French Resistance comrade said that, 'When fighting, she was like five men.' She could kill the enemy with her bare hands. Her proudest exploit was her very own Tour de France, cycling over 400 kilometres or so through occupied France in 72 hours to relay a request for a replacement radio and codes. In the final days of the war she was part of a very bold assault on the Gestapo headquarters which killed 38.

Upon her return to Australia after the war, Nancy joined the New South Wales Liberal Party and became an institution within our party. The Liberal Party is very proud to call her one of our own. She served as a member of the party’s state executive and was known to address branch meetings and talk about her experiences during the war. Nancy stood as a candidate at the historic 1949 federal election. She contested the seat held by Dr Herbert 'Doc' Evatt, achieving a 13 per cent swing. When she won preselection for the electorate, the Liberal Party sent Dr Evatt a telegram: 'Nancy Wake, Liberal candidate, parachuted into Barton tonight'. She was a gutsy campaigner and she spent most days thereafter doorknocking and addressing meetings. She stated that her reason for standing was:

... a gradual gathering together of controls, centralisation of power in the hands of a few power-hungry fanatics …

Although Nancy was unsuccessful, the Liberal Party led by Robert Menzies won office at a national level at the election for the first time. Nancy Wake cut Dr Evatt’s margin from 11,112 to 2,644. Undaunted, she decided to stand against him again. It was a testament to the postwar Liberal Party under Robert Menzies that it could attract candidates of the calibre of Nancy Wake.

In 1951 another election was called. The then Liberal Prime Minister, Robert Menzies, came to tell electors that they must send Nancy to Canberra. This time she missed out by just a few hundred votes. After a period living overseas, Nancy came back to Australia and contested the seat of Kingsford-Smith for the Liberal Party at the 1966 federal election. With her second husband, John Forward, as her campaign manager, Nancy threw her efforts into this new battle. Although she gained a 6.9 per cent swing against the Labor incumbent, Nancy fell short of winning the seat. The experience of being thrice rejected was a difficult one for Nancy, who came to regret her experience with politics. But the book by Peter FitzSimons on Nancy Wake, referred to by the Leader of the Government in the Senate, on page 287 indicates she was no run-of-the-mill Liberal Party candidate:

The Liberal Party was a deeply conservative organisation with very firm ideas about how a woman should behave and many local members looked askance at the ‘Nancy way’ for it was
hardly a perfect match. She, for example, never wore stockings or a hat and was quite happy to cross her legs while sitting on a public platform if she felt like it and if she wanted to have a drink in a beer garden she did so and she simply did not give a damn if someone in the party thought that this was too unladylike for their proposed representative. 'What did I care about trying to be a lady?' she asks rhetorically. 'After what I had been through the thought that I would worry about whether or not I wore stockings or a hat was completely ludicrous. If any of them ever wanted to chip me about it, I told them off in the strongest possible language.'

Further on the respect in which Nancy Wake was held is referred to by the author, Mr FitzSimons. It was in the first campaign and Ben Chifley was in fact called in to exhort the electors of Barton to return Dr Evatt to Canberra though he was very careful not to utter one word of criticism against Nancy Wake. He writes:

It seems that this was more than simply a polite public stance for when, by pure chance, the Labor Prime Minister happened to come face to face with the Liberal candidate in the corridor of a hotel in the Barton electorate on a day when they were both campaigning, the Prime Minister removed the pipe from his mouth, bowed deeply and moved on. In response, Nancy recalls warmly, he was a lovely man, a true gentleman. I believe that it is further credit to her that, having sacrificed so much during the war, she went to extraordinarily brave lengths in an effort to serve her country in peace. It has been said that her decision to enter politics divided public opinion about her, reduced the receptiveness of the Australian people to her story and made it difficult for the Labor Party to support public celebration of her. I do not believe this is the case, or if it was, time has erased any partisan feelings towards her, as this condolence motion testifies and as do the generous comments of the Leader of the Government in the Senate. Of course, way back then when she was a candidate that was also testified to by the homage that the Prime Minister, Ben Chifley, paid her. One can only imagine what contribution she would have made to our parliament had she been successful.

Nancy Wake's life force was an inspiration. As she said, 'I got away with blue murder and loved every minute of it.' I understand that Nancy Wake wanted her ashes to be scattered amongst the wildflowers at Montlucon in central France, where she fought in a heroic 1944 attack on the local Gestapo headquarters and where perhaps, from reading her biography, she was most alive. Her nation salutes her life, her bravery, her selflessness and her service. The coalition trusts that the Nancy Wake story will continue to be told for generations to come. May she rest in peace.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (16:40): It is a great honour to be able to have the opportunity to speak on this condolence motion for Nancy Grace Augusta Wake. To go through the honours that Nancy Wake has received is to note what is really a representation of a spectacular life. There was an issue with her receiving honours from Australia. There were some concerns and I will not actually give the quote that Nancy Wake gave as to what she first of all considered in regard to receiving an honour from Australia, but those things were obviously resolved at the end of her life.

She was a Companion of the Order of Australia, she had received from the United Kingdom the George Medal and she received, obviously, the 1939-45 Star, though many people received that, the France and Germany Star, the Defence Medal and the War Medal 1939-45. The honours that were bestowed on her by the French included the Chevalier de la Legion d'Honneur—which is quite something for a person away from France to get—and being
an officer in the same order and the Croix de Guerre with two Palms and a Star. She received the Medal of Freedom from the United States and also, from the French Republic, a highly unusual honour for an outsider to get, the Medaille de la Résistance. She was one of the few people not French who received that honour. Also, New Zealand gave her a badge of honour.

When we actually look at Nancy's life, we see it was one that started in New Zealand before she moved to Neutral Bay and, as has been represented, her father went back to New Zealand. For want of a better word, he deserted the family and her mother brought Nancy up. I think Nancy was the youngest of six children. Hers was an exemplary life. She had attended North Sydney Technical College, where her main subject was home science. She went on, after receiving and using an endowment from one of her relatives in New Zealand—an aunt, I believe—of about £200, to go to New York and from New York across to London and then to Paris, where she started as a journalist. In her role as a journalist she saw the start of fascism and her memories included seeing Jews tied to a wheel and being beaten and whipped. That built her resolve, she said, to do something about these rotten people. Her life was one of absolute stoicism. She had very little regard for her own safety. Those around her reflected that she always seemed like someone who would survive and live life to the fullest. She met up with a French industrialist, Henri Fiocca, who had no reason to be anything more at that point in time than a person who was pretty well set in life. I think she married him in 1939. But in Marseille they were involved with the French Resistance and lived a double life. As the Gestapo started to close in on them, Henri said to her that she had to leave. Of course, you would not disclose what you were doing so that is why she came to a conversation where she just said to Henri, 'I'm going out to do some shopping,' and she never came back. She left, and the deal was not to tell people what exactly you were up to as, obviously, that would put them at risk. Later on he was captured by the Gestapo and tortured and killed. She only found out about this much later. He was killed in 1943. Nancy then had to make several attempts—four, in fact—to get into Spain. Finally she got to Spain but even on that final attempt she and others were shot at as they jumped from a train and ran through a vineyard to get away. They then made their way to Gibraltar, and from Gibraltar they had a convoy back to England. Nancy was then trained in the Special Operations Executive. This was basically a group that worked behind enemy lines. For that purpose she was later parachuted back into France. When she was parachuted back into France, she got caught in a tree and the French officer who found her said, 'I hope all the trees in France bear such a beautiful fruit as this one.' Her typical reply in Australian form—and you have to forgive me for the profanity—was, 'Don't talk that French shit to me.' This was the character of the person. This person was at points in time responsible for the command of 7,000 people. She and others were also engaged on and off with a force of 22,000 people. At that point in time, Captain Ian Garrow was in a Montlucon concentration camp and Nancy went there and deceived the guard into releasing him. The bravery of this person is just beyond belief.

Then there is the story of the bike ride of 250 miles in 72 hours that we have all heard about. Nancy said that she did not do it because she was brave; she did it because she was the only one who could possibly have done it. Anybody else would have been killed. She rode 250 miles in 72 hours, and
when she got off the bike she said that she was on fire; she was in that much pain. Nancy did it to get codes back that had to be destroyed. To retrieve the codes, they had to drive to another place and on the way people were engaging with her. They initially did not believe that she was part of the resistance. They did not believe the story of how she could have ridden that far.

I think she is a great example of how a human being and someone that all Australians can relate to could become not a saint but resolute in the purpose of destroying fascism and all that fascism represented—the evil that fascism was. Later on she had the same disdain for communism. She saw them as basically similar entities, with a similar purpose. At the end the war she engaged in a number of attempts at politics. I think at one stage she took Dr Evatt down to about 250 votes, which was quite remarkable given that Dr Evatt was a substantial figure in the Labor Party of the time.

Nancy married again and moved to Port Macquarie. She lived there for quite some time until the death of her second husband. I think she was married to him for about 40 years. She then decided to move back to England. She resided at the Stafford Hotel in England, where people noted that she preferred a gin and tonic. She liked to live life to its fullest, right to the very end. It was said that a lot of her accounts were paid for anonymously. There was a belief that one of the anonymous payers of her accounts was the Prince of Wales. She is a person who will go down in history not just as someone whom we all have a great affection for because of her time as an Australian and the fact that she resided in our nation for the majority of her life—although she was born in Wellington, New Zealand; I think she stayed there until she was about four—but for the essence of her character and for showing us what a person is capable of doing when the cause is right.

For me it is an immense honour to be able to have the capacity to stand here and, as a small token of appreciation, respect the life of a person who was responsible for saving thousands of allied service people, service men and women. Nancy's bravery was exemplary. She was courageous. She was ferocious and courageous. She was no wallflower. She clearly admitted to killing people herself in the delivery of grenades into certain areas. In fact, she killed a Gestapo guard with her hands. We are talking about a person who was ferocious but she was ferocious for a cause, and it was a war. It was a war against evil. She picked the side of right and she fought it to the nth part of her being, knowing that if she did not prevail then evil would prevail, and that was just not an option for her.

It is with great honour that we reflect on the life of Nancy Wake. I do not know what her faith was, but I hope she may rest in peace.

Question agreed to, honourable senators standing in their places.

PETITIONS

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

Carbon Pricing

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

The petition of the undersigned shows:

Australia is a nation of great abundance. Our progress is intertwined with the histories of our neighbours in the Pacific. We have benefited from their hospitality and have had access to their ecological resources. Australia is also responsible for the world's highest greenhouse gas emissions per capita at 18.75ppm per person while neighbouring Pacific Islands emit 0.06ppm per person.
Small island nations do not have the resources to counter the negative impacts of climate change, and look to nations like Australia for support. Your petitioners request that the Senate support legislation:

- that pays attention to calls from our Pacific Island neighbours for actions to secure their future through finance for adaptation and
- that puts a price on carbon pollution and
- that secures a clean energy future for Australia.

by Senator Faulkner (from 8 citizens).

Cluster Munitions

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

The petition of the undersigned shows that we are concerned that cluster munitions are a large cause of death and disability to civilian populations and that the Criminal Code Amendment (Cluster Munitions Prohibition) Bill 2010 does not meet Australia's obligations under the Convention on Cluster Munitions.

Your petitioners ask that the Senate vote to amend the Criminal Code Amendment (Cluster Munitions Prohibition) Bill 2010 to more closely reflect the goals of the Convention on Cluster Munitions.

by Senator Humphries (by 10 citizens).

Petitions received.

NOTICES

Presentation

Senator WILLIAMS: To move:

That the Senate—

(a) congratulates Mr Cadel Evans on winning the 2011 Tour de France bicycle race; and

(b) notes that:

(i) Mr Evans has fought back from an adversity after a serious accident as a child in the New England region and is an inspiration to all Australians, and

(ii) cycling is a healthy activity for recreation and competition.

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, 24 August 2011, from 10.30 am to 12.30 pm.

Senator CROSSIN: To move:

That the Joint Select Committee on Gambling Reform be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 23 August 2011, from 4 pm.

Senator MARK BISHOP: To move:

That the Joint Committee of Public Accounts and Audit be authorised to meet during the sitting of the Senate on Wednesday, 24 August 2011, from 11.15 am to 1 pm, for a private briefing.

Senator CORMANN: To move:

That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 18 August 2011, from 11.30 am.

Senator SIEWERT: To move:

That the Community Affairs References Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 18 August 2011, from 4 pm.

Senator HEFFERNAN: To move:

That the time for the presentation of the report of the Rural Affairs and Transport References Committee on the live export trade be extended to 12 October 2011.

Senator COONAN: To move:

That the Joint Standing Committee on Treaties be authorised to hold a public meeting during the sitting of the Senate on Monday, 22 August 2011, from 10.30 am to 12.30 pm.

Senator XENOPHON: To move:

That the following bill be introduced: A Bill for an Act to amend the Air Navigation Act 1920 and the Civil Aviation Act 1988 in relation to aircraft crew, and for related purposes. Air
Navigation and Civil Aviation Amendment (Aircraft Crew) Bill 2011.

**Senator COLBECK:** To move:

That there be laid on the table by the Minister for Agriculture, Fisheries and Forestry (Senator Ludwig), no later than 5 pm on Thursday, 18 August 2011, the technical report and all related documents, provided by Professor Jonathan West to the Commonwealth and Tasmanian Governments and referred to by the Prime Minister (Ms Gillard) in a press conference on 8 August 2011, relating to the determination of the boundaries of the 430 000 hectare claimed ‘High Conservation Value Area’ in the Tasmanian Forests Intergovernmental Agreement between the Commonwealth of Australia and the State of Tasmania.

**Senator COLBECK:** To move:

That the Senate condemns any payment of monies to Gunns Ltd for exiting native forest logging flowing from the Tasmanian Forests Intergovernmental Agreement between the Commonwealth of Australia and the State of Tasmania.

**Senator XENOPHON:** To move:

That the following matter be referred to the Environment and Communications References Committee for inquiry and report by 12 October 2011:

The decision by the television management of the Australian Broadcasting Corporation (ABC) to significantly cut the number and amount of ABC-produced programs, jobs (including through forced redundancies) and potentially affect resources, as announced on 2 August 2011, with particular reference to:

(a) the implications of this decision on the ABC’s ability to create, produce and own its television content, particularly in the capital cities of Brisbane, Adelaide, Perth and Hobart;

(b) the implications of this decision on Australian film and television production in general and potential impact on quality and diversity of programs;

(c) whether a reduction in ABC-produced programs is contrary to the aims of the National Regional Program Initiative;

(d) the implications of these cuts on content ownership and intellectual property;

(e) the impact of the ABC’s decision to end internal production of Bananas in Pyjamas and to outsource the making of a ‘Bananas in Pyjamas’ animation series to Southern Star Endemol Proprietary Limited; and

(f) the future potential implications of these cuts on ABC television’s capacity to broadcast state league football and rugby; and

(g) any other related matters.

**Senator HANSON-YOUNG:** To move:

That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 22 September 2011:

Australia’s agreement with Malaysia in relation to asylum seekers, with particular reference to:

(a) the consistency of the agreement to transfer asylum seekers to Malaysia with Australia’s international obligations;

(b) the extent to which the above agreement complies with Australian human rights standards, as defined by law;

(c) the practical implementation of the agreement, including:

(i) oversight and monitoring,

(ii) pre-transfer arrangements, in particular, processes for assessing the vulnerability of asylum seekers,

(iii) mechanisms for appeal of removal decisions,

(iv) access to independent legal advice and advocacy,

(v) implications for unaccompanied minors, in particular, whether there are any guarantees with respect to their treatment, and

(vi) the obligations of the Minister for Immigration and Citizenship (Mr Bowen) as the legal guardian of any unaccompanied minors arriving in Australia, and his duty of care to protect their best interests;

(d) the costs associated with the agreement;
(e) the potential liability of parties with respect to breaches of terms of the agreement or future litigation;

(f) the adequacy of services and support provided to asylum seekers transferred to Malaysia, particularly with respect to access to health and education, industrial protections, accommodation and support for special needs and vulnerable groups;

(g) mechanisms to enable the consideration of claims for protection from Malaysia and compliance of these mechanisms with non-refoulement principles;

(h) a comparison of this agreement with other policy alternatives for processing unaccompanied minors; and

(i) any other related matters.

Senator IAN MACDONALD: To move:
That the Senate—
(a) notes that:
(i) water has been cascading over the Burdekin Falls Dam spillway for a record-breaking 313 days since 6 October 2010,
(ii) the dam is currently holding 1.87 million mega litres of water which in volume equates to 3.3 Sydney harbours,
(iii) the dam’s catchment of 130 000 square kilometres is equal to the size of Victoria,
(iv) since October 2010, some 26 960 908 mega litres of water has passed over the spillway of the dam, equivalent to approximately 53 Sydney harbours, and
(v) Commonwealth funding for the construction of the dam was first committed in the 1982-83 budget of the then Fraser Government; and

(b) congratulates those in the Federal Government and Queensland Government who, since the time of that first funding had the foresight and fortitude to ensure the completion of the mighty Burdekin Falls Dam and the creation of the Burdekin River Irrigation Area.

Senator CORMANN: To move:
That the Senate notes that the Government has failed to answer part (c) of question on notice no. 437 about how much of the stimulus package remains to be spent in 2012-13, despite that question having been asked more than 150 days ago, and that there be laid on the table by not later than 12.30 pm on Thursday, 18 August 2011, by the Minister representing the Treasurer, the answer to part (c) of question on notice no. 437.

Postponement
The following items of business were postponed:

General business notice of motion no. 27 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for 17 August 2011, proposing the introduction of the Food Standards Amendment (Truth in Labelling Laws) Bill 2010, postponed till 12 October 2011.

General business notice of motion no. 227 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for 17 August 2011, proposing the introduction of the Protecting Children from Junk Food Advertising (Broadcasting and Telecommunications Amendment) Bill 2011, postponed till 22 August 2011.

General business notice of motion no. 307 standing in the name of Senator Ludlam for today, relating to Burma, postponed till 25 August 2011.

General business notice of motion no. 316 standing in the name of Senator Mason for today, relating to non-government schools, postponed till 18 August 2011.

General business notice of motion no. 335 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for today, relating to News International Limited, postponed till 13 September 2011.

BUSINESS

Senate Temporary Orders

Senator LUDWIG: I move:
That the following list of general business orders of the day be considered under the temporary order relating to the consideration of private senators’ bills on Thursday, 18 August 2011:

No. 11 Australian Capital Territory (Self-Government) Amendment (Disallowance and

No. 3 Commonwealth Commissioner for Children and Young People Bill 2010.

No. 8 Environment Protection and Biodiversity Conservation Amendment (Prohibition of Support for Whaling) Bill 2010.

Question agreed to.

COMMITTEES

Legal and Constitutional Affairs Legislation Committee

Reporting Date

Senator McEWEN: by leave—On behalf of the Chair of the Legal and Constitutional Affairs Legislation Committee, Senator Crossin, I move:

That the time for the presentation of the report of the Legal and Constitutional Affairs Legislation Committee on the provisions of the Family Law Legislation Amendment (Family Violence and Other Measures) Bill 2011 be extended to 18 August 2011.

Question agreed to.

Australia's Food Processing Sector Committee

Meeting

Senator COLBECK: by leave—I move:

That the Select Committee on Australia’s Food Processing Sector be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Wednesday, 17 August 2011, from 11.30 am.

Question agreed to.

Rural Affairs and Transport References Committee

Reporting Date

Senator WILLIAMS: by leave—On behalf of the Chair of the Rural Affairs and Transport References Committee, Senator Heffernan, I move:

That the time for the presentation of the report of the Rural Affairs and Transport References Committee on the Live Animal Export (Slaughter) Prohibition Bill 2011 [No. 2] and the Live Animal Export Restriction and Prohibition Bill 2011 [No. 2] be extended to 12 October 2011.

Question agreed to.

Australia's Immigration Detention Network Committee

Meeting

Senator HANSON-YOUNG: by leave—On behalf of the Chair of the Joint Select Committee on Australia's Immigration Detention Network, I move:

That the Joint Select Committee on Australia’s Immigration Detention Network be authorised to:

(a) hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 6.30 pm; and

(b) hold a public meeting during the sitting of the Senate at conclusion of the private meeting referred to in paragraph (a).

Question agreed to.

Public Accounts and Audit Committee

Meeting

Senator McEWEN: by leave—On behalf of the Chair of the Public Accounts and Audit Committee, Senator Bishop, I move:

That the Joint Committee of Public Accounts and Audit be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 17 August 2011, from 11.15 am till 1 pm, to take evidence for the committee’s inquiry into the review of Auditor-General’s report.

Question agreed to.

MOTIONS

Department of Parliamentary Services

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (16:57): I move:
That the Senate—

(a) notes the outstanding service provided to the Parliament by the staff of the Department of Parliamentary Services, in particular, the services of Hansard, the Parliamentary Library and broadcasting services; and

(b) calls on the Presiding Officers to ensure staff are treated fairly and guaranteed pay and conditions commensurate with the services they provide to the Parliament.

This motion notes the outstanding service provided to the parliament by the staff of the Department of Parliamentary Services.

Question agreed to.

Senator BOB BROWN: I would just note that the opposition opposed that motion.

The DEPUTY PRESIDENT: That is noted, Senator Brown.

FIRST SPEECH

The DEPUTY PRESIDENT: Order! Before I call Senator Singh, I remind honourable senators that this is her first speech; therefore, I ask that the usual courtesies be extended to her.

Senator SINGH (Tasmania) (16:58): I stand here today with a sense of honour at being part of the Australian Senate. To have the chance to contribute to our Australian democratic processes and speak on behalf of so many in this chamber is indeed a privilege.

I wish to acknowledge the traditional owners of the land on which we meet, and pay my respects to their elders. I would like to congratulate all the new senators on their election to this place, and you, Mr President, on once again receiving the confidence of this chamber in your office. And I would like to acknowledge the outgoing senators, especially outgoing Labor senator for Tasmania Kerry O'Brien for his contribution in this place and to Tasmania. I would like to express my gratitude to the people of Tasmania for entrusting me and Gillard Labor with their vote, for participating and delivering a politics of hope—hope that we can do things better, that we can represent people better and that we can work better together to strive for a better future.

Coming as I do from Australia's Antarctic gateway, I bring with me a Tasmanian sense of resilience to the depths of this Canberra winter. But I also bring with me from that proud island state a great sense of humility at the privilege of representing its people. I stand here grateful for the diversity of my heritage, the care of my parents and the encouragement in standing up for myself and for others.

These experiences have taught me so much and I stand here with the knowledge that my presence in the Senate is part of a broader Australian story shared by so many in so many different ways. I look forward to a day when looking around this chamber we can capture the spirit of that Australian story with a truly representative parliament, one of a diversity of backgrounds, age, gender and identity.

Just over half a century ago, a 10-year-old Indo-Fijian boy set out with his family on their boat Tui Bua on the calm Koro Sea between Viti Levu and Vanua Levu. His journey to resettlement in the capital to attend a new school with his brother was interrupted by a fierce rainstorm, leaving them shipwrecked and adrift. Clinging onto a makeshift raft made from two single beds and a drum, without food or water and sharks swimming nearby, they were almost certain to die. After three days drifting through the Bligh Water, they were rescued by a local fisherman. Their survival was indeed a miracle.

That boy survivor was my dad—the grandson of Laxman, an indentured labourer from India with strong Rajput warrior roots and the son of a teacher and political leader,
Ram Jati Singh OBE, who had pushed for change in his society and in whose footsteps I would follow some 40 years later.

But my grandfather’s dream for his son—one of 12 children—my dad, was for him to be educated in a place of opportunity. My father travelled to Australia as an international student in 1963. He eventually met my mum in Tasmania and in that famous year of Gough Whitlam and Labor coming to power, and the Pong video game being invented, I was born.

Growing up in Hobart as an only child, I was influenced by my maternal grandfather, Les Southern, a returned servicemen and well-known police officer with an opinion on most things. I admired him greatly—the larrikin inspector who had carried Truganini’s ashes out to sea—and I wanted for a time to be just like him. He had a strong ethic of doing what was right and using the law as a guide. He had always been predisposed to the belief that social and legal reform is the way to make our society more just, more compassionate and more understanding.

Along my journey, I have been influenced spiritually by all those people whose faith in their beliefs is mirrored by faith in people—a belief in the enduring importance of our actions and our treatment of each other. My strength to stand up against injustice is modelled on some of the most heroic and courageous leaders that have and do walk our planet. I have long admired and followed Mahatma Gandhi and his principle of ahimsa.

But more recently I was elated by the release last year of Aung San Suu Kyi, as I have followed her fight against the oppressive regime and its effect on the people of Burma. I admire her as a heroine of great proportions and it would be a privilege to be in her presence one day. To that end, I pay tribute to the late Lyn Andersch, who left Burma as a young woman and became a voice for refugees and migrants in the Tasmanian community.

I have also been lucky to have the wisdom and friendship of former Senator Kay Denman, who I am pleased to say is in the gallery today. Kay exemplifies those values of social justice and equality, and her legacy in this place is remembered by me and many others as that of a woman who stood up for those in need and facing discrimination.

Such wisdom has come from many quarters. I also want to thank the former long-time member for Denison and Labor minister, Duncan Kerr. I was 15 years old when Duncan won his seat, the first Tasmanian to win a seat for Labor in over a decade. Duncan has influenced me greatly and helped me realise the capacity we have as leaders to effect change through law. The people of Denison are so much the better for having had Duncan as their representative for so long and I know just how much he is missed. If I can do half as well as Duncan in federal politics then I will have achieved a great deal.

I would also like to take the time to pay tribute to my family and colleagues, and acknowledge the presence of some of them in the chamber today: my partner in life, Colin Grubb; my proud father; my son, Jack; my sister, Abilene; staff members; and friends. I also want to acknowledge my son, Darcy, and the love and guidance of my mother. I thank them for their love and their support, and for their support for my political involvement throughout my life. Thanks also to those volunteers of the Australian Labor Party, to my local branch, to the unions and to those in the community who were willing to work hard to make sure Labor people were elected to govern.
From my early days growing up in North Hobart volunteering for St Vincent de Paul, I felt that something must be done about injustice—be it poverty, exploitation or discrimination. I have always wanted to play a role in turning that injustice around through the values of compassion, equality and respect for diversity.

I have spent nearly all my life in a state where we care not only for each other but for our pristine environment and quality of life. In the last decade especially, Tasmania has gone from a state fearful of what is new and different to one that revels in diversity and is prepared to embrace change.

Tasmania has led the way in recognising same-sex couples and on renewable energy. New businesses are making the most of new technology and capitalising on Tasmania's capacity to produce fine food, wine and tourism experiences. We are prepared to face up to the challenges of a new economy and adapt our traditional industries, as we have seen in the landmark forestry deal struck between the Prime Minister, the Premier and so many normally disparate parts of the Tasmanian community. It is these achievements and the knowledge that so much more can be done which motivates me to be here today.

My belief in social justice was galvanised by what I saw as an undermining of the capacity of people to participate and by policies pushed or pursued by the Howard coalition government which were serving to perpetuate the most destructive elements in our society. In this period, Australia was one of only two OECD countries without a paid parental leave scheme, essential for enabling parents to maintain a balance between work and family. In this period, the government tried to undo the policy of multiculturalism that had served the nation so well for so long, preferring instead to force homogeneity through fear and distrust of difference. And, of course, in this period was Work Choices, which attempted to destroy the rights of working people and finally unseated that government.

Under Labor, a new set of values underpin government policy that favours our common humanity. We are the party of reform, of looking to those common services that our communities need and will need in the future. Because we believe in our society, we believe in a politics of hope. That is why I joined the Australian Labor Party. Our party speaks to those values of decency, of inclusion and of the importance of striving for something better for every person.

It is Labor's philosophy that guides me, stemming from Ben Chifley's light on the hill speech, 'bringing something better to the people', and the courageous leaders thereafter who have pursued social security to nation-building; native title to investment in the arts; superannuation to Indigenous rights; and workplace relations to caring for our environment. Labor's history is the history of forward-looking reform in this country. It is the story of governing in the interests of the whole community and the community to come.

My experiences as a student at university, as a young union organiser for the Australian Education Union and later as the director of the Tasmanian Working Women's Centre encouraged and prepared me in organising for the women's, peace and labour movements. It prepared me to stand up for people's basic human rights. I am pleased to be sharing the Senate today with five other female senators from Tasmania. I would like to pay tribute to new Senator Anne Urquhart. I look forward to working with her and my other Tasmanian federal Labor colleagues.

I would like to thank EMILY's List, of which I am a proud member, for their
support and especially the support of Joan Kirner, whom I have looked up to over the years and who has encouraged me and so many Labor women to make that leap into politics knowing the support of EMILY’s is there for them.

In 2006, I was elected to the Tasmanian state seat of Denison under the Labor government, starting my term as a backbencher before having the opportunity to serve as parliamentary secretary and then as minister. I am grateful for having had the opportunity to drive reform in workers’ compensation, asbestos management, putting rehabilitation at the centre of corrections and focusing on our future with regard to climate change.

I was fortunate to work as a Tasmanian minister with the federal Labor government to end Work Choices and introduce our Fair Work Act. My federal counterpart in these important reforms was none other than the Prime Minister and I look forward to working with her once again as a parliamentary colleague on the positive agenda she has for this country.

Sixteen months ago I lost my seat in the Tasmanian parliament in an electoral shift that would prove prescient for the nation. Like, I am sure, anyone who loses an opportunity to finish the job they started, I felt that I had more to contribute. I have always believed in the dignity of decent work and of safe work. In recent years I have become deeply concerned about the suffering of workers and their families from asbestos related disease.

There is a dark legacy of asbestos in Tasmania from the days of Goliath Cement works where hundreds of workers slowly contracted deadly asbestos disease without their knowledge and our towns remains riddled with it. I decided that I would continue to contribute in this area, setting up Asbestos Free Tasmania Foundation as its founding CEO to seek justice for victims and educate the community. I would like to thank the board of Asbestos Free Tasmania Foundation for all their support, as well as unions, especially the AWU and United Voice, sponsors, and Cancer Council Tasmania, without whom the organisation would not have got off the ground. I also thank the now Tasmanian Minister for Workplace Relations, David O’Byrne, for continuing on with the asbestos reform agenda. I look forward to continuing to support redressing the legacy of asbestos through national policy as initiated by the Minister for Workplace Relations, Senator Chris Evans.

I was fortunate to be elected to the Senate at last year’s August federal election, taking the sixth senate spot for Labor, and I thank the Australian Labor Party for that opportunity. But Tasmania and the nation’s voters sent a message with that election: that they want the values of our party articulated, that they have become tired of parties taking majority for granted, that they believe in community, that they believe in hope. They believe it is time for us to work together.

I have a vision for Australia where no-one is left behind, no matter what their background, gender or circumstance. I see that vision being achieved through education and creativity. I have a passion for education and the arts as they are the key by which lives can be transformed, empowered and made so much the richer.

Education is fundamental to gaining an understanding of our society and economy, and the skills with which to contribute to it. But more than purely vocational, education is fundamental to the development of good citizens and to engagement with communities. There was once a time when language studies in Australia were a high
point in our education system. Today, despite the opportunity we have due to our proximity to Asia, few Australians learn the languages of our region. It is shameful that we are the only Western country located in Asia but are the lowest ranked OECD country for second language skills. Ironically, more students took second languages during the time of the White Australia policy in the 1960s than they do today, and this level continues to fall. Equipping our children from school with the capacity to travel and explore and to talk with people who speak languages other than English is part of ensuring Australia's place in the world.

Australia's place in the world is a proud one, with a history of engagement. We were a leading nation in the creation of the United Nations and we were one of the first democracies to give women the vote. We are active participants in peacekeeping and in making the lives of countless people around the world better through our aid program—a thousand quiet hopes delivered by a thousand quiet heroes.

Yet we still, in my view, have a way to go in fully declaring ourselves as the architect of our own destiny. As a former state convenor of the Australian Republican Movement, I hope that in my time in this place Australia becomes a truly independent nation with our own head of state.

I believe in gender equality and in the need to empower women and girls both here and across the globe and to teach them about HIV and AIDS and sex education. It is neither just nor right that women and girls continue being sexually exploited. Trafficking and exploitation continues in the darkest corners of our nation and in countries just a short plane ride away. As leaders in the country we have a duty to do something about this. And we must not fool ourselves. Prejudice lives unconsciously amongst us and as community leaders and political leaders it is up to us to set the standard, to show humanity towards people of different cultural backgrounds who have fled persecution or arrived as migrants, and educate ourselves about the differences between us and the things we have in common. As Bobby Kennedy remarked after the death of Martin Luther King, what we need is 'love and wisdom and compassion towards one another'. I believe that the majority of people in our nation want to live in peace and want to work together to have a decent quality of life and share the opportunities that Australia has so many of. But it is only through compassion and understanding towards each other that this can be realised.

I am proud to live in one of the longstanding democracies of the developed world. To that end, I believe we need to change our Constitution, acknowledging in its preamble the Indigenous peoples of this land. They are more than deserving of this, as our country's first people. Australia today is not the Australia for which men like Andrew Inglis Clark and Sir Edmund Barton, democrats of their era, wrote our Constitution. We are an inclusive nation; we recognise and respect the diverse groups that make up this nation. And together, through respect, we become one. Our Constitution should reflect that. It should reflect the dignity of all people, especially the Aboriginal people of Australia.

It is an exciting time to be entering federal politics and to be part of great reforms for our nation's future. We are at the crossroads, faced with the choice of embracing a new age of clean energy or acting as though we are still in the era of industrialisation, burning fossil fuels and creating more and more pollution. As Labor people, we have a history of reform and care for the environ-
ment, as reflected in the efforts of ministers like Tom Uren.

As a Tasmanian, I know a bit about this clean energy stuff. I am proud to come from a state that is run predominantly on renewable energy and I pay tribute to those forefathers, many of whom were migrants, who worked to create the Tasmanian hydro-electric scheme, from which we continue to draw most of our energy today. It is now time for the rest of Australia to catch up—and time is of the essence.

I believe our quest must be not only to make economic activity in Australia more environmentally sustainable but to assist developing nations to do likewise. I believe that, as a developed nation, we have a duty to lead and support developing nations as they transition to a low emissions trajectory. They cannot take the dirty, energy-intensive path that developed nations have blindly taken over the last century. But neither should they be denied the prosperity enjoyed by developed nations. This challenge is about global climate justice and it is about intergenerational justice.

I am proud to join this chamber and this government, which is prepared to look to the future and not just retain the status quo; that is prepared to invest in services and infrastructure for the next generation, like the National Broadband Network, and to rearticulate the value that we place on clean air, clean water and the world in which we live. As I mentioned at the outset, I come to this place being true to my values, standing up for what I believe in and being committed to the government's agenda. I also come to this place in the hope that, despite differences in philosophy, we can respect each other in this chamber in the shared hope for the future of all Australians.

As I embark on this new chapter of political life, I draw strength from those Labor Party members and senators who have gone before me and whom I share this parliament with today. I am proud to be part of a government which is decidedly not conservative because it believes in changing things for the better. And we have the courage of our convictions. I look forward to contributing to this place and to the nation, not just as a Tasmanian senator but as a member of the Gillard Labor government, in the hope of playing my part in making the world a better place.

FIRST SPEECH

The PRESIDENT: Pursuant to order, I now call Senator Di Natale to make his first speech. I ask honourable senators that the usual courtesies be extended to him.

Senator DI NATALE (Victoria) (17:22): It is an honour to be standing here in this chamber, one of only several hundred people to have ever been given that privilege. It is also an honour to be standing here representing the great state of Victoria, a state of majestic forests, of rugged mountains and a stunning coastline, a state whose capital ranks amongst the most cosmopolitan, multicultural and progressive cities anywhere in the world.

As the first Greens senator for Victoria, I also feel a great sense of expectation. I am here today because a number of people—far too many to mention by name—gave up their time for a cause far greater than any of us. I give special thanks to the army of supporters and volunteers who knocked on doors, who attended street stalls, who handed out on election day. I give thanks to those visionary Greens MPs, past and present, who paved the way. I give thanks to the community groups, to the unions and to the environmental organisations who offered their support in many different ways. Above all, I give thanks to the almost half a million Victorians
who voted Greens, some for the first time. All that I can offer in return is my best.

I stand here today as the product of that wonderful Australian experiment called multiculturalism. My mother and her parents left San Marco, a small village in southern Italy to board a ship to Australia in the late 1950s. They did not speak any English but they were armed with something far more important—the hope for a better life. My grandfather opened a grocery shop in Brunswick. He took mum and her sisters out of school; he put them to work in the shop. Mum resented the long days. She dreaded the arrival of granddad's truck because it would mean hours of stacking heavy bags of potatoes and boxes of fruit. She was only 13.

At the age of 29, my father left Siracusa in Sicily to come to Australia. He learnt English while doing his electrical apprenticeship and he was shocked by Australia's strange timber houses. To dad, it was unimaginable that a house could be built of anything but concrete. Dad went on to spend the best years of his life on building sites, inside roof cavities, under floors to provide the life for me that he once dreamt of for himself. Their story is a universal one. It is on their shoulders and those of millions of families just like theirs that this nation has been built. My family has contributed teachers, doctors, factory workers, builders and lawyers and now, a senator. I owe them a great debt. I owe this country a great debt.

Multiculturalism is one of this country's enduring successes. Rather than dividing us it compels us to be clear about those things that unite us as a community: respect for our democratic institutions, for universal human rights and for equality of opportunity. The real value of multiculturalism lies not just in being able to get a curry or a lasagne—as nice as those things are—but also in the fact that relationships with people from different cultures offer important insights into our own. We expect newly arrived migrants to share our values but we also learn from theirs. Politicians often talk about the importance of family values and respect. Nowhere is the role of family and respect for the wisdom of elders more evident than in the many new cultures that reach our shores and the ancient one that predates us all.

The sacrifices that my family made gave me the opportunity to study medicine. They gave me the chance to make a real difference to people's lives. During my time working in Aboriginal health in the Northern Territory, I came to appreciate that writing a script for an Aboriginal man with chronic diabetes, or travelling in the back of a four-wheel-drive to dispense eye ointment, was not addressing the reasons that made people sick. I became friends with a young Aboriginal boy who developed kidney failure. He became so unwell that he would lie on the grass breathless while his friends would run amok kicking the footy. We helped him through the first few weeks of his dialysis. It meant pouring several litres of fluid into his abdomen four times a day, every day, just to stay alive. It was especially tough knowing his illness, like the illnesses of so many kids in that community, was entirely preventable.

Some years later I took up a position with the Nossal Institute for Global Health. We set up a drug treatment program in India to prevent children as young as 12 from injecting heroin and other drugs, from sharing dirty needles and from becoming infected with HIV. We worked with drug users, sex workers, health professionals and government officials in a pioneering treatment program. These were formative experiences that confirmed what I had long known. Firstly, if we are to make real progress in health we need to tackle those factors that lie outside the health system. Our efforts as health professionals are futile
unless we also improve people's access to housing, education, clean air and water, secure employment and participation in community life. The reality is that inequalities in health arise because of inequalities in society. Reducing health inequality is a marker of our progress towards a fairer society. At its core, health is a social justice issue.

Secondly, prevention is critical. Giving some medication to someone for their diabetes is nowhere near as effective as good diet and regular exercise. During my time in the Territory I spent a season playing footy with the Tennant Creek Eagles, a local Aboriginal team, where young, barefoot Aboriginal men would dazzle the crowd with their sublime skills. I probably achieved as much for the health of that local community because of my involvement with the football club as I did through my work in the health clinic.

Finally, it is important that our health system implements interventions that are based on the best international evidence. Our program in India saved lives. Regardless of whether it is medication for heart failure or treatment for substance dependence, evidence based care can make a real difference. It was not long before I came to understand—whether the issue was providing decent housing for Aboriginal people, increasing our aid budget to fund more work like that in India or stopping the advertising of junk food to young kids—that political action is essential. If I wanted to make a real difference, a lasting and positive impact on people's lives, the time had come to take off my stethoscope, roll up my sleeves and take action.

A generation or so ago the decision to join a political party was based on tribal loyalty or class. Today things are different. I wanted to join a party that offers a progressive, optimistic and compassionate vision for the future. I wanted a party that had the courage to stand up for what is right, not just what is popular. I wanted to join a party that got things done. I found my home in the Greens. It is a party that represents the best of social democracy, for example, through its commitment to public dental care and support for the rights of workers, whether in the building industry or on the factory floor. It is a party that represents the best traditions of liberalism, expressed through its support for individuals to make decisions without interference from government, whether it be the right to die with dignity or to marry the partner they love. It is a party whose commitment to the environment is part of its DNA. As Guy Pearse recently wrote, the Greens are more labour than Labor, more liberal than the Liberals and, not surprisingly, far greener than both.

It is a reality that has meant we have made some powerful enemies. They attack us relentlessly, but I welcome their attacks. They give my mission clarity. They say that we must protect our borders. We say that to offer refuge and protection is a sign of strength, not weakness, and that now is the time for decency and compassion. To do otherwise is to consent to a dark chapter in this nation's history. They say that to protect itself, Australia must align its fate with a foreign power. We say that a free and strong nation like Australia can take its own place in the world with an independent foreign policy. It is wrong that decisions that were once made for us in London are now made for us in Washington. Our parliament, not a foreign president, should decide whether this nation goes to war. They say that our vote has peaked. We say that Australia's two-party dominance is not guaranteed. The Greens are reshaping Australia's political future, just as the labour movement did a century ago. With the emergence of the
Greens there is a new light on the hill, but this time powered by renewable energy.

We understand that many Australians are worried and anxious. In a world transformed by globalisation and no longer constrained by institutions such as church and state, the possibilities are endless. But increased choice is both liberating and disturbing. It was not long ago that someone would live their entire life in the same neighbourhood, working the same job and voting for the same political party. Instead, today's world is characterised by a constant state of flux and uncertainty. In this world no single ideology provides a blueprint for the future. Such a world provides fertile ground for the politics of fear and inertia and for the politics of short-term gain, but politicians have a choice: they can appeal to people's fears and anxieties or they can appeal to their hopes and dreams. Leaders choose the latter.

It has become a political mantra in this country to talk about how tough life is for ordinary Australians. Of course some Australians are hurting. Some are trapped in an entrenched cycle of poverty. Some have lost their retirement incomes because gamblers have speculated on the stock market with their savings. Some have a gambling problem of their own, supported by state governments whose addiction to this revenue shows no signs of letting up. The reality is that by almost every measure, whether it is income, housing, education or health, most Australians are doing better than the citizens of almost every country on earth, and far better than at any other time in human history. At a time of global turmoil our economy is one of the world's shining lights. When almost half of the world's people live on less than $2.50 a day, Australia has experienced a prolonged period of economic growth, low unemployment and low inflation. Our nation has never been better placed to tackle the challenges that lie ahead. Now is the time for courage and vision, to lead rather than follow.

Never before has leadership been so important than on the vital issue of climate change. We are now at a critical juncture. Many will not confront the facts on climate change because the facts offend their ideological beliefs. But science requires us to follow facts wherever they take us, no matter how uncomfortable those facts may be. The climate change debate in this nation has become a battle between ideology and reason. Martin Luther King believed that the arc of the moral universe was long but that it bent towards truth and justice, and I believe he is right. I only hope for the sake of my children that it will not be too late.

Leadership is required to meet our economic challenges. Over the short term we need to increase our investment in infrastructure and training, stop government spending that promotes asset bubbles rather than genuine investment and reduce welfare that contributes to income inequality. In the longer term, we cannot continue with an economic model that relies on endless population growth, resource extraction and consumption. Unless we begin to acknowledge the natural limits of our fragile planet and to work within them, continued economic progress is not assured. Achieving genuine sustainability is the great challenge of this century. The time has also come for us to redefine progress. Every generation has its fashion and we are cursed by the belief that narrow economic measures such as Australia's GDP and the performance of the stock market are all that matter. It is time to develop genuine indicators of Australia's social, environmental and economic wellbeing and to measure our progress against these because they are what really matter.
This Greens vision is of a world of more, not less—more time with our families and friends, more meaningful work and more time for creativity to flourish; a world where individuals can achieve their full potential and where the great inequality that exists within nations and between nations is a thing of the past; a world where our air and water are clean and where we are happier, healthier, more engaged citizens.

These things will not come easily. It is a world that we must fight for. We live in an era where the big end of town sees government as an inconvenience, as an impediment and, even worse, as illegitimate. To paraphrase Franklin D Roosevelt, we know that government by organised money is just as dangerous as government by organised mob. Slogans and sound bites have replaced serious news while conflict has become a substitute for debate. I hope to play my small part in enriching the public conversation. In the contest of ideas I will be determined and forthright but always respectful. I hope to show leadership and good humour, courage and purpose. A closed mind is often paraded as a virtue in politics but I will always be open to changing my mind after listening to the facts. In the face of cynicism I hope to hold onto my idealism.

I embark on this journey with some trepidation, not just because of the responsibility that it entails but also because of what it will mean for my family. None of this would be possible without the encouragement, support and love of my wife, Lucy. She left England 15 years ago, met a scruffy traveller at a hostel in Kalbarri and now finds herself on a small farm in regional Victoria, with some tough years ahead. Lucy, I love you and am forever grateful. I hope that one day you will forgive your dad for the missed football games and school plays. I will do my best to earn your understanding. And please, for heaven's sake, be good to your mum.

When my parents arrived here half a century ago they dreamt of a better life for themselves and their family. Their success gave me the chance to dream of a better life for this nation. It is a dream that charts a new course towards a more socially and environmentally just future. It remains my guiding ambition and I am humbled to be able to pursue it from inside the chamber.

**MATTERS OF PUBLIC IMPORTANCE**

**Carbon Pricing**

The **ACTING DEPUTY PRESIDENT**

(Senator Adams) (17:46): The President has received a letter from Senator Fifield proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The Gillard government's determination to introduce a carbon tax despite the Prime Minister's solemn promise not to do so.

I call upon those senators who approve of the proposed discussion to rise in their places.

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

The **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 CORMANN** (Western Australia) (17:47): Today we mark the anniversary of the Prime Minister's carbon tax lie. Today we mark the anniversary of the Prime Minister's broken promise, which she
solemly and emphatically made on 16 August 2010 in the shadow of a difficult election that was just five days away and that she knew she was at serious risk of losing. Five days before the last election, when the Prime Minister knew she was in trouble, the hollow men in her office and the spin doctors at Sussex Street in Sydney and around Australia were telling her, 'Unless you make an emphatic promise that there will be no carbon tax under a government you lead, chances are that our government will be history and you will no longer be Prime Minister come 22 August.'

The only reason the Prime Minister looked down the barrel of that camera and talked directly to the Australian people, five days before the last election, is that she knew that she had to rule out a carbon tax otherwise she was not going to be Prime Minister for more than another five days.

The carbon tax is a bad tax based on a lie. It is a broken promise and it is a policy we oppose, firstly because it is a broken promise, but also because it is bad policy for Australia. The carbon tax is bad for household budgets, it is bad for the economy and it is no good for the environment either. The lie continues, because the Prime Minister tells us that the whole point of the carbon tax is to reduce global greenhouse gas emissions. She tells us that somehow this carbon tax package will help Australia make a contribution to reducing global greenhouse gas emissions. But, of course, it will not do anything of the sort. The lie continues to this day.

The carbon tax will push up the cost of everything, it will make Australia less competitive internationally, it will cost jobs and it will hurt small business, and all of that without doing anything to help reduce global greenhouse gas emissions. It will make overseas emitters more competitive than even the most environmentally efficient equivalent businesses in Australia. Helping overseas emitters to take market share away from businesses in Australia is not effective action on climate change; it is a reckless and irresponsible act of economic self-harm.

I note that we have a senator from Tasmania in the chamber with us. I have travelled around Australia over the past five or six weeks, including to an aluminium smelter in Bell Bay, in the seat of Bass. I am sure that Senator Polley well knows which company I am talking about. It is a company that over the past 20 years has done much to reduce global greenhouse gas emissions. It has done much to reduce its energy intensity. It has done much to reduce the emissions it produces. In fact, as Senator Polley would know, as a manufacturing business in the great state of Tasmania it draws most of its energy from hydro. I see Senator Polley is nodding, so she agrees with me.

But, do you know what will happen with this carbon tax? Aluminium smelters in China will become more competitive than the aluminium smelter in Bell Bay, near Launceston. Aluminium smelters in China will take market share from the aluminium smelter in Tasmania. That is what they have told us. I see that Senator Polley is now shaking her head, so she no longer agrees. But I know for a fact that the Assistant Treasurer, Bill Shorten, was there meeting with the good people at the aluminium smelter on the same day I was there. We were both told that in this current economic environment, where they are right on the edge in terms of international competitiveness—given the strength of the Australian dollar and given the state of the economy internationally, generally—that this carbon tax will seriously undermine and put further pressure on their international competitiveness position. They told that to representatives from the government as well as representatives from the Liberal-National
party. They have said that this carbon tax will help businesses in China, who would be more polluting, to take market share from that particular business in Tasmania. That is not effective action on climate change. As a US congressman observed, this is more akin to an act of unilateral economic disarmament.

I will go through some of the lies that are still being perpetrated now. I just talked about emitters in China. Manufacturing businesses in China cannot wait for this carbon tax to come into place. They know this will help them take market share from Australian manufacturing businesses. The Prime Minister, the Minister for Climate Change and Energy Efficiency, the Treasurer and others keep talking about how we are somehow going to reduce emissions by sending business overseas. But reducing emissions in Australia in a way that increases them by more in other parts of the world does not do anything for the environment; it actually leaves the world worse off environmentally. People here in Australia have been asked to make a sacrifice. Their jobs have been put at risk. They have been asked to pay more for their electricity, they have been asked to pay more for their gas and they have been asked to pay more for their household goods, and what for? Only to shift emissions to other parts of the world.

Let us just have a look at the impact that this carbon tax will have on emissions. Emissions in Australia are going to continue to go up. At present, according to the information that was released as part of the package, we put out levels of about 578 million tonnes of CO₂ emissions in Australia in 2009-10. Under the core policy scenario, by 2020 our domestic emissions will be 621 million tonnes. Now emissions are continuing to go up. So the government says: ‘Don't worry about that. They'll be lower than they otherwise would be. The reason we can say emissions are going down is that without a carbon tax they would go up by more. They're not going to go up by quite as much.’

Let us look at that argument. We turn around and say, ‘What is going to be the impact on jobs?’ We are told that jobs will continue to grow. The economy is going to continue to grow. But hang on: economic growth is going to be lower. There are going to be fewer jobs, and the government is saying that there is not going to be an impact of the carbon tax. When it comes to jobs, when it comes to the economy, you have to compare things with current levels. Compared with current levels, supposedly jobs are still going to go up, even though they are going to be lower than they otherwise would be. When it comes to emissions you cannot compare with current levels; you have to compare with what the situation would have been. You have to decide. If you say that emissions are going down just because they are going to be lower than they otherwise would have been, then you have to admit that jobs are going to go down as well—and of course the Treasury modelling assumes that real wages are going to go down.

Let us look at the impact on emissions globally. Only three years ago Treasury did what they said was the most comprehensive modelling ever done on anything to do with carbon pollution and so on. They assumed then that China, in 2020, would put out 16.1 billion tonnes of emissions. Three years later, they have revised their modelling. Now they think China will put out 17.9 billion tonnes of emissions by 2020. So just by having revised their expectations, they now think that Chinese emissions are going to be 1.8 billion tonnes higher in 2020 than what they thought three years ago. That is more than three times—
Senator Williams: Three times Australia's total.

Senator Cormann: That is three times Australia's total annual emissions, which are currently less than 600 million tonnes. In 2005, China's emissions were at 7.2 billion. The global community now expects that China's emissions will be at 17.9 billion tonnes in 2020. That is an increase of 10 billion tonnes in emissions between 2005 and 2020.

This carbon tax package is a joke. It is a broken promise. It is bad for Australia. This is a bad tax based on a lie, and this parliament should not support it. The Prime Minister will stand condemned for her deceit of the Australian people.

Senator Cameron (New South Wales) (17:57): I always like following Senator Cormann. Senator Cormann has learned absolutely nothing from the inquiry that his party set up to look at the carbon tax. He has obviously not listened to Treasury. He has obviously not listened to any of the scientists. He is obviously determined to be a climate change denier and part of the right-wing group in the coalition that actually do not care about the long-term future of this country but are only interested in short-term politics. I think we have to come back, from time to time, to remind ourselves what this is all about. It is all about trying to deal with carbon pollution that is warming the planet.

Senator Williams: Carbon is not a pollutant.

Senator Cameron: I hear Senator Williams interjecting that carbon is not a pollutant. This is typical of what I think is the bulk of the coalition's view. It is unscientific. It is antiscientific. It is trying to deny the science of climate change. Senator Williams at least does not make any bones about the fact that he is a denier of this stuff. That is to his credit. I do not accept what he says, but at least he does not deny it. The worst elements in the coalition are those that say, 'I agree with the science, but ...'—and then they have all the arguments about why the science is not relevant. It is a nonsense.

Senator Birmingham will be talking here later. I think Senator Birmingham is one of the most tainted politicians in this chamber in relation to climate change. Senator Birmingham was a strong supporter of putting a price on carbon but, when he thought he could make some political progress within the coalition, he dumps his values, he dumps his policies—and what does he do? He takes up 'direct action'.

We have another group in the Senate who are obviously climate change deniers: the DLP. The DLP are here. I am never quite sure what pocket the DLP are in—whether it is the Nationals' pocket or the Liberals' pocket—but he is always in one of those pockets, let me tell you.

Senator Williams: He's not in your pocket!

Senator Cameron: I really don't want him near my pocket! But let us see what the eminent scientists in this country say is the real issue. There is the CSIRO. Senator Williams would rely on the CSIRO plenty of times to get information about the climate, about the weather, about what is happening with carbon in the soil—he would rely on that. But he does not believe what the CSIRO say in their recent book, Climate Change: Science and Solutions for Australia. What do the CSIRO say? This is not a political party; this is Australia's scientists. They say: 'Climate change is one of the greatest ecological, economic, and social challenges facing us today.'

We agree on this side that these are huge challenges, but it takes the Labor Party to deal with big challenges. What you get from the coalition is misinformation, fear...
campaigns and an idealisation of people like Lord Monckton. What do we have? We had Senator Cormann, as I said in the last session, lining up to get Lord Monckton's autograph in Western Australia! That is the sort of level of anti-science that is in the coalition. It is clear that the climate change deniers are in control.

What do the CSIRO say? They say: 'The impacts of climate change are already clearly visible in Australia.' It is not a theory; it is 'clearly visible', according to the scientists. They say:

Southern and eastern Australia’s water supply reliability is expected to decline as a result of reduced rainfall and increased evaporation, affecting irrigation, domestic and industrial water use, and environmental flows.

How could any person who says they stand up for the bush deny the science? It is absolutely a joke.

**Senator Cormann:** You're clearly committed to do to the Labor vote what you've done to the AMWU membership!

**Senator CAMERON:** And here we have Senator Cormann! Senator Cormann must have gone up to have a look at Lord Monckton's autograph and he is all fired up and he wants to come after poor me, trying to deal with the scientific facts.

**Senator Williams interjecting**

**Senator Cormann interjecting**

**Senator CAMERON:** We have the climate change deniers over there attacking me when I am dealing with the scientific facts. So, anyway, the National Party are doing a great disservice to the bush by being climate change deniers. The CSIRO go on to say:

Development and population growth in Australia's coastal regions will exacerbate the risks from sea level rise and increase the likely severity and frequency of coastal flooding.

People who have a scientific brain are saying these things, but you can't expect Senator Williams, Senator Joyce, Senator Cormann or the DLP to actually understand these issues, because this is a political exercise for them. It is not a scientific exercise; it is an exercise in political denial. It is an exercise in misinformation. It is an exercise in fear campaigns. That is what the coalition are about.

The CSIRO go on to say our infrastructure is under threat. They say heatwaves, storms and floods will have a direct impact on the health of Australians. They say:

Moderate warming in the absence of rainfall declines can be beneficial to some agricultural crops, and higher levels of carbon dioxide can stimulate plant growth.

We hear this from the opposite side all the time. But the CSIRO say:

However—you know that word 'however'—

… these positive effects can be offset by changes in temperature, rainfall, pests, and the availability of nutrients. Production from cropping and livestock is projected to decline over much of southern Australia, as is the quality of grain, grape, vegetable, fruit, and other crops.

Senator Williams, you are doing your so-called constituency a great disservice by being a climate change denier, because you are denying the scientific facts. This is not an argument about whether the government's position is more economically responsible than the coalition's position; it is actually a debate between science and the deniers—and the deniers are in control in the coalition. Malcolm Turnbull actually knows the real position. I will come to Malcolm Turnbull in a minute. On the science, where is the document *The science of climate change: questions and answers* from? It is certainly not from the coalition. It is from the Australian Academy of Science. They explain climate change. They explain how

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the earth's climate has changed in the past and how it has changed in the recent past. They say unequivocally that human activities are causing climate change. They list the causes, similarly to the CSIRO. Then they ask the question of how we deal with the uncertainty of some of the science. They say this:

Although climate forecasts are uncertain and will remain so, the broad conclusions of climate change science as outlined above—

And I hope that the DLP are listening—

are based on many lines of evidence that together give a high degree of confidence. Partly because of scientific uncertainty but also because many aspects of human life are involved, decisions about action on climate change will need to involve extensive consideration of issues beyond science, including ethics, economics and risk management.

I have heard people argue that it is the sun that is doing it. NASA, who have more information and understanding about the sun than anybody else on the planet, do not agree with that proposition. I suppose that the NASA scientists are part of the climate science communist collusion against democracy—NASA. What NASA says is that the Arctic sea ice minimum has declined 11.5 per cent in this decade, that carbon dioxide is now 391 parts per million, that sea level is increasing by 3.27 millimetres a year, that global temperature has gone up 1.5 degrees Fahrenheit on average since 1880 and that Greenland's land ice is reducing by 100 billion tonnes per year.

That is the science of the issue. We now have to deal with the politics. And the politics are underpinned on the other side by a lack of scientific understanding, a lack of scientific acceptance and attacks on our scientists. They are the cheerleaders for Alan Jones against people like Professor Karoly. Actually, I am not sure who is cheering who on. Why do they have this position? If you look at why they are doing this, they do not accept the science. They want to back in their big business backers in the mining industry. They want to back in the billionaires, such as Twiggy Forrest. They want to back in all those people who are opposing this because it might affect their profits. It is about time that those on the other side stood up for the Australian nation against the billionaire miners in this country. It is about time that they stood up for their constituency, because that constituency will be harmed. But what they are doing is simply relying on the donations flowing in from the billionaire miners and because of that they are taking a position against the national interest in support of the billionaire miners.

I have gone through some of the issues. But there is at least one—and there is more than that; we know that—coalition MP who knows the real truth here. Who is that? Malcolm Turnbull, who you all hailed as the most economically literate leader that you had ever had—back when he was your leader. But after he was knifed by the right wing—the extremists of the party—he suddenly became not economically literate. But he does have some economic literacy. I do not agree with everything that he says, but I agree with what he said about direct action, which is your supposed policy. He said that it was a recipe for fiscal recklessness. And you dare to come here and lecture us about fiscal responsibility when the most competent economic analyst on your side, Malcolm Turnbull, has got you pegged. He said that the chief advantage of the opposition's direct action policy is that it is easy to stop if you do not believe in preventing climate change. You do not believe in it.

What the government has done is take the challenge up. We are making sure that the polluters pay and not the community. You have a $70 billion black hole that you are
trying to cover up. And one of the things that you are going to try and do is get rid of the department of climate change. You will want to get rid of the CSIRO and the Bureau of Meteorology next. You are an absolute disgrace. Short-term politics are driving you and the national interest has dropped to second best. You are a disgrace. You are a rabble. You will fall apart and be exposed. And I hope to be there exposing you all the way down the line. (Time expired)

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (18:12): I note that Senator Cameron said that those on the other side use misinformation and fear campaigns. Senator Cameron, please do not leave the chamber. Stay here: I have some messages for you. He talks about carbon pollution. But what is it? Why is it when you go on to Google and you search for a list of pollutants carbon dioxide does not come up? 'Carbon pollution', Senator Cameron says. But 60 per cent to 70 per cent of the food that we eat is carbon. Did you enjoy your lunch of pollution today, Senator Cameron? Under your description, that is exactly what it is. That is misinformation, deception and propaganda.

One year gone since the big promise from the Prime Minister, Ms Gillard: ‘There will be no carbon tax under a government I lead.’ She said it twice. And who was that backed up by? The Deputy Prime Minister and Treasurer, Mr Swan, with words to the effect that the accusations by Tony Abbott and the coalition that if Labor were re-elected they would introduce a carbon tax were ‘hysterical’. The highest elected office in the country is Prime Minister. And what did she do? She betrayed the Australian people. The second highest elected position in this nation is Deputy Prime Minister. Mr Swan is also the Treasurer. He betrayed the Australian people as well. There are 150 members over in that other chamber, the House of Representatives. I know of 145 at least who went to the last election saying there would be no carbon tax. But now what is the government doing to the Australian people? Senator McLucas shakes her head. Well, there are 72 Labor members over there who said there would be no carbon tax. There are 73 coalition members. That makes 145. That was the policy of 145 of those elected members of parliament prior to the last election: ‘There will be no carbon tax.’ And what have we got? It was a big false claim. There was a backflip.

This is what is wrong with this government. The Australian people have lost trust in this government. They do not trust it to manage the money. We have seen the waste of money. They do not trust it to balance the books. We have seen debt—I looked at the website of the Australian Office of Financial Management last Friday—of $197 billion. That figure is renewed on the website every Friday. The Australian people do not trust you with money. They do not trust you in the way you spend it. They do not trust you in your borrowing and wasting of it. They do not trust your promises about no carbon tax. That is why the Labor Party, the Australian Labor Party—I should clarify because we have another Labor Party in this chamber now, the Democratic Labor Party—has a 2 in front of its primary vote in the polling: because the Australian people do not trust you. It is as simple as that. There is mismanagement and waste and the government says: ‘We will have the budget in surplus come next year. Next May there will be this big surplus budget.’ But now it is backtracking on that. Surplus budgets are something that the Australian Labor Party does not understand. In the last 17 years of government under the Australian Labor Party, there have been four government
budget surpluses. The ALP only sees red print all over its budgets.

But I will go back to this argument about the carbon tax and the cost to business. The cement industry are going to get a 94.5 per cent discount. That means they are only going to get taxed about $9 million. This is an industry that is facing huge competition from cheap imports from places like China. We have just seen the announcement of the closing down of the Kandos factory, with the loss of 98 jobs directly plus the truckies’ jobs and all the other jobs that rely on it. They are gone. And you are going to put $9 million on that industry, which can hardly even afford to remain financially viable because of the high Australian dollar—brought about, I might add, by the high interest rates brought about by government waste and spending. Here is the government, foot on the accelerator, stimulating the economy, and the Reserve Bank has got its hand on the handbrake, pulling on it hard, with seven interest rate rises in a row—and we wonder why the Australian dollar is way above parity with the US dollar. That is one of the main reasons: our interest rates, including the 4.75 per cent official cash rate.

What is the cost to business? The cement industry, which is already in trouble, will be in more trouble. In our Senate Select Committee on Scrutiny of New Taxes, chaired by the very capable Senator Cormann, we have heard about Bindaree Beef, an abattoir in the local town where I live, employing 630 people. I believe it is the biggest employer in the seat of New England. I hope Tony Windsor actually thinks about that one day before he votes on this tax. There will be a cost of $2.74 million to that abattoir in the first year. We can go around and see them closed everywhere. And what is this government going to do? It is going to put taxes on these businesses. Do their competitors in America have to face a tax? No, they do not. It is just another nail in the coffin.

Then we have the cost to the transport industry. On 1 July 2014 there will be another 6.21c tax on the truckies’ diesel—in other words, there will be less rebate for the truckies. The government has already taken 3½c off their rebate. The return to the truckies per litre of diesel was 18½c when Labor won government in 2007. Now it is down to 15c. The truckies use eight billion litres of diesel a year, so the government has already charged the trucking industry over $240 million. As Tony Sheldon told our committee, this carbon tax is a death tax. Truckies will be forced to work harder, work longer and drop the maintenance on their vehicles. That is what your Transport Workers Union colleague and supporter said. Senator McLucas may shake her head, but the evidence is in Hansard if you want to read the transcript of the committee hearings. It is all in Hansard. He referred to it as a death tax because he is showing common sense about the effect on the transport industry.

Now we get to the most amazing thing of all. What is this going to do for the globe? When we get to the committee stage of this legislation, when it gets to this place, I will have a question. We know there are about 380 parts per million of CO₂ in the atmosphere now. I want to know how much this tax will do to reduce those parts per million. That is what I want to know. The fact is that by 2020 our CO₂ emissions will have gone up 43 million tonnes a year in Australia. We are not going down; we are going up. We have heard the figure today from Senator Cormann. China is going to go up by about eight billion tonnes to 17.9
billion tonnes. So we are going up. What are we going to do then? With some of that $72 billion taxed from the 500 largest emitters, we are going to buy carbon credits. This is when it is going to get really interesting. We are going to buy those credits from places overseas like Nigeria—they might be selling carbon credits—Brazil and Argentina. Who is going to check and police those carbon credits, to make sure they are for real and are not fake, fraudulent? This is opening up a whole new game around the world to transfer money off to other countries. That is what this is about.

In Australia, we are going to have the carbon cops. Bob Carr and Kim Yeadon, when he was minister—Kimberley Maxwell Yeadon, the jumped-up shop steward, as John Laws used to refer to him—brought in the tree police. A farmer who pushed over a tree faced a fine of up to $50,000. They talk about property rights. We are going to have the carbon cops. If a company puts in the wrong information, there will be a fine of up to $1.1 million or 10 years jail or both. They are going to be going around policing our companies. But what is going to happen with these credits we are buying from overseas? We will have no idea, but the billions will flow. I think the greatest statistic of all is that the emissions trading scheme that has been in place in 27 European Union countries plus three other countries—30 in total—for more than 5½ years, covering about 500 million people producing 14 per cent of the world’s CO₂, collects approximately $500 million a year. That is $1 per person—$1 for producing 14 per cent of the world’s emissions. We are going to tax Australians almost $400 per person—400 times the amount—for producing one-tenth of the emissions, 1.4 per cent. Is that justice? Is that fair? Emissions are going to go up. I am a firm believer in climate change. I believe the climate has been changing for millions of years and will continue to do so. They say the sea levels are rising. Why has Deb O’Neill MP bought a house down near the beach? Why is Minister Carmel Tebbutt moving down near the beach? If the sea level were going to rise, that would be the last place you would be going. They do not even think it is going to rise. I will check those statistics out, but that is the information—that is two Labor MPs who have moved down close to the waterfront, having total faith that the sea levels will not rise. This is a farce. In this inquiry we are having in the committee that Senator Madigan is part of, the more we dive into this whole carbon tax plan, the more ridiculous we can see the whole plan is. (Time expired)

Senator CROSSIN (Northern Territory) (18:22): That rant and rave just show you how important it is to come into this chamber and have these debates. I welcome this debate. I think I and my colleagues would be happy to be here minute after minute and hour after hour debating this issue, because—

Senator Nash interjecting—

Senator Williams interjecting—

Senator CROSSIN: You keep interjecting but with no alternative points of policy and no alternative points of fact. We just listen to ramble after ramble. Let me give you a—

Senator Nash interjecting—

Senator Williams interjecting—

The ACTING DEPUTY PRESIDENT (Senator Back): Order! Senator Crossin is entitled to be heard in silence.

Senator CROSSIN: Thank you very much, sir. Let me just give you one really good example of a ramble. I am surprised—but maybe the next speaker might go to this. This is an example of why we would be happy to debate endlessly in this chamber
our policy on putting a price on carbon. The Leader of the Opposition in the Senate, Senator Abetz, just today, talking about the position that Qantas has taken in taking jobs offshore, said this:

Clearly Labor’s Carbon Tax has not assisted Qantas in its need to compete internationally.

Suddenly, today, that is the carbon price's problem. That is this government's problem. Senator Abetz went on to say:

Planes can’t fly without fuel and the imposition of Labor’s Carbon Tax will have on operating costs is bad news for the aviation sector.

Guess what? This is another example of the mistruths, mismanagement and clear lack of understanding that we have from the opposition in this parliament, because—wait for it—there is actually no tax being applied to aviation fuel. Not only that, but our policy kicks in on 1 July next year, so how can you possibly blame the position that Qantas has taken—

Senator Williams: Mr Acting Deputy President, I raise a point of order. It is clear. On actually stating the truth there, it is clear in the legislation that it is going on—

The ACTING DEPUTY PRESIDENT: Senator Williams, could you explain the point of order.

Senator Williams: the fuel, domestic fuel, aeroplane fuel.

Senator CROSSIN: Let me clearly respond to that. Before you rush into this scare campaign, that is exactly what you need to do: read the legislation and try and get a grasp of the policy issues that we are putting before this country and this parliament. In fact, there will be no carbon price on international aviation flying from Australia. Get that clear. Get that really clear. But that has absolutely nothing to do with the position that Qantas has taken today. The carbon price will not even come into effect until 1 July next year. So we have another example just today where the Leader of the Opposition in this very chamber misleads, once again, on the carbon price on aviation, trying to pretend to the rest of this country, to Qantas workers, to Qantas passengers and to clients of Qantas that somehow this government is responsible for the decision that Qantas has taken. As Minister Combet said in the press release he released just half an hour or so ago: 'Senator Abetz has today revealed just how far the coalition is prepared to go in its unprincipled fear campaign against a carbon price.' Once again, Minister Combet is right. He is absolutely right.

While we are talking about scare campaigns here, let us turn the tables a bit about the deceitful, unprincipled and reckless scare campaign that is being run by the opposition and their leader, Mr Abbott, as he tries desperately to prove to the people of this country that he is fit to lead this country, that he is fit to be Prime Minister and that in fact he has an alternative policy. There is an alternative policy, but it is far worse, much worse, in terms of its impact on households than you could ever imagine. I will get to that a bit later if I get a chance. Claim after claim from Mr Abbott can be clearly discredited. It is all based on fear. It is based on a lack of understanding. It is based on an inability to grasp the fact that climate is changing.

We want to have an impact on that change. We want to have an impact on carbon that is put into the air. We want to put a price on carbon and we want this country to be involved in that and be a leader around the rest of the world.

Let us have a look at the first claim from Mr Abbott. He said on 19 July:

I mean, that’s my position and that’s always been my position but I’ve never been in favour of a carbon tax or an emissions trading scheme …
That is what he said on 19 July. Well, this is the real fact about that claim. Mr Abbott was a senior minister in the Howard government that went to the 2007 election—let us talk about that point in time, the 2007 election and what was said prior to that election, where the party of the people sitting opposite me went to that election—with a policy of introducing an emissions trading scheme. And yet he said:

... I've never been in favour of a carbon tax or an emissions trading scheme ...

So what does that mean? When the coalition parties went to the election in 2007, everyone wanted an emissions trading scheme—oh, that is right, except Mr Abbott, and he only just remembered that on 19 July this year.

He also previously said:

I also think that if you want to put a price on carbon, why not just do it with a simple tax?

Who said that? Mr Abbott said that. When did he say that? On 29 July 2009, not long ago. What did he mean by that? He said:

I also think that if you want to put a price on carbon, why not just do it with a simple tax?

In fact, that was not one year ago; it was two years ago that he said that. Here is another claim from Mr Abbott:

... climate change is real, humanity does make a contribution to it and we've got to take effective action against it. I mean, that's my position and that's always been my position ...

That was on 19 July 2011, just this year. The fact is that Mr Abbott has previously said that the science of climate change was 'absolute crap'. One minute he thinks it is crap but a couple of years later he says that climate change is real. So those opposite have the audacity to want to come into this chamber and debate what our leader has said—a credible Prime Minister who is trying to forge a path in this country in tackling climate change, making a difference and being part of the rest of the world in having an effect—but are not prepared to have a really good look and scrutinise what their leader has said.

I note that, as I started to quote from Mr Abbott, those opposite have run away—like Shrek and the donkey. They have run out of the chamber because, when you turn the tide back on this party and start to light the fire under the Bunsen burner and turn a bit of heat up, they all disappear and dissipate. They do not like it and they all run away. 'We don't want to talk about it. Let's not talk about Mr Abbott's view on climate change. Let's talk about anything else.' Mr Abbott does not have a view about climate change that is consistent. From day to day, week to week and year to year Mr Abbott does not have a view that is consistent about climate change and what he would do about it.

Then there was a third claim. Should I keep going? We might be able to get the others opposite to run away as well if I keep going.

Senator Williams interjecting—

Senator CROSSIN: Yes, that is right, this is cruel and the Australian public need to know how cruel it would be if they had such a leader as Mr Abbott as Prime Minister. Mr Abbott said on 19 July:

... there is no doubt that this package, as it stands, is going to do terrible damage to the aluminium industry in this country.

That is exactly what he claimed. What is the fact of that statement? If those opposite actually grasped and read our policy and reiterated our policy accurately, they would see that aluminium in fact will receive significant assistance under the government's Jobs and Competitiveness Program. Alan Cransberg, the Managing Director of Alcoa of Australia said:

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CHAMBER
I am confident the government has heard our concerns and provided measures that can help our Australian facilities remain globally competitive.

That was in the Alcoa Community e-news of July 2011. Should I keep going? Probably not. We could spend all night talking about Mr Abbott and his inconsistent views about this tax and his inability to reiterate and articulate a policy that would be credible amongst the Australian public.

Let us just talk about what we are going to do and the positive impact that this government will make. With our plan to cut carbon pollution we are also planning to drive investment in clean energy technologies and infrastructure. We want to do two things. We want to cut the pollution, the emissions, that are out there in the atmosphere and we want to turn this country into a clean, green energy future; a clean, green future that drives energy using the likes of solar, gas and wind.

I hear some people say, 'I don't think we are going to have much of an impact here.' That is a claim you will hear often from the people opposite. 'Why are we doing this? If the rest of the world isn't doing it, why should we do it? It's not going to have any benefit.' Well, the rest of the world is doing it. The rest of the world is actually addressing this problem, but most people opposite do not want to acknowledge or accept that. They would like you to believe that we are standing on an island, literally by ourselves, compared to the rest of the world. It is not true. It is absolutely not true.

Over 89 countries, which account for over 80 per cent of the world's global emissions and over 90 per cent of the global economy, have pledged to reduce or limit their carbon pollution by 2020. In fact scores of countries have already started the transformation to a low-pollution economy. Some 32 countries and a number of the US states already have emissions trading schemes in place. Our five top trading partners—China, Japan, the US, Korea and India, and, among others, New Zealand, the United Kingdom, Germany, Italy, France and the Netherlands—have implemented or are piloting an emissions trading scheme or carbon taxes at the national, state, or city level. We are not alone.

The fact that we are moving now at such a late stage in this country's development means that we are lagging behind. We could have done this 18 months ago but, of course, all we could do then was stand back and watch the circus on the other side decide that climate change was so unacceptable and so intolerable to tackle that they dumped their leader in favour of someone who was an absolute sceptic about it. That is about all the contribution to climate change we have seen from the Liberal Party in this country. They just drop a leader who had some commitment to climate change and replace him with a leader who has no commitment to it. In fact he believes it is 'absolute crap'.

New Zealand introduced a trading scheme in 2008 initially covering only forestry but then, last year, it expanded significantly to cover liquid fossil fuels, stationary energy and industrial processes. And then there is China. We had questions today in question time about China. China has indicated that it will introduce an emissions trading pilot scheme in a number of provinces including the industrial centres of Beijing, Shanghai and Guangdong. China is on the program. Mr Abbott is not, but China is on the program. The World Bank recently indicated that these regional schemes may be expanded to a national scheme by 2015. China has the world's largest installed renewable energy electricity generation capacity. In 2009 China added 37 gigawatts of renewable power capacity, more than any other country in the world.
If we want to talk about another country that is continually raised by those people opposite, let us move on to India. India has a tax on coal which is expected to generate over half a billion dollars annually to fund research into clean energy technologies. The US is committed to achieving its target to reduce its emissions by 17 per cent by 2020. We have countries that are acting and we have countries that are moving on climate change and are committed to it. Let us have a look very closely at exactly what people are saying about our package as we move to introduce this legislation. Professor Garnaut stated on 10 July:

This is a strong climate change policy package. It will allow Australia to do its fair share in an effective global effort to reduce the risks of climate change, and to do so at reasonable cost.

David Cameron, the British Prime Minister, in a letter to the Prime Minister on 31 July said this:

I was delighted to hear of the ambitious package of climate change policy measures you announced on 10 July and wanted to congratulate you on taking this bold step.

He must be a Conservative Party leader who does have a little bit of vision, unlike his comrade in the Liberal Party here in Australia. Geoff Garrett, Queensland Chief Scientist, said on 19 July:

The science indicates that we have anthropogenic (man-made) global warming and we need to reduce carbon emissions …

As such, I do support … that in order to get the market forces going, you do need to put a price on carbon.

Many people have come out. I have sheets and sheets of them here, which I will not read out because I will not have enough time. We have an attempt by the people opposite to still pretend that we do not have to do anything to act on carbon. If we were to do something under their plan, households would pay and we would compensate polluters. We would provide them with incentives and at the end of the day householders would be far worse off under their plan.

Senator BIRMINGHAM (South Australia) (18:38): It is a pleasure to rise on this matter of public importance on this very significant anniversary of the Prime Minister's most solemn election promise that there would be no carbon tax under a government she leads. Perhaps she does not lead this government. Perhaps the leaders of the government are not in the chamber at present but are found over in that quarter of the Senate chamber. Perhaps they are the leaders of the government.

Senator Crossin: Who leads your party, Simon?

Senator BIRMINGHAM: Thank you for the interjection, Senator Crossin. Let me deal with some of the things that you raised. You wanted to talk about Senator Abetz's comments on Qantas. You wanted to talk about Qantas and what the impact might be on them and on the aviation industry. Let us be very clear: the aviation industry is a shining example of why this is bad policy. Why is that? Because you are going to put up the prices for the aviation industry that is operating in Australia. It will be far more expensive as a result of the carbon tax for people to hop on a plane and go on holiday in North Queensland—

Senator McLucas: How much?

Senator BIRMINGHAM: In your home state, Senator McLucas, it will be more expensive for people to take a trip and holiday than to go overseas. Senator Crossin was right: flights out of Australia will not have the tax applied to aviation fuel, but flights in Australia will. So this is a tax that discriminates against domestic tourism. It is a tax that makes it more expensive for people to holiday at home and cheaper for them to...
go and spend their money overseas. That is what this government has set up. Just as the CEO of Coca-Cola Amatil highlighted some time ago, this is a discriminatory tax because it makes everything in Australia more expensive compared with things imported from overseas. That is the truth of it. There is no arguing about that. Imports do not face a carbon tax impost whatsoever, but locally produced goods and services do and the same applies for the tourism industry, which will be particularly hard hit.

_Senator McLucas interjecting—_

_Senator BIRMINGHAM:_ I am sorry; I will have to be a little quieter to hear your interjections, Senator McLucas. Qantas was not the only company to announce job losses today. Unfortunately OneSteel joined Qantas in announcing 400 job losses. OneSteel is a major employer in the South Australian regional city of Whyalla in my home state. They announced losses of 400 jobs as a result of seeing an 11 per cent decline in their profit over the course of this year.

_Senator McEwen:_ You are not going to blame that on the carbon tax, surely.

_Senator BIRMINGHAM:_ Senator McEwen, what I am going to do is quote OneSteel. I would not want to misrepresent their position at all. In terms of One Steel looking at their forward outlook and factors that could cause actual results or performance to differ materially, they highlight 'legislative changes, regulatory changes or other changes in the laws which affect OneSteel's business, including environmental laws and the carbon tax'. They certainly see in their risk factors, in their profile for the future, the carbon tax looming large. That is unsurprising given that in the presentation they released today it states that the carbon tax, as we now know, will be $23 a tonne. It would be nice if the government did some Treasury modelling on that price rather than a made up price of $20, which the carbon tax is not. That is a different matter. OneSteel go on to say, 'Based on FY10 production expected tax for scope 1 and 2 emissions would be $18.4m’—$18.4 million off the bottom line. You would have to reconsider your employment and your outlook when you face an $18.4 million hit coming down the line at you. It is little wonder, especially in these times of such international uncertainty, the high dollar and the weakness in parts of the Australian economy. All of these things combine with an utter lack of comprehensive global action to demonstrate that this is the worst possible time to be contemplating something like this and inflicting it on companies like Qantas or OneSteel or anybody else within Australia.

Senator Crossin wanted to paint a rosy picture of international action. Here is a challenge for the government: does anybody in the government believe that when they go to the Conference of the Parties in Durban later this year to discuss climate change there will be a new legally binding agreement? Will there be something to replace Kyoto when it expires in 2012? That is right: the current legally binding agreement expires next year. The jig is almost up; time is almost out. Does anybody in this government actually think, after the debacle of Copenhagen, that they are going to get anything more than the flimsy pledges that are made, which are hardly worth the bits of paper they are written on given the utter lack of action by governments around the world to back them up? Most governments around the world could not even bring themselves to meet the allegedly legally binding commitments they made under Kyoto, so lord only knows what they are going to do when it comes to meeting these pledges that have been made to date.

Senator Crossin decided she wanted to highlight India putting a price on emissions
in the coal industry or the use of coal. She said it is going to raise half a billion dollars. Isn't that exciting. It is going to raise half a billion dollars.

Senator Williams: A billion people, half a billion dollars.

Senator BIRMINGHAM: A billion people indeed, Senator Williams, and they are going to raise half a billion dollars from their carbon price. Well, our much smaller economy with a much, much smaller 22 million Australians is going to raise $9 billion. We are going to raise 18 times what the Indians are going to raise. And Senator Crossin thinks this is a good comparison and a good demonstration—

Senator McEwen interjecting—

Senator BIRMINGHAM: You want to go to budget responsibilities, Senator McEwen? I do not have the time to go to budget and fiscal responsibility with you lot. I have the carbon tax to deal with first. Senator Crossin thinks that half a billion dollars raised in India is comparable and is justification for us to have a $9 billion slug on the Australian economy. It really is just remarkable.

Senator Cameron spoke earlier in this debate and he actually had a few things to say about me. I thank Senator Cameron for flattering me with his attention. It is nice to get that, even when you are not in the chamber at the time. He accused me of being tainted in this debate. 'Tainted' was the word he wanted to use. I would love to know, in a fair analysis, what on earth Senator Cameron thinks the Prime Minister is. If I am 'tainted', what is the Prime Minister? She is utterly compromised in this debate now. She stands with no credibility left, having convinced the former Prime Minister to ditch his ETS and having gone to an election. Let us be honest: she went to an election, and we would all be saying, hypothetically, that she lied at the election, were it not unparliamentary to do so. That is what people would be saying: the Prime Minister misled, led the Australian people up the garden path, told mistruths—however you want to put it. It is crystal clear what she did. We all know what the words were—'There will be no carbon tax under the government I lead'—one year ago today.

We know what Wayne Swan said one year ago yesterday: 'Well, certainly, what we reject is this hysterical allegation somehow that we are moving towards a carbon tax. We certainly reject that.' One year ago today it was an hysterical allegation. Not long after that, it was fact. It went from hysteria to fact because the government was misleading at every single step of the way. This government wants to come in here and try to debate everything and anything but the reality that they lied to the people at the last election, that they lied their way into office. As a result of that, they are now pursuing a policy that has absolutely no mandate, that was rejected by the Australian people, and they are not game to take it back. They are not game to go back and give Australians a fair chance, a fair choice to actually decide this. That is the challenge to them. Front up to the people. Let them have their say. Have courage in your convictions. That is when we might actually see a fair debate on this issue.

MINISTERIAL STATEMENTS

Afghanistan

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (18:48): On behalf of the Minister for Defence, Mr Smith, I table a ministerial statement on Afghanistan.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Pratt) (18:49): Pursuant to
standing orders 38 and 166, I present documents listed on today’s Order of Business at item 17 which were presented to the President, the Deputy President and temporary chairs of committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised.

The list read as follows—

(a) Committee reports

1. Joint Standing Committee on Foreign Affairs, Defence and Trade—Report—Review of the Department of Foreign Affairs and Trade annual report 2009-10 (received 21 July 2011)

2. Economics References Committee—Third interim report—State government insurance and the flood levy (received 29 July 2011)


(b) Government responses to parliamentary committee reports

1. Legal and Constitutional Affairs References Committee—Report—Australian Law Reform Commission (received 8 July 2011)

2. Education, Employment and Workplace Relations References Committee—Report—Industry Skills Councils (received 25 July 2011)

3. Joint Select Committee on the Parliamentary Budget Office—Report (received 1 August 2011)

(c) Government documents

1. Australian Customs and Border Protection Service—Report for 2009-10—Correction (received 14 July 2011)

2. Gene Technology Regulator—Quarterly report for the period 1 January to 31 March 2011 (received 20 July 2011)

3. Defence portfolio—Estimates of proposed expenditure for 2011-12—Portfolio budget statements—Correction (received 8 August 2011)

4. Productivity Commission—Report no. 53—Caring for older Australians (2 volumes) (received 8 August 2011)

5. Productivity Commission—Report no. 54—Disability care and support (received 10 August 2011)

(d) Report of the Auditor-General

Report no. 1 of 2011-12—Performance audit—The Australian Defence Force’s mechanisms for learning from operational activities: Department of Defence (received 12 July 2011)

Ordered that the committee reports be printed.

The Acting Deputy President:

In accordance with the usual practice and with the concurrence of the Senate I ask that the government responses be incorporated in Hansard.

The documents read as follows—

GOVERNMENT RESPONSE TO THE SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS REPORT ON ITS INQUIRY INTO THE AUSTRALIAN LAW REFORM COMMISSION

The Government has repeatedly put on record its strong support for the work of the Australian Law Reform Commission (ALRC) and agrees with the Senate Committee’s assessment that the ALRC’s work is widely respected.

Since its establishment in 1973, the ALRC has concluded more than 100 inquiries and has made a substantial contribution to the public debate on issues as diverse as privacy, personal insolvency, the use of genetic information, admiralty law and the operation of the federal justice system.

This contribution continues, with the ALRC’s recent work with the New South Wales Law Reform Commission on family violence (ALRC 114: Family Violence – A National Legal Response (2010). The recommendations in this report are helping to shape the Government’s response to this complex issue, including by influencing the landmark Family Law Legislation Amendment (Family Violence and Other Measures) Bill 2011 that is currently before this Parliament.
The ALRC is currently going through a period of transition. Reforms made to the Australian Law Reform Commission Act 1996 (the Act) by the Financial Framework Legislation Amendment Act 2010 give the ALRC greater flexibility in the way it goes about its work whilst providing an appropriate governance framework that preserves its independence.

The Government believes that the reforms will generate opportunities and ongoing benefits for the Commission, and is committed to working closely with the Commission as it adapts to these changes.

Recommendation 1
6.1 The committee recommends that the Australian Government restore the ALRC's budget cuts for the period 2010-11 to 2013-14 as a matter of urgency.

Government Response to Recommendation 1
Not accepted

As with other Australian Government agencies, the Commission is required to meet the efficiency dividend. The Commission’s budget was also reduced in the 2009 Mid-Year Economic and Fiscal Outlook, the savings from which are a key component of the Government’s commitment to returning the Budget to surplus and maintaining spending restraint to support long-term stability.

The Government is satisfied that the ALRC has sufficient funding to discharge its important statutory function – to conduct inquiries into matters referred to it by the Attorney-General.

The ALRC is implementing a range of measures that will provide substantial savings over time, but which will not compromise the delivery of its core work. These measures include relocating to more affordable premises.

In the interim, additional financial assistance is being provided to the ALRC through the Attorney-General’s Department to allow the appointment of a second full-time commissioner to assist for the duration of the review of the National Classification Scheme. Terms of reference for this inquiry were released on 24 March 2011.

The Government has full confidence in the ability of the President of the ALRC, Professor Rosalind Croucher, to manage the organisation within its appropriation.

Recommendation 2
6.2 The committee recommends that the ALRC Act be amended to provide for a minimum of two standing, fixed-term (not inquiry-specific), full-time commissioners.

Recommendation 3
6.3 The committee recommends that an additional full-time commissioner be appointed, for each additional inquiry referred to the ALRC, in circumstances where the ALRC already has two or more ongoing inquiries.

Government Response to Recommendations 2 and 3
Not accepted

A key aspect of the reforms contained in the Financial Framework Legislation Amendment Act 2010 is the removal of mandated numbers of commissioners. The purpose of this reform is to allow the ALRC to use its appropriation more flexibly in responding to the work it has on hand. This revised structure takes into account the varied, and often highly technical, subject matters of inquiries.

As outlined in relation to Recommendation 1, the Government has appointed a second full time Commissioner, Professor Terry Flew, for the duration of the inquiry into the National Classification System. Professor Flew’s expertise in media and communications will be a great asset to the Commission for this review.

The Government anticipates that the second Commissioner position will continue to be filled beyond the inquiry into the National Classification System. In keeping with the Government’s desire for greater flexibility, the Government would look to fill the position in a way that best suits the ALRC’s program of work at the time of any appointment.

The Attorney-General is committed to ensuring that consultation with the ALRC on its capacity to take on new work continues to occur before new references are given.
Recommendation 4

6.4 The committee recommends that the ALRC’s public information and education services program be resumed immediately.

Government Response

It is a matter for the President to determine the best use the ALRC’s resources to undertake inquiries into matters referred to it by the Attorney-General.

Recommendation 5

6.5 The committee recommends that the ALRC be provided with all necessary resources to enable it to continue to travel to undertake face-to-face consultations as part of its inquiry processes.

Government Response

It is a matter for the President to determine the best use the ALRC’s resources to undertake inquiries into matters referred to it by the Attorney-General.

While the Government agrees that there is value in face-to-face consultations, the ALRC’s innovative use of online consultation practices demonstrates the variety of ways in which a law reform body can reach stakeholders.

Conclusion

As it approaches 40 years at the forefront of law reform in this country, the Government believes the ALRC is well equipped to respond to new challenges and opportunities.

The Government has an ambitious law reform agenda and is confident the ALRC will make a significant contribution to that agenda.

AUSTRALIAN GOVERNMENT RESPONSE TO THE SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS REFERENCES COMMITTEE’S REPORT OF THE INQUIRY INTO INDUSTRY SKILLS COUNCILS

JUNE 2011

The Australian Government has a continuing commitment to investing in the economy’s productive capacity through better and more targeted skills and training, measures to boost participation, and improving the private sector's opportunities to invest in infrastructure.

Through the Building Australia’s Future Workforce package, announced as part of the 2011-2012 Budget, the Government has invested in a new approach to deliver the skilled workers the economy needs. The package has four components:

- placing industry at the heart of the training system
- modernising apprenticeships
- skills to support increased participation
- reform of the national training system.

The package strengthens and extends the role of industry in the national Vocational Education and Training (VET) system. The involvement of industry in the Australian VET system has been a defining feature of vocational education and training in Australia for almost two decades, and has given rise to its high international standing.

Primarily, industry engagement is realised by representation of industry bodies on, and industry direct input to, the various formal committees and councils that guide the policy agenda for the national training system. This high level of engagement at all levels of decision making ensures that industry plays a leading role in driving training policies, priorities and delivery.

The core of industry’s leadership of VET in Australia is also realised through its active involvement in the development of industry-validated Training Packages. Through a network of Industry Skills Councils (ISCs), industry has a direct say in determining relevant skills needs for the industry and defining the competencies required in the workplace.

Since ISCs were established in 2005, their role and responsibilities in the national VET system have been expanded and strengthened. ISCs are recognised and accepted as key organisations underpinning the effectiveness of the national VET system and key sources of advice regarding workforce skills and training needs.

The Building Australia’s Future Workforce package reflects the significant role of ISCs in the national VET system. ISCs will be key contributors to the implementation of the
Building Australia's Future Workforce package through participation and collaboration in all four of the package's components, for example, in the National Workforce and Productivity Agency, National Workforce Development Fund, Language, Literacy and Numeracy Programs and Apprenticeship reform.

Background

National Vocational Education and Training (VET) System

For more than 15 years, Australia's Commonwealth and state and territory governments have worked with industry to develop a national training system that provides the basis for high quality and nationally recognised training.

Under Australia's Constitution, primary responsibility for schooling and vocational education resides with the state and territory governments. In general, the Australian Government takes a national leadership role and works collaboratively with the states and territories, industry and the community to advance national consistency, coherence, quality and effectiveness of education and training in all sectors across Australia. It focuses on the development of national and international priorities, policies and strategies for education, while the states and territories are responsible for regulation and delivery within their borders.

National Skills Framework

The national VET system is underpinned by the National Skills Framework. The National Skills Framework provides the basis for high quality, flexible, nationally consistent vocational education and training which meets industry needs and which employers can trust. The framework has three components:

1. Australian Qualifications Framework (commonly known as the AQF) — establishes the appropriate level of qualifications according to broad vocational competency levels.

2. Training Packages — establish the competency outcomes from nationally recognised training.

3. Australian Quality Training Framework — sets the national standards for the registration and audit of training organisations and accreditation of courses.

Industry Skills Councils (ISCs)

ISCs, and a new national industry training advisory body for the automotive industry-Auto Skills Australia, are privately registered companies run by industry-based boards of directors (employer and employee representatives). Their funding is provided substantially by the Australian Government through the Department of Education, Employment and Workplace Relations (DEEWR).

ISCs and Auto Skills Australia are independent of government, employer and employee bodies, regulators and licensing bodies, and Registered Training Organisations (ISCs and Auto Skills Australia cannot be Registered Training Organisations). ISCs bring together industries, peak bodies, enterprises, unions, training organisations and governments through a national system of industry advisory arrangements and structures based on industry-led boards of directors and committees. Thus ISCs are uniquely placed in the Australian VET system to:

- develop nationally agreed qualifications;
- provide independent advice on workforce and skills needs;
- assist enterprises with workforce development and training needs.

The Senate Report of the Inquiry into ISCs reflects the overwhelming message of the 119 submissions to the Inquiry that:

- the role and work of the ISCs was valued by VET stakeholders;
- ISCs were operating well;
- they were viewed as fundamental to the effective operation of the national VET system.

The Report's recommendations reinforce the message of the submissions and suggest some improvements in the operation and management of the ISCs. These have been considered by the Government and some have already been acted upon in the context of developing a new Funding Agreement between DEEWR and ISCs which is
expected to be executed by the end of June 2011 and cover the period 1 July 2011 — 30 June 2014.

Following is the Australian Government response to each recommendation.

Recommendation 1
The committee recommends that all 11 ISCs review their activities to ensure that their primary focus is directed at training package oversight and strategy, and that this work remain separated from the work of RTOs in product development and training delivery.

Australian Government Response
This recommendation is supported and reflects current arrangements.

The following comments are offered in relation to:

The committee is strongly of the view that ISCs should use their government funding to pursue their core activities.'

The Australian Government provides core funding to the 11 ISCs and Auto Skills Australia to:

- provide industry intelligence and advice to government and enterprises on workforce development and skills needs;
- actively support the development, implementation and continuous improvement of high quality training and workforce development products and services, including Training Packages;
- provide independent skills and training advice to enterprises, including matching identified training needs with appropriate training solutions.

Since their inception in 2005, ISCs have built on their role in the key area of developing and maintaining Training Packages and have grown into their strengthened role in workforce development under the Government's Skilling Australia for the Future policy announced in November 2007. The success of ISCs and recognition of the value of the ISCs contribution to the effectiveness of the national VET system has led to increased demands and expectations in relation to the range and volume of services that ISCs could provide under the core Funding Agreement.

The core Funding Agreement provides a strong framework that enables DEEWR to monitor and manage the ISCs' performance of their key roles and responsibilities and to ensure expenditure of government funding accords with these. However, the Australian Government recognises that the funding provided under the core Funding Agreement does not and cannot cover the range of all of the possible activities that ISCs could undertake as contributors to the national VET system. The scope of what ISCs can do is limited by the funding they receive under the core Funding Agreement and their related capacity. ISCs' Annual Business Plans provide a mechanism that enables DEEWR to ensure that funds provided through DEEWR-ISCs core Funding Agreements are spent in accordance with the purpose of these Agreements and Government priorities. Under the Funding Agreement ISCs, must provide an Annual Business Plan for DEEWR approval.

The following comments are offered in relation to:

'...The production of training materials should only be considered where there is a demonstrated, unmet need and any conflict of interest is avoided.'

ISCs are the only bodies that have a mandate to develop and maintain Training Packages. A Training Package is an integrated set of nationally endorsed units of competency, Australian Qualification Framework qualifications and assessment guidelines designed for a specific industry, an industry sector or enterprise.

Training materials are the materials or resources that are developed to support the delivery of and/or assessment of Training Package qualifications. ISCs do not have an exclusive mandate to develop training materials; these materials may be developed by other organisations.

While ISCs are allowed, and may, under the core Funding Agreement develop training materials, given the limitations of the funding available, the associated capacity constraints and the number of demands on these resources, ISCs...
have to carefully prioritise their activities and, as a consequence, the majority of ISCs do not develop training materials.

ISCs as independent companies are able to develop training materials from sources other than funds provided under the core Funding Agreement. Some ISCs do have a commercial 'arm' of their organisation with which DEEWR has no contractual relationship.

Identification and management of Conflicts of Interest is addressed under the Corporations Act 2001 and in the core Funding Agreement. Management of Conflict of Interest is addressed in more detail in the response to Recommendation 6.

Recommendation 2
The committee recommends that the ISC CEOs Forum examine the prospect of developing a template for environmental scans to foster greater consistency in the timing and reporting, and to encourage better utility of the scans for affected stakeholders.

Australian Government Response
This recommendation is supported and reflects current arrangements.

The requirement for ISCs to produce an annual Environmental Scan (E-Scan) was first introduced in 2008 by the National Quality Council (NQC) - a Committee of the Ministerial Council for Tertiary Education and Employment responsible, until 1 July 2011, when the National Standards Council becomes operational, for the Training Package Development and Endorsement Policy. The NQC's Training Package Development and Endorsement Policy provides the policy framework for the timing, style and focus of the E-Scan.

DEEWR has provided the ISCs with a template and guidelines to assist with the development of E-Scans. The guidelines and templates are regularly reviewed in consultation with Skills Australia and with the ISCs' CEOs. The guidelines and template for the E-Scans are updated in response to the feedback and in alignment with the NQC's Training Package Development and Endorsement Policy.

The focus of E-Scans, as described in the Training Package Development and Endorsement Policy, is to provide a national high level snapshot of current and emerging skills needs based on industry intelligence. Thus the E-Scans do not purport to, and cannot provide an enterprise, jurisdiction or region with a detailed workforce and skills development plan.

The requirement to deliver an annual E-Scan is also a requirement of DEEWR-ISCs Funding Agreement, which stipulates its delivery date for each ISC as the end of February each year.

The productivity and participation focus of the Government has increased the need for a more systematic approach to workforce development and for matching skills and training delivery with the current and future needs of industry, sectors and regions. As a consequence, the expectations of E-Scans have increased over the last few years.

A new independent agency, the National Workforce and Productivity Agency, will be established under the Building Australia's Future Workforce package. Its role will include the development of sectoral skills and workforce development plans in conjunction with ISCs and industry. The provision of independent advice on sectoral and regional skills needs to support workforce planning and productivity, including small business, will be critical to this particular role.

In the context of the new Agency's roles and activities, the role and content of E-Scans may need to be reviewed, taking into account that ISCs are not research, or data gathering and analysis agencies and may have a limited capacity to develop E-Scans that may be needed in the future.

While the evolving and growing expectations of E-Scans and ISCs' role in this regard are acknowledged, the E-Scans, as a requirement of the Training Package Development and Endorsement policy, remain for now as specified by this policy.

The Senate Committee also recommends that the ISCs CEOs' Forum develops a template and mechanism to achieve greater consistency in the timing and reporting of E-Scans. However, given that these considerations are covered by current
policy and that the CEOs' Forum is an informal body, the CEOs' Forum may not be the most appropriate body to consider the changes to the template and to E-Scans generally. Its advice and views on E-Scans may be sought in the future in the context of current policy review, when undertaken.

Recommendation 3
The committee recommends that the government develops standard contracts with clauses detailing accountability and reporting requirements for all paid works undertaken by ISCs under contract to government agencies. These standard clauses should be incorporated into contracts between DEEWR and each ISC.

Australian Government Response
This recommendation is supported and reflects current arrangements.

DEEWR funded projects are contracted utilising DEEWR standard Funding Agreement templates. The templates meet the requirements of the Financial Management and Accountability Regulations, Commonwealth Grant Guidelines and the DEEWR Procurement Manual and, as such, provide a sound accountability and reporting framework.

The ISC core Funding Agreement incorporates the standard DEEWR contractual requirements and clauses and the same template is used for all DEEWR core Funding Agreements with ISCs.

Each DEEWR core Funding Agreement with an ISC details:

- the project deliverables;
- timeframes:
- progress and financial reporting;
- acquittal of funds and payments linked to the successful completion of contract requirements; and
- key performance indicators and performance measures.

A key reporting requirement in the core Funding Agreement relates to financial accountability. It includes Annual Audited Financial Statements and a Final Audited Financial Statement and Acquittal of Funds.

The payment of instalments under the core Funding Agreement is linked to DEEWR's acceptance of satisfactory progress against requirements and deliverables described in the Agreement. DEEWR is able to withhold payments until satisfied with the quality and content of the reportable item. Thus ISC core Funding Agreements provide a strong and consistent reporting framework and mechanisms to ensure that ISCs are accountable for the expenditure of funds and the delivery of the project outcomes.

The existing DEEWR standard Funding Agreement and relevant clauses provide sufficient mechanisms and frameworks to ensure that legal and fiduciary requirements are followed and met. In recognition of the importance of accountability and reporting requirements, DEEWR in the new Funding Agreement with ISCs for 2011-2014 has further strengthened reporting requirements using the existing standard clauses.

While Government funding provided via the Funding Agreement is the main source of ISCs revenue as independent companies, ISCs also access funding from other sources, which may include other Australian Government Departments as well as state and territory governments. Contracts of all Australian Government Departments and Agencies are required to comply with the Financial Management and Accountability Act 1997 and promote the efficient, effective and ethical use of Commonwealth resources, including contractual accountability and reporting requirements.

Within the boundaries of the legislative requirements, it is ultimately up to each Government Agency or organisation to determine the terms and conditions under which their financial support is provided.

Recommendation 4
The committee recommends that future contracts between DEEWR and ISCs require the holding of sufficient funds to comply with statutory obligations of directors under relevant corporate legislation, and prohibit the ownership by ISCs of physical assets, such as real estate, that are not directly related to the effective performance of their role.
Australian Government Response

This recommendation is supported and reflects current arrangements.

The following comments are offered in relation to:

DEEWR and Industry Skills Councils require the holding of sufficient funds to comply with statutory obligations of directors under relevant corporate legislation...'

The requirements of Australian Securities and Investments Commission (ASIC) and the current core Funding Agreement meet this recommendation.

ISCs are independent companies registered with ASIC and they are subject to the Corporations Act 2001 (Act). Under the Act, directors of a corporation must ensure that the corporation is trading solvently. A necessary corollary of solvency is to ensure that the corporation has sufficient reserves to meet existing statutory obligation. Additionally, the core ISC Funding Agreement requires that ISCs comply with all statutory obligations including the obligation to trade solvently. There is no need to duplicate ASIC requirements or to include additional clauses in the Funding Agreement to address the requirement to trade solvently.

The following comments are offered in relation to:

`.... prohibit the ownership by Industry Skills Councils of physical assets, such as real estate....'

Under the terms of the current Funding Agreement, ISC could acquire physical assets as long as the asset was under $100,000 and as long as the asset was used for the purposes of the DEEWR-ISC Funding Agreement. Any purchase involving funds of $100,000 or over requires DEEWR's approval. This constraint clearly would not allow ISC under the current funding arrangements to purchase any real estate from the core government funds.

As ISC are independent legal entities, DEEWR is not in a position to prevent them from purchasing real estate with funds from sources other than those provided by DEEWR.

Recommendation 5

The committee recommends that DEEWR's contract with each ISC requires that directors receive no remuneration but that reasonable costs incurred for travel, accommodation and incidentals expenses incurred while exercising the role of director be reimbursed.

Australian Government Response

The Australian Government does not support this recommendation.

The payment of remuneration for directors is an internal issue for each ISC.

The governance arrangements of ISCs reflect their status as independent, not-for-profit companies. ISCs are incorporated as public companies that operate under the Corporations Act 2001. As such, each ISC operates under the rules of its constitution, is managed by a bi-partite (employers and unions) board of directors and is accountable to ASIC for the observance of its obligations under statute and common law.

Acceptance of this recommendation would potentially interfere with ISCs' internal corporate governance and potentially result in ISCs being unable to attract suitable directors especially from small business.

Recommendation 6

The committee recommends that any new contracts between DEEWR and the ISCs from June 2011 explicitly require ISC board directors to declare any simultaneous membership of RTO boards, regardless of whether there is a potential for any conflict of interest.

Australian Government Response

This recommendation is supported and reflects current arrangements.

ISCs are subject to the Corporations Act 2001 (Act). The core ISC Funding Agreement requires that ISCs comply with all statutory obligations; this includes the obligations and responsibilities of directors.

Under company law, directors must not allow a conflict of interest to compromise their position. Directors must not place themselves in a position where there is a real or substantial possibility of a conflict of interest. Sections 182 and 183 of the Corporations Act 2011 deal with improper use of...
information and improper use of position. These Sections identify that it is a director's obligation not to place his or her own interests or those of persons with whom a director is linked, ahead of that of the corporation. This applies not only to use of the position of a director, but also to the use of information that comes to the director.

The need to identify and manage circumstances where a real or perceived conflict of interest might occur is also included as a standard clause in the core DEEWR-ISC Funding Agreement. Under the terms of the core Funding Agreement, ISCs are required to ensure that to the best of their knowledge after making diligent inquiries, no conflict of interest exists or is likely to arise in the performance of the obligations under the Agreement. In the event that a conflict of interest arises or is likely to arise during the term of the Agreement, ISCs are required to immediately inform DEEWR in writing of that conflict of interest and the steps proposed to resolve or deal with the conflict.

There is no need to duplicate the Conflict of Interest requirements of the Corporations Act 2001 or the core Funding Agreement to address the concern that directors may also be on Registered Training Organisations' boards.

**Recommendation 7**

The committee recommends that DEEWR include a clause in its new contracts with ISCs permitting the renegotiation of industry coverage and potential splitting of ISCs during the term of the contracts, were this considered desirable and necessary to better fulfil the role of the ISCs concerned.

**Australian Government Response**

The Australian Government does not support this recommendation.

In making this recommendation, the Senate Committee noted that most stakeholders who submitted their views to the Inquiry were satisfied with ISCs' effectiveness; however, there were a few stakeholders, albeit a minority, who expressed some criticism in relation to the current industry coverage of ISCs.

Realignment of an ISC's industry or sectoral coverage is not contingent on the inclusion of clauses in the core Funding Agreement; rather, it is a matter for Government to determine. The review and renegotiation of the sectoral coverage of ISCs can occur any time, through a variation of contract based on the Minister's decision.

**Recommendation 8**

The committee recommends that contracts between DEEWR and the ISCs be standardised and made publicly available on the DEEWR website.

**Australian Government Response**

The Australian Government agrees in part with this recommendation and notes that the recommendation is already partially satisfied.

The following comments are offered in regard to:

- The committee recommends that contracts between DEEWR and Industry Skills Councils be standardised.

DEEWR-ISC core Funding Agreements are already standardised. ISCs also enter into other individual contracts with DEEWR and standard contract templates are utilised for such contracts, which is a DEEWR requirement. ISCs may also enter into contracts with other entities, including other Commonwealth Government Departments, and it is ultimately up to each government agency or organisation to determine the terms and conditions under which their funding is provided.

The following comments are offered in regard to:

- "....and made publicly available on the DEEWR website."

The publication of the de-identified Funding Agreements on DEEWR website is not supported as it would go further than reporting requirements of the Commonwealth Grant Guidelines and the Government sees no reason for treating contractual information relating to its agreements with Industry Skills Councils differently to that of other grant recipients.

In compliance with the Commonwealth Grant Guidelines (CGGs), DEEWR publishes on its website information on individual grants, including the individual ISCs’ Funding Agreements. DEEWR's grant reporting includes information regarding the grant's purpose, recipient, program title, value as well as the
commencement date and duration of the grants. The Grants Register is publically available on the DEEWR website at:

Recommendation 9

The committee recommends that ISCs more regularly review their consultation practices and devise practical strategies to address concerns expressed by business, in particular small businesses.

Recommendation 10

The committee further recommends that DEEWR identify best practice consultation principles and seek ways to incorporate these into its next contract with the ISCs.

Australian Government Response

Recommendation 9 and Recommendation 10

The Australian Government supports these recommendations.

Industry engagement and involvement in the VET system underpins its strength. The ISCs provide a key point of contact for industry engagement and collaboration. ISCs, have over time, established extensive and effective industry networks and have articulated stakeholder engagement plans. Nevertheless, the capacity of ISCs to grow, review and refine their stakeholder networks, and review their consultation practices, is critical to the continued relevance and quality of industry advice and implicitly to the strength of the national VET system.

The following comments are offered in regard to:

Recommendation 9

The committee recommends the Industry Skills Councils more regularly review their consultation practices and devise practical strategies to address concerns expressed by business, in particular small business.'

The next Funding Agreement 2011-2014, to commence on 1 July 2011, has addressed this important stakeholder engagement issue by including a requirement that, as part of their Annual Business Plans, ISCs provide a Stakeholder Engagement and Communication Plan. This requirement will ensure annual reviews and revisions of Stakeholder Engagement and Communication Plan. The plan will be expected to include practical strategies to address stakeholders concerns and pay particular attention to consultation with small business and, where appropriate, with regional and rural stakeholders.

The following comments are offered in regard to:

Recommendation 10

The committee further recommends that DEEWR identify best practice consultation principles and seek ways to incorporate these into its next contract with the Industry Skills Councils.'

DEEWR is aware of some stakeholders' concerns regarding consultation practices and the ISCs' consultation practices are and will continue to be closely monitored by DEEWR. Additionally, DEEWR will identify best practice consultation principles in consultation with the ISCs and other stakeholders.

Consideration of this issue may also be included in a review of ISCs which is anticipated to be undertaken during the term of the next Funding Agreement 2011-2014. Once established, these principles could be included in the Funding Agreement at any time.

GOVERNMENT RESPONSE TO THE JOINT SELECT COMMITTEE ON THE PARLIAMENTARY BUDGET OFFICE INQUIRY INTO THE PROPOSED PARLIAMENTARY BUDGET OFFICE PBO Committee Recommendations

Recommendation 1

The committee recommends that the Australian Government establish a Parliamentary Budget Office dedicated to serving the Australian Parliament.

Response

Agreed.

The Government announced in the 2011-12 Budget that it will provide $24.9 million over
four years to establish a Parliamentary Budget Office (PBO).

Recommendation 2
The committee recommends that the Government establish the mandate of the Parliamentary Budget Office as to inform the Parliament by providing independent, non-partisan and policy neutral analysis on the full Budget cycle, fiscal policy and the financial implications of proposals.

Response
Agreed.

Recommendation 3
The committee recommends that the Government empower the Parliamentary Budget Office to undertake the following functions, consistent with its mandate:

- prepare responses to the requests of individual Senators and Members, regardless of party or Government status, and parliamentary committees, including the preparation of costings in relation to proposed policies and bills outside the caretaker period;
- make formal contributions to committee inquiries;
- initiate its own work in anticipation of the interests of its clients; and
- prepare costings of election commitments during the caretaker period.

Response
Agreed.

The Government considers that the proposed functions are consistent with the mandate outlined in Recommendation 2. The details of some of these functions, such as arrangements relating to the provision of election policy costings by the PBO, will be outlined as part of the suite of legislative and other measures required to establish and operationalise the PBO.

Recommendation 4
The committee recommends that the Government amend the Charter of Budget Honesty Act 1998 (Cwlth) to enable the leaders of parliamentary parties with a minimum number of parliamentary members to access the election costings provisions of the Act.

Response
Agreed.

See response to Recommendation 4.

Recommendation 5
The committee recommends that the Government amend the Charter of Budget Honesty Act 1998 (Cwlth) to enable the costing of election commitments in the period starting from the issue of the writ for the election and ending when the election result is clear or, if there is a change of Government, until the new Government is appointed.

Response
Agreed.

See response to Recommendation 4.

Recommendation 6
The committee recommends that the Government empower the Parliamentary Budget Office (PBO) to provide election costings on request, in relation to publicly announced policies, starting from the issue of the writ for the election and ending when the election result is clear or, if there is a change of Government, until the new Government is appointed. Apart from the conditions for who can make a request for costings, the caretaker period costings service of the PBO is to be consistent with that of the Charter of Budget Honesty Act 1998 (Cwlth).

Response
Agreed.

See response to Recommendation 4.

Recommendation 7
The committee recommends that the election costing service of the Parliamentary Budget
Office be limited to requests from nominated parliamentary party representatives and Independent Members originally elected and seeking re-election, as Independent Members, without the endorsement of a registered political party.

**Recommendation 8**

The committee recommends that the election costing service of the Parliamentary Budget Office be limited to requests from nominated parliamentary party representatives and Independent Members (as defined in recommendation 7), in relation to their own policies.

**Response**

Agreed.

**Recommendation 9**

The committee recommends that individual election commitments are not able to be costed by both the Parliamentary Budget Office (PBO) and the Departments of the Treasury and of Finance and Deregulation, and that to avoid duplication, the PBO and Treasury and Finance confer prior to the preparation of each costing request.

**Response**

Agreed.

Protocols will be developed to address potential duplication as part of the suite of legislative and other measures required to establish and operationalise the PBO.

**Recommendation 10**

The committee recommends that the position of Parliamentary Budget Officer be established as an independent officer of the Parliament through dedicated legislation.

**Response**

Agreed-in-principle.

The Government will establish the position of Parliamentary Budget Officer as an independent officer of the Parliament as part of the legislation required to establish and operationalise the PBO.

**Recommendation 11**

The committee recommends that the legislation establishing the Parliamentary Budget Officer include provisions to establish the Parliamentary Budget Office to support the work of the Officer.

**Response**

Agreed.

**Recommendation 12**

The committee recommends that the legislation establishing the office of Parliamentary Budget Officer include the Officer’s: mandate, functions, maintaining confidentiality of information provisions, parliamentary oversight, reporting requirements, appointment, dismissal, remuneration determination arrangements, and term of office.

**Response**

Agreed.

**Recommendation 13**

The committee recommends that the Parliamentary Budget Officer access information from Government departments through a negotiated memorandum of understanding with the Departments of the Treasury and of Finance and Deregulation and other departments or organisations as necessary.

**Response**

Agreed.

**Recommendation 14**

The committee recommends that the Parliamentary Budget Officer be empowered to use the formal processes provided through the Freedom of Information Act 1982 (Cwlth) without cost to the Parliamentary Budget Officer, in the event that particular information is not provided by a Government department in accordance with any established memorandum of understanding, and the PBO is not satisfied by the rationale of the department for declining to disclose information.

**Response**

Agreed-in-principle.

The Government considers that the memoranda of understanding (MOUs) referred to in Recommendation 13 will be the most effective way to support the objectives of the PBO and hence will be the primary mechanism through which the Parliamentary Budget Officer will
access data and information from those departments. The Government will consider the application of the Freedom of Information Act 1982 in the event that particular information is not provided by a Government department in accordance with the MOU. The MOUs, which will be negotiated with the Parliamentary Budget Officer once an appointment has been made, will address interactions with the FOI Act.

**Recommendation 15**
The committee recommends that the legislation establishing the office of Parliamentary Budget Officer include specific provisions to maintain the confidentiality of the sensitive information held within the Parliamentary Budget Office.

**Response**
Agreed.

**Recommendation 16**
The committee recommends that wherever possible, in the interest of transparency and accountability the work of the Parliamentary Budget Office be made publicly available.

**Response**
Agreed.

**Recommendation 17**
The committee recommends that responses by the Parliamentary Budget Office to requests from individual parliamentarians, outside the caretaker period for general elections, be provided in confidence, where it has been specifically directed by the client to do so.

**Response**
Agreed.

**Recommendation 18**
The committee recommends that where possible, the work that has gone into the preparation of a response to a client request be made available to be included in the public reports of the Parliamentary Budget Officer. This may involve negotiating, with relevant Senators and Members for the public release of work prepared on their behalf, while withholding information about the original request, such as the identity of the parliamentarian and other substantive information requested, to remain in confidence.

**Response**
Agreed.

**Recommendation 19**
The committee recommends that the Parliamentary Budget Officer be empowered to make public statements, in particular where they consider that their work has been misrepresented in the public domain.

**Response**
Agreed-in-principle.

The Government considers it appropriate for the Parliamentary Budget Officer to make public statements in instances where he/she considers that the PBO's work has been misrepresented in the public domain.

**Recommendation 20**
The committee recommends that the reporting provisions under the establishing legislation require the Parliamentary Budget Officer to formulate an annual work program, draft budget estimates and an annual report in line with the Financial Management and Accountability Act 1997 (Cwlth) and the Commonwealth Authorities and Companies Act 1997 (Cwlth).

**Response**
Agreed.

The PBO will operate under the Financial Management and Accountability Act 1997 given its status under the Parliamentary Service Act 1999.

**Recommendation 21**
The committee recommends that, with the exception of term of office provisions, the appointment, dismissal and remuneration determination processes of the Parliamentary Budget Officer be in line with similar provisions contained in the Auditor-General Act 1997 (Cwlth).

**Response**
Agreed.

**Recommendation 22**
The committee recommends that the term of office of the Parliamentary Budget Officer be for a period of four years, with the option of renewing the appointment.
Response
Agreed.

Recommendation 23
The committee recommends that the Joint Committee of Public Accounts and Audit (JCPAA) have oversight of the Parliamentary Budget Officer and their office in regard to the annual work program, draft budget estimates, and annual report, in line with similar provisions in the Auditor-General Act 1997 (Cwlth). This includes a formal role for the JCPAA in endorsing the workload protocols applicable to the Parliamentary Budget Office.

Response
Agreed.

Recommendation 24
The committee recommends that an independent body be engaged to undertake an operational evaluation of the Parliamentary Budget Office, completed within nine months after the result of a Federal election is notified. On completion, the evaluation report should be tabled in the Parliament and referred to the Joint Committee of Public Accounts and Audit for possible review.

Response
Agreed.

Recommendation 25
The committee recommends that the proposal to engage an independent body for the purpose of undertaking the operational evaluation of the Parliamentary Budget Office be referred to the Joint Committee of Public Accounts and Audit for consideration and endorsement.

Response
Agreed.

Recommendation 26
The committee recommends that the Office of the Parliamentary Budget Officer be provided with ongoing funding of no less than $6 million per annum with consideration being given to additional resourcing for election years.

Response
Agreed-in-principle.

The Government allocated $24.9 million over four years in the 2011-12 Budget for the establishment of the PBO.

Consideration of additional resourcing for election years will be subject to the usual budgetary processes and will be informed, in part, by any review undertaken by the Joint Committee of Public Accounts and Audit (see Recommendation 27).

Recommendation 27
The committee recommends that the annual draft budget of the Office of the Parliamentary Budget Officer be considered by the Joint Committee of Public Accounts and Audit, and that this committee explicitly review the adequacy of additional funding provided for election years.

Response
Agreed.

The Government will consider any recommendations of the Joint Committee of Public Accounts and Audit concerning the PBO, noting that resourcing for the PBO will be subject to the usual budgetary processes.

Recommendation 28
The committee recommends that the Australian Government explore locating the Parliamentary Budget Office within close proximity to Parliament House or co-locating it with an established organisation for the purpose of gaining administrative efficiencies.

Response
Agreed-in-principle.

The Government considers that the physical location of the PBO is an operational matter for consideration by the Parliamentary Budget Officer to determine in order to effectively fulfil the PBO's mandate.

Ordered that committee reports and government responses to committee reports be listed on the Notice Paper for further consideration.
COMMITTEES

Economics References Committee

Reporting Date

Senator McEWEN: by leave—On behalf of the Chair of the Economics References Committee, I move:

That the time for the final presentation of the report of the Economics References Committee on the provisions of the Tax Laws Amendment (Temporary Flood and Cyclone Reconstruction Levy) Bill 2010 and Income Tax Rates Amendment (temporary Flood and Cyclone reconstruction Levy) Bill 2011, and related matters be presented by 22 September 2011.

Question agreed to.

DOCUMENTS

The ACTING DEPUTY PRESIDENT: Order! It being 6:50 pm the Senate will proceed to the consideration of government documents.

Department of Agriculture, Fisheries and Forestry Report on Livestock Mortalities During Exports by Sea

Senator BIRMINGHAM (South Australia) (16:50): I move:

That the Senate take note of the document.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Agreements with Marshall Islands and with Mauritius

Senator CORMANN (Western Australia) (18:52): I move:

That the Senate take note of the document.

I am referring to the agreement between the government of Australia and the government of the Republic of the Marshall Islands on the exchange of information with respect to taxes done at Majuro on 12 May 2010. The operative words here are 'exchange of information with respect to taxes', because, of course, taxes are what this government knows a lot about but it does not know so much about 'exchange of information'. We were promised a new era of openness and transparency in government. We were promised that this Prime Minister would let the sun shine in. But we have multibillion-dollar new taxes imposed by this government to fund multibillion-dollar new levels of expenditure. This is a government which spends too much and borrows too much, which leaves this government in debt and deficit. We are now looking at $107 billion worth of government—

Senator McLUCAS: I rise on a point of order, Madam Acting Deputy President, that goes to relevance. I know that we usually range fairly widely when we are taking note of government documents, including treaties, but I do think that Senator Cormann is possibly stretching the normal practice of Senate procedure.

The ACTING DEPUTY PRESIDENT (Senator Pratt): Thank you, Senator McLucas. I shall pay careful attention to Senator Cormann's remarks and draw his attention to the standing orders.

Senator CORMANN: Thank you very much, Madam Acting Deputy President. I can well understand why Senator McLucas is very touchy when I talk about the lack of information that is being exchanged by this government, even though they committed to the good people of the government of the Republic of the Marshall Islands that they would exchange information.

Government senators interjecting—

Senator CORMANN: What I am wondering is whether the people in the Republic of the Marshall Islands have had any more luck than the senators in this chamber, because, of course, the senators in this chamber should not be treated any worse than the good people in the Republic of the
Marshall Islands. It is for that reason I am complaining that we are being treated way worse than the citizens of the Republic of the Marshall Islands—and, of course, we should not be treated by this government like a bunch of mushrooms.

I will get to the pertinent facts straight-away, Madam Acting Deputy President. It is an issue that arose earlier today. More than 150 days ago I asked this government for some information about how they were spending taxpayers' money here in Australia. Specifically I asked:

How much of the stimulus package remains to be spent for each of the following financial years: (a) 2010-11; (b) 2011-12; and (c) 2012-13.

It is true that the government has taken so long to answer this question and to exchange this information with the Senate—and I am sure they would have sent the information to the Marshall Islanders but not to us. So here we are and 2010-11 is now finished. The financial year is now over. So that information should be very readily available but it has not been provided. The 2011-12 one has since been provided to a Senate estimates committee—I grant them that—but the information for 2012-13 has not been. This question has been on the Notice Paper for more than 150 days and to this day the government has refused to provide the information to the Senate. I hope that the good people of the Republic of the Marshall Islands have more luck in exchanging information about taxation with this government than we have had in trying to scrutinise their expenditure, because this government's economic team is led by a Treasurer who is incompetent, who has been fiscally reckless, who has presided over four successive deficits in a row and who comes in with one new multibillion-dollar tax after another.

After the Henry tax review observed that we have way too many taxes, with 125 taxes around Australia, and after the Henry tax review observed that 10 of those taxes collect 90 per cent of the revenue, with the remaining 115 taxes collecting 10 per cent of the revenue, and after the Henry tax review observed that we should have fewer taxes than the 125 taxes, this Labor government has added another five taxes to the mix. We are now going to be talking about the student tax, the flood tax, the carbon tax, the mining tax and the LPG tax. One tax after the other comes out from this government, yet this government is not prepared to be accountable to the Australian parliament when it comes to explaining how much of taxpayers' dollars they are spending and when. Very specifically, I think it is an absolute disgrace that, after the more than 150 days that question No. 437 has been on the Notice Paper, this incompetent Treasurer refuses to be accountable to this parliament, refuses to provide any information about how much of the stimulus package remains unspent for 2012-13. I hope that somebody in the press gallery will try their luck and get this information from the Treasurer. Certainly we here in the parliament are unable to do so as, sadly, we are unable to do way too often, because this is a secretive government which always has something to cover up, which always has another example of incompetence or wasteful spending to cover up. No doubt that is why the Treasurer is not sharing this information, not exchanging this information, with the Australian parliament.

**Senator IAN MACDONALD** (Queensland) (18:58): I am drawn to enter this debate having been encouraged by the very fine words of my colleague Senator Cormann but also having been encouraged by the interjections from senators opposite. I have actually been to both the Marshall Islands and Mauritius. I have to say they are both great countries. The Marshall Islands
has a very big shipping register but it is a developing country. It does not have the techniques, the public service and the technology that the Australian government has. It seems incredible to me that some information, which must be clearly at the Treasurer's fingertips, cannot be provided in answer to questions on notice from Senator Cormann after more than 150 days. What if it took 150 days to supply the sort of tax information that is required by these two treaties to the governments of the Marshall Islands and Mauritius? Surely it would be available in Australia, with all of its public servants, with all of its technology and with all of its information systems. There are thousands and thousands of public servants in this town who are there to record this sort of information. I am sure that if the Treasurer had one ounce of intelligence and ability—and I will give him credit for having one ounce, perhaps not much more—that information would be available. If the government of Mauritius or the government of the Marshall Islands were asking for it, it would be readily available; but when the opposition asks for it, suddenly it becomes all too hard. For a government that pays lip service to accountability and openness, this is an absolute disgrace. But what would you expect from a government led by a leader who solemnly promised not to introduce a carbon tax in her government? She did that one year ago today. When you cannot believe the Leader of the Labor Party, who is currently our Prime Minister, on that basic promise, how can you believe her on her promise of openness and accountability, which is required in relation to the explanation of taxes?

If these developing countries, the Marshall Islands and Mauritius, with their limited resources can exchange their tax information with Australia's tax information, why on earth can't the Treasurer of our nation supply what must be very basic information that he would have at his fingertips? One can only assume that, yet again, this government is demonstrating not only its incompetence but its dishonesty. It is demonstrating its inability not only to properly manage the country but also to comply with any of the promises it made in relation to (a) 'no carbon taxes in the government I lead' and (b) the openness and accountability that was supposed to be part of the new paradigm, which is this awful, dysfunctional government that we have 'not running' Australia at the present time.

Question agreed to.

**Australian Customs and Border Protection Service Report 2009-10**

Senator IAN MACDONALD (Queensland) (19:03): I move:

That the Senate take note of the document.

In so doing, could I just refer the Senate to sections A and B, which perhaps should be called through at a later date. I did want to note the Australian Customs and Border Protection Service Report for 2009-10, as I am Deputy Chairman of the Joint Committee on the Australian Commission for Law Enforcement Integrity. We visited Customs operations in both Darwin and Sydney and I have to say by way of congratulations to the Customs and Border Protection people that they are doing a magnificent job in those two ports of entry, both seaports and airports. I am sure they do equally as well in Brisbane. I am sure they do a magnificent job everywhere.

One of the very difficult things for the Australian Customs and Border Protection Service is that, beyond their normal airport and seaport operations, they are tasked with the job of intercepting all the boat people...
coming into our country illegally. I might take this opportunity to note that, since the announcement of what is called the 'Malaysian solution'—the solution for processing people who have come to our country by illegal means—boats have continued to arrive. You will recall, Madam Acting President, that I mentioned in a previous speech how you really cannot believe the current Leader of the Labor Party, who happens to be for the moment the Prime Minister of this country, on carbon taxes. You will remember that just one year ago today she made the solemn promise that there would be no carbon tax 'under a government I lead'. We know that she has, with impunity, broken that promise. But you might also recall that she made a promise that she would never send illegal immigrants for processing in a country that was not a signatory to the United Nations refugee convention. Yet it is clearly recorded that Malaysia is not a signatory to that convention. How can the Leader of the Labor Party, who is currently the Prime Minister, on one hand before an election say that she will not send immigrants arriving by illegal means to countries outside of Australia for processing if those countries are not signatories to the United Nations convention on refugees and, with impunity, simply break that promise after the election?

This Labor Party-Greens government is developing a real history of making solemn promises before an election and simply discarding them after the election. In relation to border protection, in fact in relation to any other promise that the current Prime Minister might ever make in relation to anything, it makes one wonder how we can possibly believe her. In relation to the carbon tax she is saying that we are going to compensate everybody. How different is that from the promise in which she said, 'I won't introduce a carbon tax'? It has transpired in the border protection—

Senator McLucas: Madam Acting Deputy President, I raise a point of order and I want to go to the question of relevance. I note that in Senator Macdonald's previous contribution he did try to join in the countries with whom a treaty had been made, but I think that in this contribution he is actually straying a long way from the report that he is taking note of.

The ACTING DEPUTY PRESIDENT (Senator Pratt): Thank you, Senator McLucas. I remind Senator Macdonald that he has taken to his feet to speak to the Australian Customs and Border Protection Service Report 2009-10 and that he should speak to that according to the standing orders.

Senator IAN MACDONALD: Thank you, Madam Deputy President. I have been speaking about the border protection and customs service and what a great job they do but I am saying that, unfortunately, more and more their resources are being diverted to collecting people arriving illegally in our country, using their patrol boats and all their resources to become policemen, almost, in stopping illegal boat people from coming in. I am simply demonstrating that, in relation to border protection that the Customs and Border Protection Service is required to enforce or anything else, you simply cannot believe our Prime Minister, the Leader of the Labor Party. In that area you cannot believe her on anything she might say about anything. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Defence Portfolio: Estimates of Proposed Expenditure for 2011-12

Senator IAN MACDONALD (Queensland) (19:10): I move:
That the Senate take note of the document.
I seek leave to continue my remarks.
Leave granted; debate adjourned.

Productivity Commission Report No. 53: Caring for Older Australians

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (19:10): I move:

That the Senate take note of the report.
I seek leave to continue my remarks.
Leave granted; debate adjourned.

Productivity Commission Report No. 54: Disability Care and Support

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (19:10): I move:

That the Senate take note of the report.
I seek leave to continue my remarks.
Leave granted; debate adjourned.

Consideration

The following orders of the day relating to government documents were considered:


Australian Customs and Border Protection Service—Report for 2009-10—Correction.

Estimates of proposed expenditure for 2011-12—Portfolio budget statements—Portfolio and executive departments—Defence portfolio—Correction.


ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Pratt): Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Senator Ian Macdonald: I am sorry, Madam Acting Deputy President, are you not dealing with documents listed at (a), (b) and (d)?

The ACTING DEPUTY PRESIDENT: I beg your pardon. I should have clarified that those documents are listed for discussion on Thursday.

Green Skills Centre of Excellence

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (19:11): Tonight I want to talk to the Senate in relation to the green skills centre in Newnham, Launceston, in my home state. The Tasmanian Skills Institute has been in operation since 1 January 2009 as a training provider, emerging from TAFE Tasmania as part of the Tasmanian government's reform of the post-secondary education sector.

The Skills Institute's Green Skills Centre of Excellence was officially opened at the Alanvale training facility in Launceston on 22 July this year, although it began operating two months prior to the official opening and many of the employer clients have
appreciated the potential benefits they can bring to their business by training their employees through this facility.

The Skills Institute is an experienced registered training organisation with around 400 employees operating from eight major training hubs in trade and technical training across Tasmania. The Skills Institute is dedicated to workforce development in partnership with employers. The client group of the Skills Institute is employers and their employees. This client group has differing needs and expectations from the traditional TAFE student group, who attend a campus of their own volition.

The federal government provided $6.4 million under the Training Infrastructure Investment for Tomorrow element of the Teaching and Learning Capital Fund for Vocational Education and Training to build the centre, and what a magnificent facility it is. The state government, through the Skills Institute, contributed $750,000 towards the cost of the facility, bringing the total investment to $7.15 million.

The Green Skills Centre of Excellence project provides a state-of-the-art, Green Star rated training facility for a combination of construction, allied trades, joinery and furnishings trades. The centre has been built to the latest technology standards and is in line with the National VET Sector Sustainability Policy and Action Plan 2009-2012. The project introduces and implements green technology not only in the infrastructure and fabric of the new building but also in the training programs delivered, which in turn influence attitudes and work practices in industry.

A highlight is the purchase of $650,000 worth of state-of-the-art woodworking machines, including a five-axis computer controlled work centre believed to be the first of its kind in the state. This means furniture trades apprentices now have access to machinery that is at the cutting edge of technology. Prior to this new facility being built, training facilities operated from a post World War II textile factory on the fringe of the Launceston CBD, with its most recent modifications carried out 30 years ago.

I would now like to turn to Scottsdale, which is in the north-eastern region of Tasmania and the centre of the Dorset region, which is approximately an hour north-east of Launceston. The region has been affected over the last eight years or so by downturns in the food industries and it has also been affected by the downturn in the forestry industry in Tasmania. The recently announced forestry agreement between the federal and state governments will assist in dealing with the effects of change within that industry. It would be very easy to believe that this community is depressed, downhearted and waiting for handouts. However, in my recent visits to the community, this is not what I found; in fact quite the reverse.

I visited the Dorset men's shed. As we all know, unlike women, most men are reluctant to talk about their emotions and that means that they usually do not ask for help. Probably because of this many men tend to be less healthy than women, they sometimes drink more, they take more risks and they suffer more from isolation, loneliness and depression. Relationship breakdowns, retrenchment or early retirement, loss of children following divorce, physical or mental illness are just some of the problems that men find hard to deal with on their own.

A good men's shed must have a good coordinator and the Dorset men's shed has one of those individuals. He has both the technical and the social skills to help develop a safe and happy environment, where men are welcome to work on a project of their
choice in their own time, and where the only thing they must do is observe safe working practices.

The Dorset men's shed is one of more than 30 men's sheds in Tasmania—and there are more than 500 across Australia. The numbers attending and the range of activities are impressive. Women are also attending some of the projects, and I witnessed some women at the leadlighting course and making things for their own homes. Local charities are also benefiting from the timber and metal items produced by the men's shed. The quality and range of articles produced for the annual challenge event is astonishing. This year's challenge was no exception, with many outstanding pieces of woodwork—dining settings, chessboards and lazy Susans, just to name a few.

When I go to the north-east, I like to visit as many places as I can, including the high schools. But I also visited Aminya, which is a small nursing home on the edge of Scottsdale that is managed by Presbyterian Care. Like other organisations in Scottsdale, the facility continues to be improved. The recent internal modifications are excellent and it is an outstanding facility. They have plans to extend and are one of the big employers in that region, which is very important.

More importantly, a community relies a great deal on their local council. The Dorset Council have been dealing with the challenges that the forestry industry have been going through. When I met with the general manager and the mayor, I was impressed by how positive they were about the future of their municipality. They talked about the benefits of the National Broadband Network. They talked about how businesses have moved from interstate and are being managed out of Scottsdale because of the NBN. They talked about their ongoing plans for the future development of tourism in the area. They talked about health services. Whether you talk about health, whether you talk about tourism or whether you talk about education, they will all benefit from the rollout of the National Broadband Network.

The Dorset Trade Training Centre, which is part of the Tasmanian Polytechnic, is another wonderful initiative. The sorts of subjects covered at the Polytechnic include primary industry and infrastructure, tourism and hospitality, health and wellbeing, building and construction, childcare and community services, and business. The Dorset Trade Training Centre was only officially opened late last year, but it already has a fantastic network because of the people working there. They are locals who know the networks, have a great working relationship with the men's shed and are working with the local high school. When I spoke to the young people who were doing courses such as carpentry or working on car engines, I found they were all enthusiastic. These young people see this as a great opportunity to help them on their way to a successful future.

Whether at the aged-care facility, the high school, the trade training centre, the men's shed or a meeting with the mayor and the general manager of the Dorset Council, their overall attitude was not about wanting a handout; it was about a helping hand. They have plans for their future. It is a lovely environment and it was refreshing to visit them all. They typify the Tasmanian spirit and can-do attitude. They reinforced once again what a huge benefit the National Broadband Network has been to the area, and having visited other areas in Tasmania I know how important it is for Tasmania generally.

I do not have much time tonight, but I do want to touch on one other area that I have been involved in. One of the great delights
during this winter recess has been to attend a number of Building the Education Revolution openings. At the Invermay Primary School, a school which was built in 1889, you could see how it has been transformed and the benefits that has brought to the Invermay community. At St Finbar's Catholic primary school you could see how innovative they have been with their redevelopment. At the East Launceston Primary School, a school that has been established for many, many decades, you could see how they have really benefited from this investment into the future of our young people.

27th Asian Forum of Parliamentarians on Population and Development

Senator MOORE (Queensland) (19:21): At the beginning of this month, I was fortunate enough to be in Sri Lanka in Colombo for the 27th Asian Forum of Parliamentarians on Population and Development. This particular meeting was focused on the growth of the world population, as we move to the figure of seven billion bodies on our planet. The meeting coincided with the release of the latest 2010 revision of world population prospects, the official United Nations population projections prepared by the population division of the Department of Economic and Social Affairs, which drew the attention of the world to the growth of our population and future expectations. The projections pointed out clearly that we will this year have a world population of seven billion and they traced the history, showing how long it has taken to reach these levels and showing the acceleration which has occurred during the past centuries.

World population is projected to cross the seven billion mark very soon, the eight billion mark in 2028 and the nine billion mark in 2054. It is expected to stabilise at just over 10 billion after 2200. It has taken just 12 years for the world to add the most recent billion to our population. That is the shortest period in time in world history for a billion people to be added to the population. And the stats—and I am not normally a statistical person—give us some sense of the growth rate.

World population did not reach one billion until 1804. It took 123 years to reach two billion in 1927, 33 years to reach three billion in 1960, 14 years to reach four billion in 1974 and 13 years to reach five billion in 1987. You can see where the projections are going. This is something which we believe the world should think about and acknowledge and we believe we need to look at how we move forward.

The 27th conference was opened by Mr Fukuda, the previous Prime Minister of Japan, who has been a strong supporter of the issues around world population. Mr Fukuda talked about the fact that activity by international parliamentarians in population and development started in Colombo in 1979 with the first international conference of parliamentarians on population and development. We have a record of that meeting, which shows that the countries across our area, particularly those of the Asia-Pacific and including Australia, gathered at there. The successful outcome of the Colombo conference led to the Asian Conference of Parliamentarians on Population and Development, which took place in Beijing in 1981. It was there that the following really important principle was adopted:

The population issue cannot be forced. The issue cannot be resolved unless members of parliament who represent our people play our roles.

Mr Fukuda then took us to a wider discussion about what we needed to do to take action. He said:
First, we should have a clear vision as to how we can achieve sustainable development—
and that the important aspect is—
... to come to grips with the issues facing us from a long-term and panoramic perspective. We must understand that the issue of population is inseparable from such ... issues as food security, the environment, energy, and water.

That set out the program of the people we met at the conference, the key papers that were presented. They looked at those issues about which we talk so often in this place: sustainability, food security and effective aid development processes where we, as donor countries, can work effectively with people with strong aid and development programs.

It was a wonderful moment when we could talk about the Australian aid program, the recent review and the way that the review of our aid program is looking towards a future where the issues of sustainability, environment and population are indeed key to our future aid development, which is of course linked to the Millennium Development Goals. The second aim of the conference was the need:

... to reaffirm that without resolving population issues there cannot be sustainable development. To achieve that result, we must bring to mind our Cairo Agreement and achieve universal access to reproductive health services. This is the first step for poor people to realise a decent life as human beings—

and that is in clear compliance with the Millennium Development Goals which the United Nations has confirmed.

The third aspect was to:

... find ways to harmonise economic growth with sustainable development.

That looks at working with countries. We have been most privileged today in this place to have an opportunity to meet the leaders of the World Bank and the Asian Development Bank to look at how we can achieve economic development in our region that must be linked to sustainable development and engagement with population.

Achieving the process will not be easy, but members of parliament have a responsibility. Since the Cairo declaration we have agreed that together we can work to make a change and to ensure that the issues of population are clearly on the agenda. Indeed, when we have these meetings there is sometimes a view that it is just a matter of sharing knowledge and having a talk. That is just not true. There has always been a statement of commitment and action coming out of the meetings. The 27th meeting came up with a public declaration, which is available on the internet, to which every parliamentarian from the 15 countries represented made a commitment to adhere.

We talked about the issues of the 30th year of activity around the AFPPD and how we now have a body of knowledge which we can look back and learn from and in which we can trace the progress.

Also as parliamentarians we committed to a range of actions. The focus of this meeting is that we are elected representatives without any particular party allegiance who come together to look at the issues around population leading to a range of actions. We strongly advocate among our fellow parliamentarians, the media and other stakeholders because our deep concern is that international interest in the impact and consequences of the ever-growing world population has been waning. There is a concern among parliamentary groups that, while there is acknowledgement that issues around sustainable development and economic development are clearly on the agenda, there has been, we believe, some waning of the acknowledgement of the role of population growth in that process. It is our job, as people who feel this is important, to keep this on the agenda and to keep talking about it. In fact, one of the key actions is that
we expect parliamentarians who have the great fortune and honour to attend these meetings of the UN and the Asian Forum on Population and Development to go back to our parliaments and continue to talk about these issues, keep them on the agenda. That is why I have made a range of speeches on these issues. I hope to continue to do so.

We also as parliamentarians request international aid agencies to provide parliamentarians with evidence based tools to advocate to the public, both in developed and developing countries, about the impact of growing world population on the earth's future. And we expect that Australia, as a donor nation which has a strong and proud history of the work that we do, will acknowledge the issues of population and work with the countries with which we are engaged on intercountry aid development—that we look at the issues of population in discussions with governments about the development of multilateral trade agreements and in working with NGOs.

We confirmed the importance of advocacy activities in maintaining and augmenting aid budgets in developed countries and requested donor organisations to implement them effectively. Indeed, what we have been doing in the past weeks is looking at the way aid is developed, how we actually work with countries to ensure that we are not imposing ideas from outside, no matter how good they may seem to us, but working with the countries themselves to see that there is a joint commitment and understanding of the issues. When you sit around the table at these international meetings and hear stories from parliamentarians from other countries, you know that they understand the threat to their nations. They understand sustainability. They want to work with us so that we can have an effective, developed process between us.

We must work with international agencies to share with parliamentarians concrete examples of good practice, cost-effectiveness and socioeconomic impact on the community so that we can cooperate in advocacy activities. Most importantly, we reaffirmed the spirit of the 1979 Colombo Declaration on Population and Development and the important role that parliamentarians have to play in population and development issues.

Great Eastern Highway

Senator MARK BISHOP (Western Australia) (19:31): I rise this evening to talk about progress on major infrastructure projects in my duty electorate of Swan. I have been inspired to take this action following a similar discussion which occurred in the other place recently. I have been advised the member for Swan claimed credit for ensuring the federal government delivered on a promise to upgrade Great Eastern Highway. I was somewhat taken aback by this suggestion. My surprise sprang from my intimate knowledge of the progress of this project. It has a history that goes back some time—in fact, a little while longer than the current member's interest.

Great Eastern Highway, for those not familiar with this part of the world, is a road which starts near the entrance to Perth city and the famous Causeway Bridge. It meanders through the eastern suburbs of Rivervale, Ascot, Belmont, Cloverdale and Redcliffe to Perth airport. Past this point it continues through Guildford and Midland to suburbs and, later, towns in the hills district. As part of the AusLink national network, it will take you to the eastern states of Australia. It is an important road, as it links the airport to the city, and for that reason it is a busy road.

The proposal was to upgrade a stretch of the highway from Kooyong Road to the airport. This section has only four lanes but
currently services 55,000 vehicles per day. Traffic volume is forecast to increase to 66,500 vehicles per day by 2016 and is projected to reach 79,000 vehicles per day by 2031. My former colleague Kim Wilkie lobbied the Howard government for many years to fund upgrades to this part of the highway; however, it must be said that there was not much interest. On 18 November 2006 he received a response from Howard government minister Mr Jim Lloyd, which said in part:

… this section of highway is not part of the AusLink National Network, and the Western Australian Government is responsible for its funding …

He went on to say:

… I can see no particular virtue in the inclusion of the GEH in the Perth Urban Corridor Strategy …

In stark contrast, the Rudd government in 2007 committed $180 million to upgrade that part of the highway. Funding for the planning phase was committed by the Carpenter government in 2008. Since that time, the project has been expanded and the estimated cost is now some $350 million. As a result, the current government has increased the Commonwealth's contribution to $280 million. Work has begun and is scheduled for completion in late 2013. Contrary to the views of others, there was never any danger that we would fail to honour our commitment. We accepted that this major works project was necessary to increase the capacity, the safety and the efficiency of one of the city's principal transport routes.

The federal government has also made a commitment to the Gateway WA project. This project involves upgrades to the road network around Perth airport. In essence, the project includes a freeway-to-freeway interchange at the intersection of Leach Highway and Tonkin Highway. It will also increase freeway capacity to six lanes. The estimated cost of this project is $600 million. The federal government's contribution will be $480 million. It is a project that has been identified by the Western Australian government as a national infrastructure priority. I agree.

As all would be aware, Western Australia is experiencing a massive expansion in the resources industry. That means more fly-in fly-out workers using what is fast becoming the busiest airport in Australia. The proposed consolidation of the domestic and international airport terminals by 2017-18 is expected to double passenger and freight movements by 2030. The Gateway project is critical to ensuring that we can meet this demand. If the last resources boom showed us anything, it is that funding of key infrastructure projects cannot be put off if we are to maximise its benefits.

Finally I would like to talk about the rollout of the National Broadband Network, the NBN. Over the years I have received a number of complaints from local residents about broadband black spots. The complaints have come from residents in parts of Kewdale, Cloverdale and areas around Ferndale and Langford. All of these suburbs are within five to 10 kilometres of the central business district. They are not regional areas; they are not rural areas. So why are they unable to access broadband services?

The answer is blindingly obvious. Telstra, in being allowed to be run as a vertically integrated monopoly, had no incentive to maintain or develop new infrastructure. The NBN will fix that by separating the wholesale from the retail. It will create a level playing field between service providers. Retail prices charged to consumers will be determined by the retail service providers. That, of course, will stimulate competition. The fibre network
will mean more choice, greater competition and better value services. Along with faster and cheaper broadband for families and local businesses, it will also provide equity in access. It is true to say that the NBN will change the way we live.

I am very pleased that last year the government announced that Victoria Park would be the second phase rollout of the NBN. Initially, 3,000 homes and businesses will be connected to the network. From there, the network will spread through Telstra's copper network of ducts, pits and exchanges. The agreement with Telstra will enable NBN Co. to deliver next generation super broadband services with less disruption to residents and reduced rollout costs.

These projects are part of the Gillard government's commitment to infrastructure projects in Western Australia. In all, Western Australia will receive record funding of $920 million for transport infrastructure alone. As well as upgrades to the Great Eastern Highway and the Gateway WA project, that funding will enable upgrades to road and rail into Port Esperance, upgrades to the Great Northern Highway at Port Hedland, an access road for Bunbury Port and the Northbridge rail link project through Perth's CBD.

In the Swan electorate, the federal government's commitment to major infrastructure projects is welcomed by residents, local businesses, transport companies and large-scale commercial enterprises, local and state government representatives and, I think it would be fair to say, the member for Swan.

Climate Change

Senator BOSWELL (Queensland) (19:39): Mr Acting Deputy President, I seek leave to speak for 20 minutes.

The ACTING DEPUTY PRESIDENT (Senator Back): Leave is granted.

Senator BOSWELL: There are things about the world that will always remain constant. One is that sea levels and tides will always go up and down. The political situation in Australia now and the argument for a carbon tax are like the tides, they ebb and flow, and opinions are rising and falling. The opinions of Australians on a carbon tax have fallen significantly, as only 36 per cent of people actually want it. The government has done everything but tell Australians not to buy a house at the beach because it will soon be under water. Mr Acting Deputy President, I know that you have a seaside property and I hope you do not feel that you have to sell it, because my speech will give you some encouragement to hold that property.

The Gillard government argues that climate change is affecting rising sea levels. But the need for a carbon tax to offset these effects is losing depth as evidence to the contrary mounts and the facts on sea levels are favouring history over the Labor government's alarmist future. According to the National Tidal Centre of the Bureau of Meteorology, the average trend calculated from 39 tide stations was a rise of 0.9 millimetres a year over the last century. These figures now show a much more realistic average rise of sea levels of 1.4 millimetres a year. I tried that out and was told, 'If you really want to be accurate, go and get some satellite data.' So I did.

Satellite data also shows sea levels globally have risen by 3.2 millimetres a year. I was informed that over the 20th century sea levels had risen by about 1.8 millimetres a year for an overall sea rise level of about 20 centimetres during that period. These figures are accepted by the Intergovernmental Panel on Climate Change and the government backed report on climate change, The critical decade, released last month, and they agree with my research. Both The critical decade
report and the Bureau of Meteorology agree that sea levels have risen by 3.2 millimetres a year—so we have some common ground there—and would rise to about 0.32 metres by 2100. The report goes on to state on page 25 in tiny letters that projections of 1.5 or two metres seem high, but why did it then state on page 23, in extra large headlines and large font, that sea levels could rise by 0.50 to nearly two metres in the next hundred years. To say sea levels could rise by two metres in a hundred years when they have been rising by 3.2 millimetres a year over the last 20 years seems unrealistic. Yes, they could rise. You could be hit by a satellite—anything could happen. But it is not realistic.

According to the Minister for Climate Change and Energy Efficiency, Mr Combet, by 2100 sea levels will have risen by 1.1 metres. He has based most of his recent scaremongering on a report that was released in June. The report, *Climate change risks to coastal buildings and infrastructure*, was released a week later than *The critical decade*. It identifies significant risks to commercial and light industrial infrastructure and road and rail systems in Australia's coastal areas based on a sea level rise of 1.1 metres, representing a high-end scenario for 2100. If we are to believe the two government reports, it seems that sea levels have risen by two metres and have dropped by one metre. It is the Archimedes-in-a-bathtub principle—sea levels have changed in the space of a week. There were two reports: one said two metres; the other said 1.1 metres. How are we to believe these things if the government cannot even get it right within a period of two weeks and comes out with two differing reports varying by up to a metre? The two reports were brought out in the space of a week and yet predict two different things. How can this be? Either sea levels will rise by two metres or by 1.1 metre—it cannot be both. The exaggerations do not stop there. We can look at the findings of scientists that Labor holds up as gatekeepers of the truth on climate change, like Tim Flannery. He said:

Anyone with a coastal view from their bedroom window, or their kitchen window, or wherever, is likely to lose their house as a result of that change, so anywhere, any coastal cities, coastal areas, are in grave danger.

But the next year he bought a house just four or five metres from the edge of the tidal waters around the Hawkesbury estuary. He now contradicts that earlier scare without apologising for it. He told the *Weekend Australian* that while waterfront property generally was at risk, his little bit of paradise was secure for his lifetime: There is no chance of it being inundated, short of a collapse of the Greenland Ice Shelf.

Flannery has also admitted that no matter what action we take on climate change there will not be anything that will have a substantial effect on global warming for at least 1,000 years. I think he did mention 100 years, but 1,000 years was mentioned there too. Despite Flannery's misrepresentation and misuse of the facts, other non-government aligned scientists have conducted research of the highest calibre and have deemed the reality of the situation to be different and not so dire.

A former environmental scientist for the Bureau of Meteorology, William Kininmonth, has written a paper entitled, 'A natural constraint to anthropogenic global warming' that demonstrates exactly why Minister Combet's and Mr Flannery's predictions are wrong. Kininmonth's paper shows that Minister Combet is confusing the projections of rudimentary computer models with science. The rudimentary computer models to date have shown no ability to predict temperature and sea level variations on monthly, seasonal, annual or decadal timescales.
Despite the contrary claims by the IPCC and its followers, there is no demonstrated skill in the computer models; they likely exaggerate the impact of atmospheric CO₂ increases by more than a factor of three. The empirical evidence of science is that the climate system varies on a range of timescales for reasons that are poorly understood. The interannual variability associated with El Nino events has a great impact on Australia's climate, ocean surface temperatures and sea levels around Northern Australia. These events and their impacts cannot be predicted in advance. The decadal fluctuations in climate are observed but not understood. The centennial-scale fluctuations, with advancing and retreating mountain glaciers, have been identified from historical accounts and from archaeological and proxy records; the recent emergence from the little ice age and the current relative warmth are part of this pattern. The evidence of science is that the 20th century rate of warming and sea level rise was not unusual and there is no uncontroversial observational evidence indicating that the rates of warming or sea level rises have accelerated recently with increased CO₂ concentration in the atmosphere.

In the face of sound evidence, the projections of rudimentary computer models are a poor basis for government policy. And yet Minister Combet insists that coastal assets at risk from the combined impact of inundation and erosion include between 5,800 and 8,600 commercial buildings, between 3,700 and 6,200 light industrial buildings and between 27,000 and 35,000 kilometres of roads and rail. But as Mr Kininmonth asserts, these stats are based on computer generated figures. The Gillard government wants to use facts that we know cannot be predicted in advance and to disregard historical evidence that suggests all is not what it seems. Not only that—it continues to deny the existence of further evidence that proves its stance on sea levels to be wrong.

For example, even if we are to believe Minister Combet's claims based on his report, new findings separate from Mr Kininmonth’s suggest that sea levels could even be decelerating. This analysis was undertaken by New South Wales principal coastal specialist Phil Watson and calls into question one of the key criteria for large-scale inundation around the Australian coast by 2100—the assumption of an accelerating rise in sea levels because of climate change. Based on tide gauge records, the analysis finds there was a consistent trend of weak deceleration from 1940 to 2000. According to Mr Watson this deceleration is continuing and the government's projections are way off. Mr Watson's finding is supported by a similar analysis of long-term tide gauges in the US earlier this year. Both seem to raise questions about the CSIRO's sea-level predictions.

Mr Watson contends that in all cases it is clear that although the sea level is rising, it has been decelerating for at least the last half of the 20th century, and so the present trend would only produce a sea level rise of around 15 centimetres for the 21st century. Mr Watson has pointed out in his research that during the 20th century there was a measurable global average rise in the mean sea level of about 17 centimetres, plus or minus five centimetres. But scientific projections, led by the government funded Panel on Climate Change, have suggested climate change will deliver a much greater global tide rise in the mean sea level this century of 80 to 100 centimetres.

How can the predictions be so different? If one is wrong, which one is it? One would have to believe the historical evidence that suggests a less alarmist scenario rather than
the government funded view which we know cannot be accurately predicted. Both Kininmonth and Watson seem to be saying the same thing: that the government's view on sea levels is not accurate or realistic. However, the Gillard government knows the alarmist view is the only one that will allow an argument in favour of a carbon tax to hold any water. So, the factual and historical science must be disregarded in favour of a much more biased and inaccurate form. It is like having a jigsaw puzzle and, instead of matching each piece with the correct holes, you try to make the holes match the pieces. That is what the government is doing.

The difference in the two models shows that there is a clear problem with the CSIRO findings. The difference is so vast—15 centimetres versus 1.1 metres—that there has to be some sort of miscalculation here. And yet the Labor government still bangs on about the science. As Julia Gillard says, 'It all comes back to the science, the science, the science'. She boasts about the information from the CSIRO being a direct reason for initiating her destructive policy. The truth is that empirical evidence shows that sea levels are in fact not rising at the rate the government says they are. If the government ignores this, it is being irresponsible and reckless and is imposing a major burden onto the economy of Australia. Rising sea levels are also a factor in people not being able to get bank loans for businesses and houses, as the bank deems certain areas too risky to be developed due to future sea level predictions. This is creating great uncertainty.

Science can be right or wrong and the CSIRO can be right or wrong. Two prominent scientists disagree with CSIRO. So what can we do as laypeople? All we can do is look at how the tide has increased over the last 100 years—20 centimetres—and how the tide has risen in the last 10 or 15 years, which is about 3.2 millimetres a year. Everyone agrees it is 3.2 millimetres a year. But then we see this massive jump, as predicted by the coastal report and the other report, and it is going to go from 3.2 millimetres a year—which no-one has an argument with—to two metres in one report and 1.1 metres in the other report. In the small print of these reports they say that might be an exaggeration, it might be too much, but in the big black headlines in one report it clearly states that the level of sea rise could approach two metres. There are disclaimers on it but that is the headline, in big, black, bold writing. That is what people look at.

We have to look at these things carefully. Yes, anything can happen in the world and I accept that. But how do you go from 3.2 millimetres a year to the worst-case scenario of a two-metre rise in sea levels? No-one is denying that that could happen, but it is very, very unlikely. Quite frankly, I think it has been a scare campaign by Mr Combet and the Gillard government.

Wake, Mrs Nancy Grace Augusta, AC, GM

Trade: Israel

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (19:55): Mr President, I seek leave to speak for longer than 10 minutes.

Leave granted.

Senator KROGER: I rise tonight to honour and farewell one of Australia's greatest heroes. Nancy Grace Augusta Wake, affectionately known as the 'White Mouse', passed away on Sunday 7 August only a few weeks short of her 99th birthday. This extraordinary and incomparable lady will always hold a very special place in the hearts of generations of Australians. Though never wearing this country's uniform, she became our greatest war hero when fighting the
Nazis in Europe during World War II. Nancy Wake effectively eluded Hitler’s Gestapo, saving up to 1,000 allied soldiers from certain death.

She was, as we know, a leading figure in the French Resistance movement and was directly involved in preparations for the D-Day landings in Normandy. So remarkable and effective were her achievements that by 1943 she was one of the Gestapo’s most wanted persons, with a 5 million franc bounty on her head.

Notwithstanding her nickname, Nancy Wake was no mouse by nature. She did what had to be done—she put her own life in jeopardy time after time to save the lives of others. I am reminded of the story of her confronting and removing an SS sentry with her bare hands, squeezing the very life out of him to prevent him raising an alarm during a raid. This was an extraordinary woman with the courage of a lion; a woman of iron-willed determination, of breathtaking bravery and of infinite resourcefulness in the battle of the just.

For those generations born after World War II, we can only read about her life and wonder what the formative triggers were in turning a small Sydney schoolgirl into one of our war heroes. She certainly had to fight for her place in life from the very first breath she drew. As we have heard, she endured a difficult and challenging childhood, with her father leaving his wife and family of six children. Nancy was the youngest child and her father never returned to Sydney after he left for New Zealand. He sold up the family home while they still occupied it, and one can only imagine the emotional stress that this would have put on all the family—and particularly the youngest of the family, Nancy.

At the young age of 16 Nancy left the family home to forge her own way in life. She trained as a nurse to make ends meet, but it was a £200 windfall inheritance from a distant aunt which was to change her fortune. She first travelled to New York and then to London, where she talked her way into a job as a journalist by pretending to be fluent in Egyptian. At this interview, she clearly showed the first signs of her remarkable talent to get things done in her own inimitable way.

She did not stay in London. Instead she moved to Paris, where she also worked as a journalist and learned to speak French like a native. It was then that her life would change forever. She witnessed the rise of Adolf Hitler and saw firsthand the direct outcomes of his regime in Berlin and Vienna, where she observed how storm troopers publicly persecuted Jews. At that moment Nancy Wake swore to herself that one day she would do everything in her power to fight this inequitable regime. And she did when she finally had the chance, which made her one of those rare jewels who step up to their promises.

This turn of events must have surprised some friends, colleagues and acquaintances of Nancy. Before the war she was a sultry glamour girl who enjoyed the life of champagne and caviar with her first husband, the French playboy Henri Fiocca. But when the war broke out Nancy Wake did not hesitate a second and became a courier for the French Resistance and also joined the escape network of Captain Ian Garrow. When the network was betrayed she had to immediately flee the country. She had to leave her husband behind, who was later captured, tortured and executed by the Gestapo because he would not reveal the whereabouts of his wife. Nancy Wake, tragically, only learned of his fate after the war and blamed herself for his death.
She fled to Britain, where she signed up to the Special Operations Executive, who trained her in clandestine work. Back then it was one of the few military areas that men and women could equally participate in. She was taught survival skills in very difficult conditions. She learned to parachute, how to operate a radio and the use of weapons and explosives. She also learned how to kill silently before being parachuted back into France. Her SOE superiors remembered her as 'a very good and fast shot' and that she possessed excellent field craft. The White Mouse, they noted, 'put the men to shame by her cheerful spirit and strength of character'.

A French colleague once said about her: 'She is the most feminine woman I know until the fighting starts. Then she is like five men.' What a woman, and wouldn't we have all loved to have met her. Nancy Wake was without doubt a stunner and an Australian bombshell. Those who say that a beautiful girl can be very dangerous certainly were spot-on when referring to Nancy. She fought in the war with both male and female weapons. In her autobiography she recalled: I'd see a German officer on the train or somewhere, sometimes dressed in civvies, but you could pick 'em. So, instead of raising suspicions I'd flirt with them, ask for a light and say my lighter was out of fuel.

She told how she would get beautifully dressed and hang around making dates with Germans to get information. She wrote:

A little powder and a little drink on the way, and I'd pass their posts and wink and say, 'Do you want to search me?'

Her looks clearly helped her in deceiving and tricking the soldiers. However, she was everything but idle when being parachuted into enemy territory, hiding in trenches, ducking machine gun fire, attacking German installations and local Gestapo headquarters, or famously cycling more than 500 kilometres in just 70 hours through several German checkpoints to recover important radio codes.

When the 1944 Normandy landings were approaching, Wake's resistance groups were diverting as many German troops as possible. This meant they were constantly on the move, sleeping rough and engaging the enemy in numerous fire fights. Wake led a force of more than 7,000, which was a highly motivated army that made life decidedly uncomfortable for about 22,000 German storm troopers stationed in the area. She did an extraordinary job in leading those troops, especially when you consider that she lost only about 100 of the fighters, whilst more than 1,400 German soldiers were casualties.

In response to this she received numerous honours after the war such as the Legion d'Honneur as well as three Croix de Guerre and a French Resistance Medal, Britain's George Medal and the US Medal of Freedom. Nancy Wake was one of the highest decorated female servicewomen of the war. It fills me with great sadness that it took Australia almost six decades to honour her incredible achievements with her Companion of the Order of Australia. It is also a tragedy that she felt that she needed to leave Australia in 2001 following her disappointment at the lack of acknowledgement in this country.

Her medals are on display in the Second World War Gallery at the Australian War Memorial in Canberra. What is not on display is the fight she took up after the war. Nancy Wake's determination was again demonstrated when she stood three times as a candidate for the Liberal Party in the 1949, 1951 and 1966 federal elections. In all those elections she was up for a fight and tried the impossible by going after one of the more senior guys in the Chifley government. Sadly she was unsuccessful, despite achieving
remarkable record swings in all three campaigns.

In the 1949 campaign, for example, she ran against then Deputy Prime Minister, Attorney-General and Minister for External Affairs, Dr Evatt. She went to the polls with the cry, 'I am the defender of freedom; Dr Evatt is the defender of communism.' This campaign resulted in a huge 13 per cent swing against Dr Evatt. However Labor retained the seat with 53.2 per cent on a two-party preferred basis. The second time Nancy Wake ran against Dr Evatt was in the 1951 election, when she came even closer in defeating the then Deputy Leader of the Opposition by reducing the margin to less than 250 votes. One can only imagine how this extraordinary woman must have felt after having been defeated in federal politics. The word 'surrender' surely did not exist in her vocabulary. One can only imagine how different things may have been if she had achieved electoral success. There is no question she was a trailblazer and would have served with the same level of passion, vigour, merit and integrity that guided her in her life. Her family and former friends have so much to be proud of and we will never forget the amazing contribution she has made to our lives.

In reflecting on Nancy Wake's courageous stance against anti-Semitism in the 1930s, I am reminded of recent disgraceful protests and boycotts in the heart of the central business district of Melbourne, scenes that I am sure would have captured the attention of Nancy some 80 years ago. The fact that anti-Semitic protests are happening in modern day Australia is an outrage that we should all roundly condemn. I speak of the recent violent protests orchestrated by the boycott, divestment and sanctions movement outside the Max Brenner chocolate shop in Melbourne, when some 19 demonstrators and three police were injured.

The BDS movement unashamedly targets companies that have any sort of connection with Israel. It is a disgraceful movement, one that was supported by the Marrickville Council and one that receives support from members of the Greens to this day, including Senator Lee Rhiannon. Their aim is to economically cripple the only democracy in the Middle East and the one country in which the region's Arabs are guaranteed safety. The serious consequences of this political movement cannot be overstated. Colleagues should pick up a book or view the old news footage of Kristallnacht, the night of broken glass, the night in which Jewish homes, shops, towns and villages in Germany were ransacked. To think that activists can justify what was essentially a picket of a legitimate business because it is an Israeli company is contemptible.

I wish to applaud the swift response from the Victorian Minister for Consumer Affairs, the Hon. Michael O'Brien, for taking immediate action and requesting an investigation by the Australian Competition and Consumer Commission into the legality of their actions. At the recent ugly Melbourne protest, BDS activists prevented potential customers from entering the store as part of an orchestrated campaign to impose a secondary boycott on the commercial activities of the business and demonstrate that they could boycott businesses that have any association with Israeli owners. The Maritime Union of Australia, Geelong Trades Hall Council, Green Left Weekly, Australians for Palestine and the Palestine Solidarity Campaign are all involved in or support the BDS campaign.

It is shocking that the purpose of this boycott was to cause substantial loss or damage to the Max Brenner business. Such conduct could potentially contravene section 45D of the Competition and Consumer Act 2010. I support Minister O'Brien's request to
the ACCC Chairman, Rod Sims, to investigate these matters and consider seeking injunctive relief preventing further disruptions to the Max Brenner business.

Senate adjourned at 20:11
QUESTIONs ON NOTICe

Climate Change
(Question No. 4)

Senator Bob Brown asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice, on 28 September 2010:

(1) Between the release of the Government's green and white papers in 2008 on the proposed Carbon Pollution Reduction Scheme (CPRS) for Australia, how many times did representatives of the Business Council of Australia or their members meet with:

(a) the Minister or anyone from the Minister's office; and
(b) departmental officials.

(2) Can copies be provided of correspondence, including emails, between the Minister or anyone in the Minister's office or departmental officials and the Business Council of Australia, its representatives or members relating to the development of the CPRS between the release of the green and white papers.

Senator Wong: The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator’s question:

The former Minister for Climate Change and Water, her Office and departmental officials met with the Business Council of Australia on a number of occasions between the release of the Green and White Papers as would be expected with a group representing major employers. Details are at Attachment A.

A substantial number of meetings were also held with other stakeholder groups during this period, including environmental groups, non-governmental organisations and other business groups.

Attachment B (available from the Senate Table Office) provides all substantial correspondence that occurred between the Business Council of Australia and the Department of Climate Change during this period. Other correspondence, which is not included, related to routine organisation of the meetings outlined in the Attachment (available from the Senate Table Office).

Attachment A


<table>
<thead>
<tr>
<th>Date</th>
<th>Attendees</th>
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<tbody>
<tr>
<td>19 August 2008</td>
<td>Mr Barry Sterland, PM&amp;C, Ms Maria Tarrant (BCA)</td>
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<tr>
<td>9 September 2008</td>
<td>Mr Barry Sterland, Ms Maria Tarrant (BCA)</td>
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<tr>
<td>19 September 2008</td>
<td>Ms Jenny Wilkinson, Mr Russell Campbell</td>
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<tr>
<td>22 September 2008</td>
<td>Ms Maria Tarrant (BCA), Mr Rod Sims (BCA),</td>
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<td></td>
<td>Mr Barry Sterland, Ms Jenny Wilkinson, Ms Felicity Ryan, Mr Ross Lum,</td>
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<td>Mr Blair Comley (Videolink)</td>
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<tr>
<td>14 October 2008</td>
<td>Ms Maria Tarrant (BCA), Mr Rod Pearse, Dr Martin Parkinson, Mr Blair Comley</td>
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<tr>
<td>16 October 2008</td>
<td>Mr Oliver Richards – BCA was one of a number of industries in attendance</td>
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<tr>
<td>20 October 2008</td>
<td>Ms Maria Tarrant (BCA), Mr Blair Comley, Mr Barry Sterland, Ms Jenny Wilkinson, Mr Grant Mitchell</td>
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<td>31 October 2008</td>
<td>Ms Maria Tarrant (BCA), Mr Rod Sims (BCA), Mr Rod Pearse, Dr Martin Parkinson, Mr Blair Comley</td>
</tr>
<tr>
<td>11 November 2008</td>
<td>Minister, Dr Martin Parkinson, Mr Rod Sims (BCA),</td>
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</table>
Tuesday, 16 August 2011  

Infrastructure and Transport  
(Question No. 439)

Senator Ludlam asked the Minister representing the Minister for Infrastructure and Transport, upon notice, on 16 March 2011:

With reference to travel behaviour change programs:

How many positions are currently employed within the department specifically related to encouraging active transport, such as walking and cycling.

Can information be provided outlining the history of funding and the national approach to travel behaviour change programs.

Can an outline be provided of the current pool of funding and resources for a nationally coordinated approach to travel behaviour change programs, for example: (a) are there dedicated TravelSmart behaviour change programs within each state and territory; and (b) how does the Commonwealth invest in them.

To what extent is investment in active transport infrastructure, as a conditional requirement of all Commonwealth funded urban road and passenger transport projects, being promoted within the department, including, for example, shared/cycling paths, end of trip facilities and public transport nodes.

Transport behaviour change programs bring together a range of mutual benefits for our transport and health systems – with the new Australian National Preventive Health Agency established in 2010, has there been any effort to link these common agendas; if so, how; if not, why not.

Senator Carr: The Minister for Infrastructure and Transport has provided the following answer to the honourable senator's question:

The Major Cities Unit is responsible for the Department's activities within cities such as active travel. As of 31 March 2011, it had an average staff level of 6.8.

The Department has not funded any specific travel behaviour change programs. The Minister for Infrastructure and Transport launched the National Urban Policy on 18 May 2011. This included a $20 million Liveable Cities program, announced as part of the 2011-12 Budget, to support projects that improve the quality of life in our cities, including those that promote active travel through walking and cycling.
Various states and territories provide their own TravelSmart (or equivalent) behaviour change programs. The Australian Government does not currently provide funding to these programs. In 2008-09, the Government invested $40 million for the construction of cycling infrastructure under the National Bike Paths Projects component of the Jobs Fund.

There is currently no formal conditional requirement for active transport infrastructure in Commonwealth funded urban road and passenger transport projects.

There is no formal link between the Department and the Australian National Preventative Health Agency in relation to transport behaviour change programs.

**National Cycling Strategy**

(Question No. 537)

**Senator Ludlam** asked the Minister representing the Minister for Infrastructure and Transport, upon notice, on 22 March 2011:

With reference to the National Cycling Strategy 2011-2016 which notes that the $40 million Commonwealth stimulus funding for cycling infrastructure was significant, but states that more investment is required to 'facilitate real progress on the cycling agenda':

1. Can an outline be provided detailing the funding and resources, including full-time equivalents, allocated within the department to active transport?
2. Does the department consider funding for bicycle infrastructure to be a legitimate component of transport funding.
3. Is there any indication that the department will move towards regular funding for bicycle infrastructure; if not, why not.
4. How many kilometres of dedicated bicycle paths currently exist in Australia.
5. What is the Federal Government doing to address safety for cyclists.

**Senator Carr:** The Minister for Infrastructure and Transport has provided the following answer to the honourable senator's question:

1. The Major Cities Unit is responsible for the Department's activities within cities such as active transport. As of 31 March 2011, it had an average staff level of 6.8.
2. and (3) The Australian Government fully supports bicycling as a component of Australia's transport task. In 2008-09, the Government invested $40 million for the construction of cycling infrastructure under the National Bike Paths Projects component of the Jobs Fund. The Minister for Infrastructure and Transport launched the National Urban Policy on 18 May 2011. This included a $20 million Liveable Cities program, announced as part of the 2011-12 Budget, to support projects that improve the quality of life in our cities, including those that promote active travel through walking and cycling.
3. (4) The Department does not collect data on this matter.
4. (5) The National Cycling Strategy 2011-2016 is particularly focused on safety engineering solutions for cyclists. A draft National Road Safety Strategy for 2011-2020 is currently under development which will complement the National Cycling Strategy in terms of safety.

**National Rental Affordability Scheme**

(Question No. 571)

**Senator Ludlam** asked the Minister representing the Treasurer, upon notice, on 4 April 2011:

With reference to the National Rental Affordability Scheme (NRAS):
(1) What is the name of the unit within the department which advises the Treasurer on the National Rental Affordability Scheme (NRAS), and how many people is it comprised of.

(2) Does the department still consider the NRAS program to be undersubscribed.

(3) What industry consultation took place prior to the providing of advice to the Government that the target should be capped at 30,000.

(4) How does the department work with the Department of Sustainability, Environment, Water, Population and Communities on NRAS.

(5) Given that, in November 2008, the Government introduced a transitional safety net to cover charities participating in NRAS, targeting charitable organisations that participate during the establishment phase of NRAS (dwellings built during the 2008-09 and 2009-10 financial years), thereby expiring at the end of that establishment phase:
   (a) what is the current situation for charitable organisations participating in NRAS; and
   (b) did the transitional safety net expire as noted; if so, are the affected charitable organisations currently participating in NRAS in danger of losing their charitable status and loss of valuable tax concessions.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

Various units within the Treasury advise the Treasurer on different elements of the National Rental Affordability Scheme (NRAS):

Based on current data (March 2011) NRAS will achieve the revised 35,000 incentives by 2013-2014 or 50,000 incentives over the extended time period.

Treasury has consulted industry in relation to various housing matters, which included NRAS. Depending on the specific issue, the Treasury works with the Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) in a number of ways.

The November 2008 amendment to the Extension of Charitable Purposes Act 2004 related specifically to stage one (the establishment phase) of NRAS. However, as a result of the 2008 High Court decision (Federal Commissioner of Taxation of the Commonwealth of Australia v Word Investments Limited [2008] HCA55), a charity is able to undertake unrelated commercial activity. The Government announced in the 2011-12 Budget that it will reform the tax concessions provided to NFP entities to ensure they are targeted only at those activities that directly further not-for-profit entities altruistic purposes. The Government has announced that the existing 50,000 NRAS allocations will be unaffected by the measure. Therefore, charitable organisations can fully participate in NRAS, without any further amendments to the law.

Climate Change
(Question No. 603)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 19 April 2011:

With reference to the proposed Carbon Pollution Reduction Scheme, has the department conducted any research or modelling into what impact the proposed scheme will have on the percentage or amount of farming land in Australia that is used for food production; if so, can full details of this research or modelling be provided; if not, why not.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:
The 2011 Government report *Strong Growth, Low Pollution: Modelling a Carbon Price* provided details of modelling of the effect of a climate change mitigation policy on the economy including the effect on the percentage and amount of farming land in Australia that is used for food production. Full details are provided in section 4.4.4 of the report, which is available on the Treasury website: http://www.treasury.gov.au/carbonpricemodelling.

**Carbon Pricing**  
(Question No. 604)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 19 April 2011:

With reference to the proposed Carbon Pollution Reduction Scheme, has the department conducted any research or modelling into what impact the proposed scheme will have on employment in the food production industry in Australia; if so, can full details of this research or modelling be provided; if not, why not.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

The 2011 Government report *Strong Growth, Low Pollution: Modelling a Carbon Price* provided details of modelling of the effect of a carbon price on the economy. One of the scenarios modelled in that report, labelled ‘Core policy’, was calibrated to achieve a carbon mitigation target of 5 per cent below 2000 levels by 2020 and 80 per cent below 2000 levels by 2050. That report contained projections for employment shares with and without carbon pricing for a number of industries that produce food, as detailed below.

Table: Employment by Sector, 2050

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment Shares</th>
<th>Core policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheep and cattle</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Dairy cattle</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Other animals</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Grains</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Other agriculture</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Agricultural services and</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>fisheries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meat products</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Other food manufacturing</td>
<td>0.6</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Source: Treasury estimates from MMRF.

**Carbon Pricing**  
(Question No. 605)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 19 April 2011:

With reference to the proposed Carbon Pollution Reduction Scheme, has the department conducted any research or modelling into what impact the proposed scheme will have on employment in the mining and mineral exploration industries in Australia; if so, can full details of this research or modelling be provided; if not, why not.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:
The 2011 Government report Strong Growth, Low Pollution: Modelling a Carbon Price provided details of modelling of the effect of a carbon price on the economy. One of the scenarios modelled in that report, the ‘core policy’ scenario was calibrated to achieve a carbon mitigation target of 5 per cent below 2000 levels by 2020 and 80 per cent below 2000 levels by 2050. Given the policy parameters and macroeconomic assumptions considered, the modelling projected industry shares of economy-wide employment in 2050 with and without a carbon price in place. For mining industries, these industry shares are detailed below.

Table: Employment by Sector, 2050

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment Shares</th>
<th>Medium global action</th>
<th>Core policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal mining</td>
<td>Per cent</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Oil</td>
<td>Per cent</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Gas mining</td>
<td>Per cent</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Iron ore mining</td>
<td>Per cent</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Non-ferrous mining</td>
<td>Per cent</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Other mining (including mineral exploration)</td>
<td>Per cent</td>
<td>0.2</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: Treasury estimates from MMRF.

Carbon Pricing
(Question No. 606)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 19 April 2011:

With reference to the proposed Carbon Pollution Reduction Scheme, has the department conducted any research or modelling into what impact the proposed scheme will have on employment in the steel industry in Australia; if so, can full details of this research or modelling be provided; if not, why not.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

The 2011 Government report Strong Growth, Low Pollution: Modelling a Carbon Price provided details of modelling of the effect of a carbon price on the economy. One of the scenarios modelled in that report, labelled ‘core policy’, was calibrated to achieve a carbon mitigation target of 5 per cent below 2000 levels by 2020 and 80 per cent below 2000 levels by 2050. Given the policy parameters and macroeconomic assumptions considered, the modelling projects gross output of the iron and steel industry will increase by 9 per cent by 2020 and by 79 per cent by 2050 with carbon pricing, while the iron and steel industry will account for 0.3 per cent of total employment in both 2020 and 2050.

Climate Change
(Question No. 607)

Senator Cormann asked the Minister representing the Treasurer, upon notice, on 19 April 2011:

With reference to the proposed Carbon Pollution Reduction Scheme, has the department conducted any research or modelling into what impact the proposed scheme will have on employment in the tourism and hospitality industries in Australia; if so, can full details of this research or modelling be provided; if not, why not.
Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:


**Families, Housing, Community Services and Indigenous Affairs**

*(Question Nos 609 and 610)*

Senator Ryan asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 27 April 2011:

What is the current income distribution listed in $10,000 bands, from $0 to $1 million, of people receiving: (a) Family Tax Benefit Part A; and (b) Family Tax Benefit Part B.

Senator Arbib: The answer to the honourable senator's question is as follows:

The Department's 2009-10 Annual Report (Table J-5) details families receiving FTB-A and FTB-B by income distribution.

**Families, Housing, Community Services and Indigenous Affairs: Staffing**

*(Question No. 621)*

Senator Siewert asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 27 April 2011:

With reference to the department and the agencies within the Minister's portfolio:

1. What is the total number of staff currently employed.
2. What is the total number of staff with a disability currently employed.
3. What policies or programs are in place to encourage the recruitment of people with a disability.
4. What retention strategies are in place for people with a disability.
5. What career pathways or plans are on offer for people with a disability; if none, why.
6. Are there any specific targets for recruitment and retention; if not, why not.
7. What policies, programs or services are there to support staff with a disability.
8. Can details be provided of any policies, programs, services or plans currently under development within the department and its agencies, concerning the employment of people with a disability.

Senator Arbib: The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator's question:

1. As at 27 April 2011, the total number of staff employed in the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and the portfolio agencies was 4,462.
2. As at 27 April 2011, the number of staff in FaHCSIA who have disclosed their disability was 173. The total number of staff employed in the Department and the portfolio agencies, who have disclosed their disability was 192. Disclosure of their disability is optional for staff.
3. FaHCSIA has in place a policy for the Recruitment and Retention of People with Disability, a Reasonable Adjustment Policy and the principles of reasonable adjustment are included in recruitment guidelines. FaHCSIA advertises job vacancies with Disability Works Australia, posts information about graduate opportunities on the Career Hub Central internet site, sends graduate opportunities to the Disability Access Coordinators across Australian Universities, and gives presentations to students with disability at universities in Canberra.

In addition to this, FaHCSIA has an 18 month Pilot Traineeship for People with Intellectual Disability, participates in the 'Stepping Into' internship program which provides work experience
placements in FaHCSIA for university students with disability that are in their final year of an undergraduate degree and participates in the Paralympic Diversity Workplace Program.

FaHCSIA is also providing disability awareness training sessions to selection panels.

The programs and services available to staff with disability in the portfolio agencies vary depending on the size of the agency. Most of the smaller agencies adopt an individualised approach to supporting staff with disability, while other agencies stated that disability programs and services are captured in broader human resource (HR) management strategies. However, all portfolio agencies promote diversity in their recruitment processes and access professional services and support for staff with disability, such as workplace modification through the provision of reasonable adjustment services, or adopting a buddy system to support staff with disability. The following comments specifically relate to FaHCSIA, unless otherwise stated.

(4) In addition to the strategies mentioned previously in the answer to question (3), FaHCSIA has the strategies outlined below to assist with retention.

In 2009, a Mentoring Program was implemented to assist FaHCSIA employees with disability to achieve their professional aspirations and goals. As at 27 April 2011, FaHCSIA has approximately 50 employees trained with specific skills to mentor people with disability.

FaHCSIA conducts disability awareness training in partnership with the Australian Network on Disability, the ACT Deafness Resource Centre, beyondblue and Epilepsy ACT. Disability awareness training is also offered to employees, managers and individual work areas on request.

FaHCSIA has a range of other products and services in place to provide ongoing support to staff with disability. These include the provision of a Disability Access Coordinator, which is a designated position that provides an advocacy role for staff with disability in FaHCSIA and the use of centralised funds to cover reasonable adjustment costs.

FaHCSIA has established a senior disability champion role. This role is filled by a Deputy Secretary. The champion promotes disability awareness throughout the organisation and holds lunchbox sessions with employees with disability on a quarterly basis. The lunchbox sessions provide employees with disability an opportunity to consult with the champion on a range of issues and solutions.

The FaHCSIA Leadership disAbility Group (FLAG) is an employee stakeholder group with an interest in disability, with participation open to all staff in FaHCSIA. The vision of the group is to 'advance the status of employees with disability across the whole Department and build FaHCSIA's leadership in this area'.

A network for staff with a hearing impairment was established in 2008, where employees guide FaHCSIA on better practice around hearing services and procedures.

(5) All FaHCSIA employees, including staff with disability, can access career development planning within the context of FaHCSIA's Performance Management System. Career or development needs are identified for an individual employee's specific requirements. FaHCSIA's traineeship program for people with intellectual disability provided an opportunity for trainees to have on and off the job training and on successful completion they were permanently appointed to FaHCSIA.

(6) As at 27 April 2011, the total number of staff employed in the Department was 3454 and the percentage of staff in FaHCSIA who have identified as having a disability was 5.01 per cent (173), by comparison to the Australian Public Service (APS) average of 3.1 per cent from the State of the Service Report 2009-2010.

FaHCSIA and the portfolio agencies do not have specific targets for recruitment and retention, but have a range of strategies in place to promote and support the recruitment and retention of people with disability. These are described at (3) and (4) above.
(7) FaHCSIA has a range of policies, products and services in place to support the recruitment of people with disability. A number of these policies, programs and services have previously been outlined in the answers to questions (3), (4) and (6).

FaHCSIA has two policies that guide the recruitment and retention of people with disabilities. The Recruitment and Retention of People with Disability Policy outlines FaHCSIA’s processes for the recruitment and retention of people with disability to promote the inclusion of people with disability, and the Reasonable Adjustment Policy addresses the implementation of reasonable adjustment through attraction, recruitment, retention and professional development.

In addition to the policies and programs previously outlined in the answers to questions (3), (4) and (6), FaHCSIA offers a range of services to ensure accessibility for people with disability including a National Car Parking Policy which supports employees to access their workplace. A case management service is offered to employees with disabilities. This service assists the employee to obtain reasonable adjustment and effective job design.

FaHCSIA remains an active member of the Australian Public Service Commission Disability Steering Group. This group is attended by HR practitioners from across multiple agencies that identify and progress APS-wide initiatives on disability and provides opportunities for FaHCSIA to share information about the traineeship and other FaHCSIA employment and support initiatives.

FaHCSIA follows the mandatory requirements of the Australian Government Web Content Accessibility Guidelines. The FaHCSIA website is generally rated at double A (highest possible level of accessibility is triple A). Some documents are published in more than one format. Web pages are made available in HTML format for the greatest level of accessibility where feasible.

(8) FaHCSIA’s policies, programs and services concerning the employment of staff with disability have been previously outlined in the answers to Questions (3) to (7). FaHCSIA regularly reviews these policies to ensure they remain up to date and aligned to other HR policies and programs.

**Mining**

(8) **Senator Cormann** asked the Minister representing the Treasurer, upon notice, on 18 May 2011:

For each financial year from 2012-13 to 2021-22, what are the expenditure estimates or projections for each specific measure related to the imposition of the Mineral Resources Rent Tax, including:

(a) the proposed increase in the Superannuation Guarantee levy, from 9 per cent to 12 per cent;
(b) the proposed Regional Infrastructure Fund;
(c) the proposed reduction in the company tax rate; and
(d) any other proposed related measures.

**Senator Wong:** The Treasurer has provided the following answer to the honourable senator's question:

Estimates of the impact of budget measures have been provided in the Budget papers for the relevant forward estimates period, as required under the *Charter of Budget Honesty Act 1998*. Treasury does not, in general, undertake costings beyond the forward estimates as these estimates are generally not deemed to be sufficiently reliable for budgeting purposes.

**Australian Defence Force Land: Mining**

(8) **Senator Ludlam** asked the Minister representing the Special Minister of State, upon notice, on 19 May 2011:
(1) What is the approval process for exploration and mining proposals on Australian Defence Force land.

(2) At what point is there an opportunity for a public comment component in the approval process for mining proposals on Australian Defence Force land.

(3) At what stage in the approval process is the Paladin Energy Ltd proposal, with regard to the uranium deposit at Oobagooma in the Kimberley.

(4) Is Paladin Energy Ltd currently undertaking exploration activity.

Senator Wong: The Special Minister of State has provided the following answer to the honourable senator's question:

(1) The approval process for exploration and mining proposals on 'Australian Defence Force land' is determined by two factors: firstly, the legal basis upon which the Commonwealth owns, occupies and otherwise manages land situated within Australia; and secondly, the relevant mining law of the State or the Territory jurisdiction within which the land is situated.

Where the Department of Defence (Defence) occupies land that is vested in the Commonwealth, exploration and mining proposals come within the ambit of section 124 of the Lands Acquisition Act 1989 (LAA). Under the LAA, the Minister for Finance and Deregulation has the authority to authorise the right to access land vested in the Commonwealth for the purpose of mineral exploration. In the event of an application to undertake mining for minerals on land vested in the Commonwealth, the Governor-General may authorise the grant of a lease or a licence for this purpose. In all cases, it is necessary for the applicant seeking access to explore and/or to mine on land that is vested in the Commonwealth to hold a State or Territory exploration licence, or a mining licence, for the land in question.

Prior to making a decision on access to Commonwealth land for exploration and/or mining, care is taken to ensure that all relevant interests in the land are identified and considered before an access decision is made by either the Minister or by the Governor-General. The range of possible interests may include native title rights or other indigenous interests, heritage issues and environmental matters. Advice on possible interests in the land is sought from relevant Commonwealth departments and agencies, and from relevant State departments and agencies, early in the decision making process.

A guide to the Commonwealth's decision making process, in relation to land within the ambit of the LAA, has been published on the Department of Finance and Deregulation (Finance) internet: (http://development.finance.gov.au/property/lands-acquisition/access-commonwealth-land-mining-activities.html).

Where Defence occupies land that is not vested in the Commonwealth (for example, land occupied under a lease, a licence or a declaration of prohibition), the process for approving applications to access the land is determined by Defence. Once again, it is necessary for the applicant to hold a relevant State or Territory licence to explore and/or to mine for minerals on that parcel of land.

In essence, Defence will consider an application to obtain access to the land where the applicant has a relevant State or Territory licence (e.g., an exploration licence) and the proposed access will not interfere with Defence's use of the land. In the event that Defence agrees to allow access to the land, Defence will require the applicant to enter into a 'Deed of Access'.

(2) The opportunity for public comment in the approval process for mining proposals is governed by the laws of the relevant State or Territory that deal with applications for exploration and mining licences.

(3) Paladin Energy Ltd has applied for access to Commonwealth owned land in the Kimberley region of Western Australia - described as the Yampi Sound Training Area (YSTA) - that is occupied and used by the Department of Defence.
In this case, the Commonwealth is unable to authorise access to the YSTA for mineral exploration other than with the prior agreement of the Western Australian Government, because minerals in the YSTA are reserved to the Crown in right of Western Australia. To date, Western Australian has not granted an exploration licence to Paladin Energy Ltd in relation to minerals in the YSTA that are vested in the State of Western Australia.

Finance is working with the Western Australia Department of Mines and Petroleum to develop a memorandum of understanding that would enable Paladin’s application to be considered by both Western Australia and the Commonwealth in the near future.

(4) Finance is not in the position to provide advice on Paladin’s exploration activity. Information about Paladin Energy Ltd’s exploration activity in Australia and overseas should be sought from the Company.

Human Services
(Question No. 662)

Senator Abetz asked the Minister representing the Minister for Human Services, upon notice, on 24 May 2011:

Does the department recognise employees with awards for years of service; if so: (a) what lengths of service are recognised; (b) what type of awards are given to employees who reach each various milestones; (c) what categories of employees, if any, do not receive such awards; and (d) what is: (i) the cost to the department of this program, and (ii) the unit cost of individual awards.

Senator Arbib: The Minister for Human Services has provided the following answer to the honourable senator's question:

(a) The department recognises employees with awards for years of service. There are currently three programs which related to the former agencies within the portfolio:

(i) Centrelink recognised 10, 20, 25, 30, 35 and 40 years of continuous APS service.

(ii) Medicare Australia recognised 5, 10, 15, 20, 25, 30, 35 and 40 years of continuous Health Insurance Commission/ Medicare Australia service.

(iii) Department of Human Services (DHS) including the Child Support Program (CSP) recognised 10, 20, 25, 30, 35 and 45 years of continuous APS service.

The department is integrating the current Award and Honours programs and will offer one departmental program by August 2011.

(b) (i) Centrelink:

10 years – Letter from Branch or Area Manager
20 years – CEO certificate
25 years – CEO certificate and gift to the value of $150.00
30 years – CEO certificate and gift to the value of $200.00
35 years – CEO certificate and gift to the value of $250.00
40 years – Letter from CEO

(ii) Medicare Australia:

5 years – Public announcement in agency newsletter
10 years – Certificate and pin
15 years – Certificate and pin
20 years – Certificate and pin
25 years – Certificate, pin and gift to the value of $200.00
30 years – Certificate and pin
35 years – Certificate and pin
40 years – Public announcement

(iii) DHS and CSP:
10 years – Letter from Deputy Secretary
20 years – Certificate from Deputy Secretary
25 years – Certificate, gift or donation to the value of $150.00
30 years – Certificate, gift or donation to the value of $200.00
35 years – Certificate, gift or donation to the value of $250.00
45 years – Letter from Deputy Secretary

(c) Non-ongoing employees and contractors are not included in these programs.

(d) (i) The cost to the Human Services portfolio for the year 2010-11 was around $165,000. In the
2010-11 year 4016 employees achieved a service milestone which equates to $41.00 each.

(ii) The unit cost of each award is in the table below:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Award</th>
<th>Cost per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centrelink</td>
<td>25 Years Service</td>
<td>$150.00</td>
</tr>
<tr>
<td>Centrelink</td>
<td>30 Years Service</td>
<td>$200.00</td>
</tr>
<tr>
<td>Centrelink</td>
<td>35 Years Service</td>
<td>$250.00</td>
</tr>
<tr>
<td>Medicare</td>
<td>10,15,20,25,30,35 Year</td>
<td>$4.00</td>
</tr>
<tr>
<td>Australia</td>
<td>service pins</td>
<td></td>
</tr>
<tr>
<td>Medicare</td>
<td>25 Years Service</td>
<td>$200.00</td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DHS and CSP</td>
<td>25 Years Service</td>
<td>$150.00</td>
</tr>
<tr>
<td>DHS and CSP</td>
<td>30 Years Service</td>
<td>$200.00</td>
</tr>
<tr>
<td>DHS and CSP</td>
<td>35 Years Service</td>
<td>$250.00</td>
</tr>
</tbody>
</table>

Broadband, Communications and the Digital Economy
(Question No. 663)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 24 May 2011:

To ask the Minister for Broadband, Communications and the Digital Economy—

Has the department contracted ASG Group to provide project management services; if so: (a) can a complete description of the project and ASG's role be provided; (b) what was the rationale for using direct procurement in this instance; and (c) what is the value of: (i) ASG's contract, and (ii) the entire project.

Senator Conroy: The answer to the honourable senator's question is as follows:

The department has contracted the ASG Group to provide managed ICT services.

(a) The ASG Group is the service provider for corporate ICT network and infrastructure support, including the desktop and server environment.

(b) Through this contract, ASG Group are engaged to undertake ICT projects, this has included the rollout of a new desktop to staff and the replacement of the department's ICT network infrastructure.

(c) ASG was the successful tenderer for the provision of ICT managed services to the department in an open approach to the market.
(d) The value of ASG contract is $6.06 million over 3 years. There are a further 3 one year options in this contract should the department choose to take-up an option. Within the contract there is the ability for project work to be undertaken by the service provider on a fee for service basis.

**Broadband, Communications and the Digital Economy: Accommodation**

(Question No. 664)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 24 May 2011:

Did the department buy an office suite for the National Broadband Network (NBN) or an 'NBN Office Suite' in 2008 from Design Craft Furniture; if so: (a) what pieces were bought; (b) who were they for; (c) who selected the suite; (d) is the suite still in use and where; (d) what was the total cost of the suite; and (e) what did this office suite have to do with the NBN.

Senator Conroy: The answer to the honourable senator's question is as follows:

Yes
(a) 3 SES office suites.
(b) Additional SES officers employed by the department for the National Broadband Network (NBN) Program.
(c) The suites were selected to match existing SES office suites in the department.
(d) Yes within the department in SES offices.
(d) $40,500 exclusive of GST for three office suites.
(e) The suites were used to furnish offices for additional SES officers employed by the department for the NBN program.

**Mining**

(Question No. 669)

Senator Milne asked the Minister representing the Treasurer, upon notice, on 25 May 2011:

(1) Under the fuel tax credit scheme providing rebates for off-road diesel use: (a) what was the total rebate paid to the mining industry in the 2009-10 financial year; and (b) can a breakdown of that figure be provided according to each of the following mining industry sectors: (i) coal mining, (ii) oil and gas mining, (iii) metal ore mining, (iv) construction material mining, (v) other non-metallic mineral mining and quarrying, (vi) exploration, and (vii) other mining support services.

(2) (a) Which mining companies received the 10 highest rebates in the 2009-10 financial year; and (b) for each, what was the name of the company and the amount of rebate received.

(3) (a) What was the total deduction claimed in the 2009-10 financial year for the mining and quarrying exploration and prospecting deduction; and (b) which companies claimed the 10 largest deductions in the 2009-10 financial year.

(4) (a) What was the total amount claimed in the 2009-10 financial year in accelerated depreciation; (b) what part of that amount was claimed by the mining industry sectors; and (c) which mining companies claimed the 10 largest deductions.

Senator Wong: The Treasurer has provided the following answer to the honourable senator's question:

(1) (a) Total fuel tax credits paid in 2009-10 was $5 billion. According to the published ATO Taxation Statistics 2009-10 (page 133), the mining industry was paid $1.89 billion in fuel tax credits in 2009-10.
(1) (b) In claiming fuel tax credits, businesses provide only one industry code (ie ANZSIC). They are however often involved in multiple mining activities. The table below provides a breakdown of the mining industry by this singular industry code.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Amount ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Coal Mining</td>
<td>649</td>
</tr>
<tr>
<td>(ii) Oil and Gas Extraction</td>
<td>72</td>
</tr>
<tr>
<td>(iii) Metal Ore Mining</td>
<td>843</td>
</tr>
<tr>
<td>(iv) Construction Material Mining</td>
<td>19</td>
</tr>
<tr>
<td>(v) Other Non-Metallic Mineral Mining and Quarrying</td>
<td>92</td>
</tr>
<tr>
<td>(vi) Exploration</td>
<td>131</td>
</tr>
<tr>
<td>(vii) Other Mining Support Services</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>$1,890</td>
</tr>
</tbody>
</table>

(2) Due to the operation of the secrecy provisions under Division 355, Schedule 1 of the Tax Administration Act 1953 (particularly section 355-25) the Commissioner of Taxation is unable to disclose information concerning the taxation affairs of individual taxpayers. The information requested does not fall within the exceptions set out in this division.

(3) (a) Data on the total deduction for mining and quarrying exploration and prospecting expenses is not available. However, as at 7 June 2011, for the 2009-10 income year, the value claimed for the decline in value of depreciating assets used in exploration or prospecting was approximately $8 billion, rounded to the nearest billion. This amount is a component of the total deduction for mining and quarrying exploration and prospecting that would have been claimed for the 2009-10 income year.

(3) (b) As per the response to (3) (a), the data required to answer this question is not available.

(4) (a) Information on accelerated depreciation is not collected separately from information on depreciation generally. Consequently, the total amount of accelerated depreciation claimed in any one year is not known.

(4) (b) As noted in (4) (a), data on accelerated depreciation is not available. However, there is data to show that the mining sector claimed deductions for total depreciation (accelerated depreciation and other depreciation) of approximately $11 billion (rounded to the nearest billion) in the 2008-09 year.

(4) (c) As noted in (4) (a), data on accelerated depreciation is not available.

**Act of Grace Payments**

**(Question No. 671)**

**Senator Cormann** asked the Minister representing the Special Minister of State, upon notice, on 27 May 2011:

(1) How many act of grace payments have been approved by the Minister since 24 November 2007 where the department recommended against approval.

(2) What was the reason for, the date of approval of and value of each of the above act of grace payments.

**Senator Wong:** The Special Minister of State has provided the following answer to the honourable senator's question:

It is not normal practice to disclose the Department's advice to the Minister.
Australian Federal Police
(Question No. 680)

Senator Bob Brown asked the Minister representing the Minister for Home Affairs, upon notice, on 8 June 2011:

(1) Has the Australian Federal Police (AFP) been notified of or investigated war crime allegations against Australian–Sri Lankan citizen Palitha Kohona.

(2) Has the AFP contacted the Sri Lankan Government or the United Nations to investigate the allegations; if so, what is the current status of the case.

Senator Ludwig: The answer to the honourable senator’s question is as follows:

The Australian Federal Police (AFP) is currently evaluating this matter with a view to determining any potential breaches of Australian law.

Department of Parliamentary Services
(Question No. 682)

Senator Faulkner asked the President of the Senate, upon notice, on 9 June 2011:

(1) With reference to Department of Parliamentary Services (DPS) staffing numbers and staff management policies:

(a) what is the current number of full-time equivalent (FTE) staff and at what levels are these positions classified;

(b) what is the projected number of FTE staff and associated classifications for the next 3 financial years;

(c) for each calendar year since 2005, can figures be provided for:

(i) the number of staff separations from DPS,

(ii) the number of separations in the following categories: termination, resignation, retirement (age), retirement (other) or death, return to home agency, end of non-ongoing employment, and transfer or promotion to another agency, and

(iii) the number of incidents of bullying reported to or recorded by DPS;

(d) what measures (in detail) have been taken by DPS to address complaints and incidents of bullying in the workplace;

(e) have any incidents of bullying been identified through staff exit surveys; and

(f) what measures does DPS use to assess the success of measures to counter bullying in the workplace.

(2) With reference to the treatment by DPS of billiard tables and other equipment from the former staff recreation room:

(a) apart from the two billiard tables sold through ALLBIDS Auctions, what has become of all other furniture, fittings and fixtures from the former staff recreation room, including the following items:

(i) pool table,

(ii) ping pong table,

(iii) dart board and cupboard,

(iv) trophy cabinets and trophies,

(v) piano,

(vi) tables,
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SENATE

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(vii) chairs,
(viii) light fixtures,
(ix) carpet,
(x) accessories, and
(xi) any other items;

(b) for all items disposed of, can the following details be provided:

(i) any heritage assessment, significance or expert advice undertaken, assessed or obtained before disposal,

(ii) the manner of disposal,

(iii) whether any intermediary such as an auction house was used in the disposal,

(iv) the original value,

(v) the valuation prior to sale, and the basis of that valuation and of the original valuation,

(vi) any reserve set,

(vii) the value realised through sale,

(viii) the destination of any funds realised, and

(ix) any other details available including the date of sale, provenance and ownership of the item, and identity of the purchaser;

(c) if any items from the former staff recreation room were retained, can details be provided of the retained items, including their current location and plans for future use; and

(d) was Old Parliament House contacted before the sale of the billiard tables; if so, when and with what response; if not, why not.

(3) With reference to the construction of the Parliament House briefing room:

(a) how many DPS staff were displaced by the construction of the briefing room;

(b) where are those displaced staff currently located; and

(c) how many of those staff have moved, or will move, into the new office accommodation on the site of the former staff recreation room.

(4) With reference to the asset management policies and practices of DPS, including, but not limited to, the Parliament building itself, and its furniture and artworks:

(a) can details be provided of any charter for managing Parliament House and related assets, including governance arrangements and authority to dispose of items;

(b) can an account be provided of the disposal policies and procedures followed by DPS, including: the procedures involved for initiation and consideration of disposal proposals, the decision-making processes, the valuation of items to be disposed of, the basis on which the value of assets is assessed as appreciating or depreciating, and procedures for ensuring value for money is achieved in the disposal process;

(c) when items are disposed of for sale, is there any policy in relation to the disclosure during the sale process of the Parliament House provenance of the items;

(d) does DPS maintain a register of assets, including artworks; if so, how are items recorded and updated;

(e) when was the last full audit of DPS assets conducted, by whom was it conducted and what was the outcome, including the number, value and significance of any items missing or unaccounted for and action taken to locate them;

QUESTIONS ON NOTICE
(f) can details be provided of any original Parliament House items disposed of since 2000, including the reason for disposal, the value of the items and the manner of disposal; and

(g) in relation to furniture, can details be provided of any items of furniture that have been replaced since the building opened in 1988, together with:

(i) the reason for replacing them,
(ii) the date of replacement,
(iii) details of plans for future replacement of furniture as reported in the press on 21 May 2011,
(iv) the rationale for the planned replacements,
(v) the original value of the items to be replaced,
(vi) the cost of planned furniture replacement,
(vii) an assessment of how the quality and design of the replacement furniture compares with the original furniture, and
(viii) procedures for ensuring that the design elements of the original furniture are maintained in the replacement furniture.

(5) With reference to the Bertoia diamond chairs and other original outdoor furniture at Parliament House:

(a) can details be provided of any original outdoor furniture that has been disposed of, including:

(i) any heritage assessment, significance or expert advice undertaken, assessed or obtained before disposal,
(ii) manner of disposal,
(iii) whether any intermediary such as an auction house was used in the disposal,
(iv) original value,
(v) the valuation prior to sale, and the basis of that valuation and of the original valuation,
(vi) any reserve set,
(vii) value realised through sale,
(viii) destination of any funds realised, and
(ix) any other details available, including: the date of sale, provenance and ownership of the item, and identity of the purchaser;

(b) if original outdoor furniture has been retained, can details be provided of its current location and any future plans in relation to it;

(c) can details be provided of any new outdoor furniture that has been acquired; and

(d) can the following details be provided in relation to the Bertoia diamond chairs:

(i) how many have been sold or otherwise disposed of,
(ii) what were the proceeds of any sale,
(iii) is DPS satisfied that value for money was achieved in any sale of the Bertoia diamond chairs,
(iv) if any Bertoia diamond chairs were disposed of, did DPS undertake a heritage assessment of the items before the sale, and

(v) if a heritage assessment was undertaken, by whom was it undertaken and what qualifications or expertise did they have.

(6) With reference to the terracotta pot plant holders previously located throughout Parliament House:

____________________________

QUESTIONS ON NOTICE
(a) what is the current location of the terracotta pot plant holders and are there any future plans in relation to them;
(b) if any of the terracotta pot plant holders have been disposed of, can the following details be provided:
   (i) whether any heritage assessment, significance or expert advice was undertaken, assessed or obtained before disposal,
   (ii) the manner of disposal,
   (iii) whether any intermediary such as an auction house was used in the disposal,
   (iv) the original value,
   (v) the valuation prior to sale, and the basis of that valuation and of the original valuation,
   (vi) any reserve set,
   (vii) the value realised through sale,
   (viii) the destination of any funds realised, and
   (ix) any other details available, including: the date of sale, provenance and ownership of the item, and identity of the purchaser; and
   (c) what is the estimated value of the original collection of terracotta pot plant holders.

7) With reference to the heritage management of Parliament House:
(a) has Parliament House been nominated for Heritage Listing; if so, can full details be provided;

(b) is DPS satisfied that it has discharged all of its responsibilities to ensure that Parliament House complies with the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), the Commonwealth Heritage List, the Commonwealth Heritage Management Principles, and the National Heritage List; if so, how has this been achieved; if not, why not;
   (c) what strategies does DPS employ to ensure that:
      (i) the original design elements of Parliament House, and
      (ii) the integrity of the original design and construction of Parliament House, are maintained to the appropriate standard for the estimated 200 year life of the building, and how are these documented and reported;
       (d) can copies be provided of the current and all previous versions of the Heritage Strategy for Parliament House, including the date of each draft, and its current status and author/s;
       (e) who was consulted in the preparation of the Heritage Strategy for Parliament House;
       (f) is there any independent or expert oversight of Parliament House in relation to heritage management and design integrity;
       (g) does DPS retain spare original building materials, fixtures and fittings to meet the requirement of the building throughout its 200 year life; if so, can details be provided, including quantities of such materials and their original value;
       (h) has DPS disposed of any spare original building components, materials, fixtures and fittings; if so, can full details be provided, including: the rationale for the disposal, whether any heritage assessment was undertaken, the manner of disposal, the original value of the materials, and the value realised from the sale or disposal;
       (i) in managing projects to upgrade physical security or disability access or in undertaking modernising works, what procedures does DPS employ to manage the heritage aspects of the work; and
       (j) are architects engaged by DPS required to provide:  

____________________________________
QUESTIONS ON NOTICE
(i) written reports to confirm how their new work conforms to the design integrity of Parliament House, and
(ii) heritage impact statements as part their work.

Senator Hogg: The answer to the honourable senator's question is as follows:

1 On 9 June 2011, Senator Faulkner gave notice of his Question (#682) to the President of the Senate. Question 682 was divided into seven parts—and each of those parts was also divided into several sub-parts.

2 As a preliminary to the detailed answer to each question, the following overview of DPS procedures and some history is provided as background information.

Heritage and asset management

3 DPS is responsible for management of thousands of Commonwealth assets within the Parliament House building and precincts. This responsibility was inherited primarily from the former Joint House Department, Department of Parliamentary Reporting Staff, and the Department of the Parliamentary Library in 2004 and, before that, the Parliament House Construction Authority (PHCA).

4 Not all assets and items of heritage value (or potential heritage value) located within Parliament House are the responsibility of DPS. Some are controlled by the Chamber departments and the Department of Finance and Deregulation. Some of the assets for which DPS has (temporary) stewardship are on loan.

5 Heritage value changes over time—an item that may be assessed as having no heritage value at any given point in time could later be assessed as having major heritage value and significance. Different people will also hold different views about the relative importance of items and their priority for preservation. The challenges associated with determining heritage significance are identified in work done under the auspices of the Collection Council of Australia's Significance Methodology1 (Attachment A). The Significance Methodology is now widely used across the cultural heritage sector, and within DPS, and was refined over a ten-year period (originally released in 2001, and then substantially reviewed and re-released in 2009). The methodology provides a standard set of criteria for defining "the meaning and values of a cultural heritage item or collection". However, the authors also note that significance is "relative, contingent and dynamic".

6 There is a very broad framework of governance and policy and procedural documents that apply to this asset and heritage management role for DPS. These documents range from 'whole-of-government' instruments—such as legislation, regulations, Finance Minister's Orders and Department of Finance guidelines—through to specific DPS policies, procedures and guidelines. A number of these are outlined in more detail in the responses that follow.

7 This governance and policy framework is not static. The approach across the Commonwealth to accounting for and managing assets—including cultural heritage assets—has evolved over the past decade or so.

8 There are a number of control mechanisms in place to support this governance framework. DPS is audited annually by the Australian National Audit Office (ANAO) as part of annual reporting processes. Additionally, the DPS Executive approves an annual internal audit program that is overseen by the Audit Committee of DPS. The Audit Committee has an independent Chair.

9 DPS takes its asset management role very seriously, as well as its responsibility for upholding heritage values inherent in the building (and embodied in moveable objects within the building). The resource implications of managing and maintaining this extensive collection of assets are significant. Judgements will always have to be exercised about the relative priority of the range of tasks to be undertaken, as well as the relative value of the assets requiring our care and attention. This is particularly difficult in the context of an operating budget that is progressively diminishing in real terms and the expectations of the community about prudent financial management in the public sector. DPS
must also strike a balance between the sometimes competing requirements of managing heritage issues and satisfying building occupants' requirements for a functional, efficient and safe workplace.

10 In relation to the classification of heritage items as cultural heritage assets (and consequent implications for disposal of those assets), the Finance Minister's Orders relating to Heritage and Cultural Assets state:

(a) 37.1 Heritage and cultural items must only be recognised as assets where they meet the asset definition and recognition criteria set out in AASB 116 or AASB 138.

(b) 37.2 Only assets that are primarily used for purposes that relate to their cultural, environmental or historical significance are to be accounted for as heritage and cultural assets.

(c) 37.5 Heritage and cultural items do not include structures constructed to assist with the display, transport or storage of the asset. For example, backdrops, hanging apparatus, storage racks or protective cases are not captured by the definition of a heritage or cultural asset unless the item has such value in its own right or is an integral part of the item. An example of an asset being an integral part of a heritage and cultural asset might be the original frame surrounding a painting that is classified as a heritage and cultural asset.

Asset Recognition Criteria

(d) 37.7 Not all heritage or cultural items will meet the accounting definition of assets despite having intrinsic heritage value. Only items that are useful to the entity in achieving its objectives and have a financial value that can be reliably measured are recognised as assets.

(e) 37.8 Where a heritage and cultural asset is irreplaceable and has no market price, it is unlikely that its value can be reliably measured.

Heritage and Cultural Items

(f) 37.9 The AAS contemplate indefinite useful lives for some assets and non-depreciation in circumstances where assets have indefinite useful lives.

(g) 37.10 Heritage and cultural assets are assets used for the community's benefit, and represent, in part, Australia's cultural and historic background. Generally such assets attract funding from the budget for preservation, curation and restoration activity, ensuring these assets remain part of Australia's heritage for as long as possible.

(h) 37.11 Heritage and cultural items are buildings, other structures, works of art, artefacts, collectables, historical treasures, nature reserves, national parks, or similar items, which are used for their cultural, environmental or historical significance. Heritage and cultural assets will generally be:

- used for public exhibition, education or research; and/or
- protected, cared for and preserved.

(i) 37.12 One example of an item subject to section 37.2 is buildings of historical interest that are used primarily to provide office accommodation. These should not be accounted for as heritage and cultural assets.

11 Based on the Finance Minister's Orders, the following comprise the Heritage and Cultural assets over which DPS has stewardship.

(a) rotational art collection;

(b) architectural commissions (which comprise artworks commissioned during the design of the building, including some furniture);

(c) Historical Memorials Collection;

(d) Official Gift Collection;

(e) constitutional documents; and
(f) archive materials.

12 These collections had a total value of some $77.4 million at mid-2010 and are frequently referred to as the Parliament House Art Collection.

13 Classification and listing of other items that might have heritage or historic value has been an iterative process, and, in many cases, DPS (and the previous Joint House Department) inherited responsibility for items that were not registered as assets, or items that were registered as assets but were very poorly described and controlled. Over a number of years, there has been significant work done to improve the quality and accuracy of asset registers.

14 Decisions about the retention or disposition of assets with some historic or heritage significance require an awareness of the resource implications and sustainability of retention of the material. In particular, classification of items as cultural heritage assets carries an obligation to store and preserve that material for indefinite periods in accordance with relevant standards. This incurs a significant cost for the Commonwealth. This issue is reflected in the Finance Minister's Orders [see para 10(f)–(g) above]. In the last decade or so, this point has also been reinforced by the ANAO in its 1998 (Attachment B) and 2005 (Attachment C) performance audits relating to safeguarding national collections. In particular, the 1998 audit report made the following note.

The ANAO recommends that, in order to ensure the continuing quality of their collections, all institutions allocate a high priority to identifying items for possible disposal, except those items covered by legal deposit obligations or equivalent.

15 The authors of Significance also note that "significance assessment is vital to make the best use of scarce resources for collecting, conserving, documenting and digitising".

16 Since 2006, DPS has made useful progress in managing cultural heritage items and other building related assets, including the following.

(a) Systems and procedures have been progressively developed for management of the Parliament House Art Collection (including the Historic Memorials Collection and Official Gifts Collection, and art furniture). Many important items were either not previously listed as part of the collection, or their listing was incomplete or inaccurate. Artworks and gifts have been fully catalogued and described; independent formal valuations have been conducted; and policies and guidelines relating to their care and use developed and implemented. This has also led to better conservation and maintenance outcomes, and improved inventory control for these items.

(b) Refinement of the DPS approach to capital works, to take account of heritage and design integrity considerations.

(c) Environmental management and performance targets—such as energy consumption reductions and implementation of water restrictions—have been achieved without long-term impact on the building and precincts Where there is impact (such as by turning-off water features), other compensatory measures have been put in place.

17 The building itself, and the most important objects and artworks within it—such as Magna Carta, the Tom Roberts painting, and the Great Hall Tapestry—are regularly evaluated and independently confirmed as being in very good condition.

18 Nevertheless, we recognise the need for continual improvement and have taken the opportunity—following the May Budget Estimates hearings—to initiate a number of new measures including an internal audit investigation into the disposal of two billiard tables; a review of asset disposal policies; and a survey to identify and assess items with potential heritage values (beyond the Parliament House Art Collection). These activities will supplement work that DPS had already commenced to finalise a Heritage Management Framework for Parliament House.
Answer

(1) (a) As at 23 June 2011, the number of full-time equivalent (FTE) by classification is detailed in the following table. It should be noted that FTE varies from fortnight to fortnight as a result of the use of casual employees. The FTE figure at 23 June reflects payments to casuals employed during the May/June sitting weeks.

<table>
<thead>
<tr>
<th>Classification</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSL1</td>
<td>12.59</td>
</tr>
<tr>
<td>PSL1/2</td>
<td>126.74</td>
</tr>
<tr>
<td>PSL2</td>
<td>47.54</td>
</tr>
<tr>
<td>PSL2/3</td>
<td>31.00</td>
</tr>
<tr>
<td>PSL3</td>
<td>48.89</td>
</tr>
<tr>
<td>PSL4</td>
<td>107.13</td>
</tr>
<tr>
<td>PSL4/5</td>
<td>12.00</td>
</tr>
<tr>
<td>PSL5</td>
<td>49.55</td>
</tr>
<tr>
<td>PSL5/6</td>
<td>59.80</td>
</tr>
<tr>
<td>PSL6</td>
<td>90.65</td>
</tr>
<tr>
<td>PEL1</td>
<td>122.25</td>
</tr>
<tr>
<td>PEL2</td>
<td>42.00</td>
</tr>
<tr>
<td>SES1</td>
<td>7.00</td>
</tr>
<tr>
<td>SES3</td>
<td>1.00</td>
</tr>
<tr>
<td>Parl Librarian</td>
<td>1.00</td>
</tr>
<tr>
<td>Secretary</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>760.14</strong></td>
</tr>
</tbody>
</table>

(b) The Average Staffing Level (ASL), or average FTE for 2010-11 was 721. The projected number of ASL or average FTE for 2011-2012 is 724. No projections have been made on associated classifications for 2011-12. No projections have been made on numbers and classifications for 2012-13 and 2013-14.

(c) (i) and (ii) The number of staff separations and method of separation for calendar year 2005 to 23 June 2011 are detailed in the table over the page

<table>
<thead>
<tr>
<th>Method of separation</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
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<tbody>
<tr>
<td>Deceased</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>End of non-ongoing employment</td>
<td>21</td>
<td>19</td>
<td>39</td>
<td>29</td>
<td>32</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td>Resignation</td>
<td>81</td>
<td>70</td>
<td>49</td>
<td>34</td>
<td>41</td>
<td>46</td>
<td>14</td>
</tr>
<tr>
<td>Retirement—age</td>
<td>12</td>
<td>10</td>
<td>6</td>
<td>12</td>
<td>10</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Retirement—invalidity</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Redundancy—voluntary</td>
<td>6</td>
<td>42</td>
<td>37</td>
<td>15</td>
<td>31</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Termination</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer or promotion (within Parliamentary Service or APS)</td>
<td>21</td>
<td>31</td>
<td>34</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>14</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>143</strong></td>
<td><strong>173</strong></td>
<td><strong>168</strong></td>
<td><strong>115</strong></td>
<td><strong>143</strong></td>
<td><strong>139</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

(iii) DPS’s Exit Interview records refer to 'workplace harassment' OR workplace harassment, bullying or discrimination’—bullying is not specified separately. Below is listed the number of incidents of workplace harassment-type incidents reported to or recorded by DPS.
(d) DPS deals with complaints and incidents of workplace harassment and bullying in the following ways:

Policies on appropriate workplace behaviour

DPS has incorporated its commitment to the Parliamentary Service Values and Code of Conduct in the following key corporate documents:

- DPS Strategic Plan (Attachment D)
- People Strategy (Attachment E)

DPS also has the following policies and guidelines that govern behaviour in specific contexts:

Governance papers
No. 24 External Communications (Attachment F)

Personnel/HR papers
No. 4 Workplace Diversity (Attachment G)
No. 8 Behaviour outside the workplace (Attachment H)
No. 9 Performance Management (Attachment I)
No. 24 Performance Management for SES (Attachment J)
No. 34 Internet and email use (Attachment K)

People Management Paper 1.1
No. 1.1—Procedures—Procedures for investigating and determining breaches of the Code of Conduct (includes Parliamentary Service Values and Parliamentary Service Code of Conduct) (Attachment L)

OHS papers
No. 6 Workplace harassment and bullying (Attachment M)

The potential consequences of not following these policies/guidelines are clearly articulated.

Performance Management

Expectations of appropriate behaviour and adherence to the Parliamentary Service Values and Code of Conduct are integrated into performance agreements and reviews. Refer to Personnel/HR Paper No 9-Performance Management (Attachment I) and Personnel/HR Paper No 24-Performance Management: Senior Executive Service (Attachment J).

Informal processes to resolve issues

If an employee believes that they are being, or have been, harassed in the workplace, there are a number of informal avenues available to resolve the situation including:

- Approaching the person immediately and directly.
- Writing a personal confidential letter to any individual perceived harasser.
• Seeking confidential advice and support from a Harassment Contact Officer, their supervisor, the Director HR Services, their union/staff association or the DPS Employee Assistance Program.

These informal avenues are outlined in OHS Paper 6—Policy—Workplace harassment and bullying (Attachment M).

Formal processes to resolve issues

If informal approaches fail to resolve the situation, or if the alleged harassment is serious in nature, the following formal processes are available:

• Lodging an application for review in accordance with Division 7.3-7.4 of Parliamentary Service Determination 2003/2.
• Lodging a complaint with the Australian Human Rights Commission.
• Seeking legal advice.

These formal processes are outlined in OHS Paper 6—Policy—Workplace harassment and bullying (Attachment M).

Principles for managing workplace behaviour

The Workplace harassment and bullying policy includes principles for managing workplace behaviour to ensure procedural fairness.

Record keeping and access to records

The Workplace harassment and bullying policy states that proper records of every complaint and any action taken are to be maintained in the event that the complaint leads to further processes or misconduct.

Education and Awareness programs

DPS has education and awareness programs aimed at developing an awareness of what desirable behaviours are and how to encourage a culture of respect, as well as an awareness of what negative and unacceptable workplace behaviours are (ie bullying and harassment) and the consequences of the inappropriate behaviour. Examples of these training programs, provided regularly and corporately funded, are listed below:

• Bullying and Harassment: Creating Awareness
• Bullying and Harassment: Case Study and Skills Application
• OHS for DPS Supervisors
• OHS Awareness for employees
• Parliamentary Security Service Induction/Revalidation
• Being Professional in the Australian Parliamentary Service
• Results through People
• Giving and Receiving Performance Feedback
• Managing for Improved Performance
• Conversations that Count

(e) The exit interview survey asks if a respondent has ever experienced or observed workplace harassment, bullying or discrimination. The number of times that question is answered in the affirmative is provided in the table above. Where a former employee provides sufficient detail to identify any incident of alleged bullying, the processes and procedures outlined in OHS Paper 6—Policy—Workplace harassment and bullying (Attachment M) are followed.
(f) DPS analyses data collected through the following mechanisms for indicators of likely workplace issues and measures of success:

(i) Staff satisfaction surveys

(ii) Customer satisfaction surveys

(iii) Comparisons to other agencies (annual State of the Service reports)

(iv) Staff retention/turnover rates and unusual patterns of internal movements

(v) Rates of sick leave and other unscheduled absences

(vi) Information from exit interviews with specific questions about experiencing and witnessing harassment and bullying

(vii) The number, type and cost of compensation claims

(viii) Quarterly reports from DPS's Employee Assistance Provider, Davidson Trahaire Corpsych;

(ix) Number of staff attending targeted training

(x) Discussion at DPS Harassment Contact Officer Network meetings

(2) (a) Other furniture, fittings and fixtures from the former staff recreation room (in addition to billiard tables).

(i) pool table: sold at auction.

(ii) ping pong tables: one relocated to Health and Recreation Centre, and one in storage.

(iii) dartboard and cupboard: relocated to DPS Building Fabric Services (BFS) for storage and future reuse in APH.

(iv) trophy cabinet and trophies:

- cabinet brass: returned to DPS BFS for future reuse in APH (spares).
- medium density fibreboard carcass and glass: disposed to scrap.
- trophies: returned to DPS BFS for storage.

(v) piano: relocated to childcare centre for use with the children.

(vi) tables: relocated to furniture store for storage and future reuse in APH.

(vii) chairs: relocated to furniture store for storage and future reuse in APH.

(viii) light fixtures—down lights: reinstalled in Staff Dining Room.

- pendant lights: 4 x returned to DPS Electrical for future reuse in APH (spares)
  1 x returned to DPS Building Information for records.
  16 x disposed to scrap.

(ix) carpet: Staff Dining Room: most carpet retained in place; but, where replaced with parquetry, the carpet was disposed to landfill (being too worn for re-use)

  Staff Recreation Room: disposed to landfill (being too worn for re-use)

(x) accessories: Snooker Table rules: relocated to NG 61 (new office area that incorporates former Staff Recreation Room) to be hung on wall.

(xi) other items:

- skirting brass trim: 50% retained and reinstalled in NG 61 and Staff Dining Room. Balance returned to DPS BFS for refurbishment and future reuse in APH.

- medium density fibreboard skirting: disposed to scrap.

- door & cupboard hardware: handles, hinges, screws, locks, strikers: returned to DPS BFS for refurbishment and future reuse in APH.
QUESTIONS ON NOTICE

- full-height cupboard doors and hardware (doors, hinges, screws):
  - 7 x retained and reinstalled in NG 61
  - 2 x returned to DPS Building and Security Projects (BSP) for possible future reuse in APH. Stored in Plant Room 9.
- doors and window in external curved walls:
  - bottom panels: retained for refurbishment, modification and reinstalled in NG 61
  - top panels: disposed to scrap.
- louvres in external curved wall:
  - top panels: retained for refurbishment, modification and reinstalled in NG 61
  - bottom panels: disposed to scrap.
- linear air diffusers: 1 x returned to Building Information for records balance: disposed to scrap.
- Emergency Warning Intercommunication System (EWIS) speakers: recovered by DPS Communications for future re-use in APH.
- clocks: recovered by DPS Communications for future re-use in APH.
- data outlets: recovered by DPS Communications for future re-use in APH (spares).
- House Monitoring System outlets: recovered by DPS Communications for future re-use in APH (spares).
- House Monitoring System board: recovered by DPS Communications for future re-use in APH (spares).
- plastic surrounds of multi-service channels (ports): returned to DPS Electrical for future reuse in APH (spares).
- air handling units: disposed to scrap.
- solid core door, excluding brass: disposed to scrap.
- glass and timber doors (x 2), excluding brass: disposed to scrap.
- glass and timber partition wall: disposed to scrap.
- ceiling tiles (plaster): disposed to landfill.
- sprinkler heads: disposed to scrap.
- power outlets: soft grey surround: reinstalled in NG 61.
  - other outlets: disposed to scrap.

(b) (i) The existing internal guidelines for DPS in CEP 4.3 make provision for consultation with DPS Art Services before disposal of any items with possible cultural and heritage values. However, none of the subject items for disposal were listed in the cultural and heritage asset class in the DPS asset registers.

(ii) The billiard tables and pool table were sold by auction. All other disposals (outlined above) went to scrap or landfill.

(iii) AllBids, for the auction items.

(iv) 2 x Billiard Tables original value $5,800 ea. No value recorded for the pool table or accessories.

(v) At time of sale, the billiard tables had a value of $1,500 each—the valuation was provided in June 2010 by the Australian Valuation Office.
(vi) Billiard tables each had a reserve of $2,500; pool table had a reserve of $2,000.
(vii) $2,500 for each billiard table; $2,000 for pool table. (AllBids initially underpaid DPS by $11.12 for the second billiard table.)
(vii) The items sold were administered assets and, as such, the funds realised by the sale were returned to the Official Public Account.
(ix) The sale of all three tables was settled on 6 September 2010. Records available to DPS indicated that the billiard tables were purchased by the PHCA for Parliament House and, prior to the 2010 sale, were owned by DPS. DPS has found no records about the acquisition of the pool table. AllBids does not disclose the identity of the purchaser. Subsequently, a DPS staff member has stated that he bought one of the billiard tables.
(c) See answers to (a) above.
(d) No, Old Parliament House (OPH) was not contacted before the sale of the billiard tables. Records showed that these tables were purchased new by the PHCA. It is noted that two other billiard tables had been returned to OPH in the year 2000.
(3) (a) 18
(b) Displaced staff were from the Governance and Business Management (GBM), and Strategy sections. GBM staff are currently in the new accommodation (NG 61)—which includes the site of the former Staff Recreation Room. Strategy staff are now permanently located in S1 118 as a result of a series of office moves that were facilitated by the creation of office space in NG 61.
(c) The new NG 61 accommodation has facilities for 65 staff. By late 2011, it will be fully occupied by staff from the Projects Branch, including the Art Services section. GBM and Strategy staff will be located, next to the DPS Executive, in space vacated as a result of a series of moves made possible by the transfer of Projects and Art Services staff to NG 61. Amongst other matters, consolidation of Projects staff and Art Services staff in NG 61 will release space in the Parliamentary Library for possible use by the proposed Parliamentary Budget Office.
(4) Information relating specifically to the Parliament House Art Collection (PHAC) (which includes the Gifts Collection and commissioned art furniture) is provided first in response to sub-questions—(a)–(f)—followed by information relating to other (non-PHAC) assets managed by DPS.

**Parliament House Art and Gifts Collections**
(a) Policies specifically related to management of the Parliament House Art Collection include the following.

(i) Operating Policy and Procedure No. 17—Parliament House Art Collection (incorporates the Rotational Collection Acquisition Policy) (Attachment N);
(ii) Operating Policies and Procedures No. 19—Allocation of artworks to Members of Parliament (Attachment O)
(iii) Official Gifts Collection Policy (Attachment P)
(iv) Historic Memorials Collection: Guidelines for the selection of artists and processes for the procurement of portraits (Attachment Q)
(v) Parliament House Art Collection De-accessioning Policy (Attachment R)
(vi) Art Advisory Committee Terms of Reference (Attachment S)
(vii) Parliament House Art Collection—Stocktake procedures (Attachment T)

(b) The PHAC De-accessioning policy (Attachment R) defines procedures for PHAC disposals. The PHAC is independently re-valued every four years (most recent valuations—in 2005 and 2009—were conducted by the AVO).
(c) The PHAC De-accessioning policy states that: "Where appropriate, the Presiding Officers may require any person or organisation arranging the sale of the de-accessioned item to keep its provenance confidential."

(d) The Art Services section of DPS maintains a collection management system (catalogue database), which records comprehensive details about the PHAC (including sub-collections such as the Historic Memorials Collection, Official Gifts Collection, commissioned Art Furniture, and archival materials designated for retention as part of the PHAC). Collection items are registered in the system by staff at the time of their acquisition (whether by purchase or gift) and updated as appropriate (for example, movement/location details are updated every time an item is moved). There are currently over 6000 records in the database; but not all 6000 records represent individual items. Some records represent 'parent' and 'child' components of items; and some items are listed for tracking and information management purposes, but are not assets that belong to DPS. Examples of these are the Tom Roberts painting, which is owned by the Royal Collection; and the Yirrkala Petitions, which are owned by the Department of the House of Representatives. The PHAC itself encompasses around 5000 artworks assets that are owned by DPS.

(e) A sample stocktake (equating to 10% of the Collection) is conducted each year by Art Services staff. The last 100% stocktake of the collection was conducted in 2005. The practice of undertaking annual 100% stocktakes of the PHAC has been discontinued, as it was very resource-intensive relative to the levels of risk, and had a major impact on normal service delivery.

An additional factor considered in moving to a sample approach is that the PHAC has very high mobility/visibility (eg high volumes of movement of artworks such as after an election). This process serves as a substantial stocktake and it can be quickly noted if items are missing—or some 'missing' items can be found to have just been mislocated (see table below). The sample stocktake approach is consistent with findings by the ANAO in the 2004–05 Audit Report Safe and Accessible National Collections, (Attachment C) and uses similar methodology to the Australian War Memorial, which was cited by the ANAO (in the 2004–05 audit report) as representing best practice.

Stocktake results for the last five years are summarised in the table below.

<table>
<thead>
<tr>
<th>Period</th>
<th>Stocktake sample rate</th>
<th>No. mislocated items*</th>
<th>No. missing items</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>10%</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>+ 10% (556 items)</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>10% (433 items)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>+ 10% (543 items)</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>2010</td>
<td>10% (523 items)</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

(f) Details of items disposed of or de-accessioned from the PHAC since 2000 are summarised in the table below. Many of the de-accessioning actions listed date from between 2003 and 2005—this relates to the progressive introduction (between 2001 and 2004) of a comprehensive catalogue database of items in the PHAC, and implementation of more rigorous stocktake procedures. Consequently it was identified that a number of items had been 'registered' in the collection prior to (or in) 1988, but had either been missing for sometime, or had never been physically transferred to Parliament House (some were also listed in asset registers of other cultural agencies).

In addition to items listed in the table below, there are a number of items that are currently listed as 'pending' for de-accessioning by DPS Art Services. These items include:

(i) a glass plate and a ceramic bowl that have been damaged beyond repair;

(ii) three items that were identified as missing in the 2002 and 2004 stocktakes (one craft item, one photograph, and one furniture item); and
(iii) a number of items that have been identified as highly suitable for transfer to the Museum of Australian Democracy at Old Parliament House. These items originate from Old Parliament House (and some are physically located there), and records suggest they were never intended for permanent transfer to the new Parliament House, but final decisions were held off until the ongoing status of Old Parliament House was resolved.

Items that are identified as 'pending' de-accessioning will be referred to the Presiding Officers for consideration in due course, in accordance with the PHAC de-accessioning policy.

<table>
<thead>
<tr>
<th>Date</th>
<th>Title/Description</th>
<th>Reason / notes</th>
<th>Value</th>
<th>Disposal Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Painting: &quot;Sydney Harbour from Cremorne&quot; by Fred Leist</td>
<td>Item was listed as part of Historic Memorials Collection. Transferred to the National Gallery of Australia based on records substantiating that it was actually their asset. (Records show HMC occasionally purchased artworks for the 'national collection' in the first part of the 20th century, prior to establishment of the National Gallery. Most of these artworks were transferred to the National Gallery in the 1980s or earlier).</td>
<td>$25,000 (2002 valuation)</td>
<td>Transfer to National Gallery of Australia</td>
</tr>
<tr>
<td>2003</td>
<td>Study for HMC portrait of Paul Keating</td>
<td>The study (sketch) portrait was produced in 1997, and approved by the Visual Arts Board, but was never delivered to Parliament House with the final portrait. JHD staff investigated and neither the artist nor Mr Keating were able to confirm its whereabouts so in 2003 the item was formally de-accessioned. The finished portrait is still held as part of the Historic Memorials Collection.</td>
<td>$7,500 (2002 estimation of value)</td>
<td>Not known (removed from asset register). If portrait study ever resurfaced, Commonwealth should be able to assert its ownership.</td>
</tr>
<tr>
<td>2003?</td>
<td>Portrait of Sir John Quick by Portia Geach</td>
<td>Item was listed as part of Gifts collection, but was physically located at the National Library of Australia. Transferred to the National Library based on records substantiating that it was actually their asset.</td>
<td>$25,000 (2002 valuation)</td>
<td>Transfer to National Library of Australia</td>
</tr>
<tr>
<td>2003</td>
<td>Display base for casket</td>
<td>Item was listed as part of Gifts Collection—associated with a casket presented to WM</td>
<td>$500 (2002 valuation)</td>
<td>Not known. (Removed from asset register).</td>
</tr>
<tr>
<td>Date</td>
<td>Title/Description</td>
<td>Reason / notes</td>
<td>Value</td>
<td>Disposal Method</td>
</tr>
<tr>
<td>------</td>
<td>------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2003</td>
<td>Etching: &quot;Watch the red&quot; by John R Neeson</td>
<td>Item was purchased for the PHAC in 1985, but never sighted at Parliament House. File records suggest it was lost prior to the move to this building. Item was formally de-accessioned in 2003.</td>
<td>$1,000 (2002 estimation of value)</td>
<td>Not known. (Removed from asset register).</td>
</tr>
<tr>
<td>2003</td>
<td>Wooden bowl by Richard Raffan</td>
<td>Item was purchased for the PHAC in 1985, and was recorded as being located in a Senator's office in 1991, but could not be found in 1998 or 2001 stocktakes. Records indicate it was removed from general asset registers in 1999, but was not formally de-accessioned until 2003.</td>
<td>$250 (1993 valuation)</td>
<td>Not known. (Removed from asset register).</td>
</tr>
<tr>
<td>2003</td>
<td>Ceramic bowl by Joy Warren</td>
<td>Item was purchased for the PHAC in 1988, and was recorded as being located in a Member's office in 1993, but could not be found in 1998 or 2001 stocktakes. Records indicate it was removed from general asset registers in 1996, but was not formally de-accessioned until 2003.</td>
<td>$600 (2002 estimation of value)</td>
<td>Not known. (Removed from asset register).</td>
</tr>
<tr>
<td>2003</td>
<td>Photograph by David Moore (showing sculptor Robert Klippel).</td>
<td>Item was accessioned as part of a group of photos acquired for the PHAC in 1988, but recorded as 'mislocated' in 1989, and could not be found in 1998 or 2001 stocktakes. A file note suggests it may never have been intended for inclusion in the PHAC and it was formally de-accessioned in 2003.</td>
<td>$1,650 (2002 estimation of value)</td>
<td>Not known. (Removed from asset register).</td>
</tr>
<tr>
<td>2003</td>
<td>Photograph by Max Dupain</td>
<td>Item was accessioned as part of a group of photos acquired for the PHAC in 1988, but recorded as 'mislocated' in 1989, and could not be found in 1998 or 2001 stocktakes. A file note suggests it may never have been intended for inclusion in the PHAC and it was formally de-accessioned in 2003.</td>
<td>$3,200 (2002 estimation of value)</td>
<td>Not known. (Removed from asset register).</td>
</tr>
<tr>
<td>Date</td>
<td>Title/Description</td>
<td>Reason / notes</td>
<td>Value</td>
<td>Disposal Method</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>2004</td>
<td>Poster: Earthworks 1976 (protest poster depicting Malcolm Fraser)</td>
<td>This item was found in general storage by JHD staff in 2001. The poster was offered to the National Portrait Gallery on the basis it would be more suitable for its collection (no evidence exists suggesting it was ever intended for acquisition or gift to the PHAC).</td>
<td>No formal valuation recorded.</td>
<td>Transfer to the National Portrait Gallery</td>
</tr>
<tr>
<td>2005?</td>
<td>Book: History of Ballarat</td>
<td>Item was listed as one of a group of rare books transferred from Australia House in 1949. According to PHAC database it was sold by the Parliamentary Library in about 2004-05</td>
<td>$500 (2002 valuation)</td>
<td>Sold (no details re sale method recorded with Art Services)</td>
</tr>
<tr>
<td>2005</td>
<td>13 plans for subdivisions of Canberra City and district by Harry Mouat</td>
<td>Items were listed as part of Gifts Collection, but were physically located at the National Archives of Australia. Records indicate that Presiding Officers approved formal transfer to the National Archives in 1995, but items were not actually de-accessioned until 2005.</td>
<td>$39,000 (2005 valuation)</td>
<td>Transfer to the National Archives of Australia</td>
</tr>
<tr>
<td>2005</td>
<td>Model of site for federal capital city by Charles Scrivener</td>
<td>Item was listed as part of Gifts Collection but was physically located at the National Archives of Australia. Records indicate that Presiding Officers approved formal transfer to the National Archives in 1995, but item was not actually de-accessioned until 2005.</td>
<td>$10,000 (2005 valuation)</td>
<td>Transfer to the National Archives of Australia</td>
</tr>
<tr>
<td>2005</td>
<td>Photo of earth from the moon, + moon fragments and Australian flag (associated with Apollo XI mission)</td>
<td>Items were listed as part of Gifts Collection but were physically located at the National Archives of Australia. Transferred to the National Archives, based on records substantiating that the gift was also listed as archival material.</td>
<td>$24,000 (2002 valuation)</td>
<td>Transfer to the National Archives of Australia</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
**Non-PHAC assets**

(a) DPS has asset accounting policies and procedures that comply with the *Financial Management and Accountability Act 1997* (FMA) and Regulations, the Finance Minister's Orders and the requirements of Australian Accounting Standards. Governance arrangements are set out in a range of documents (attached) including a set of DPS Chief Executive Instructions (CEIs) (Financial Paper No. 3—Chief Executive Instructions—Attachment U), which underpin the internal financial management practices of DPS; and Chief Executive Procedures (CEPs), which expand and underlie some of the CEIs. There is a specific CEP (4.3) (Attachment V) governing disposal of public property.

(b) The policy for disposal of assets is covered in the documents listed above. Valuations are conducted regularly—in accordance with attached DPS *Financial Paper No. 2—Accounting Policy 2.1 Property, Plant and Equipment and Intangibles* (Attachment W)—by independent, appropriately qualified valuers. DPS engages the Australian Valuation Office for the purpose of carrying out its valuations.

(c) For any items sold through AllBids, AllBids has advised that they do not disclose provenance of the items being disposed. However, items such as broadcast equipment may be sold through industry magazines or business contacts and origin may be known in these instances. CEP 4.3 does not contain any references to a requirement to disclose provenance of items to be disposed of. The practice of not disclosing the provenance of items has been in place for some years. A similar approach is taken by some comparable public sector agencies. DPS senior management acknowledges some advantages to this approach; but can also see disadvantages. DPS proposes to reconsider this matter, in light of the recommendations of the internal audit into the sale of the billiard tables.

(d) DPS maintains an asset register in accordance with the FMA Act and DPS Accounting Policy document 2.1 (Attachment W). Items are recorded in their appropriate asset class, with most items being recorded individually and others being recorded as part of a group asset. There are 17 specific classes of assets. Five of these classes relate to administered assets, one of which is the Cultural and Heritage class, where items that are determined as having cultural or heritage significance are recorded. All artworks in Parliament House are recorded in this class. Records are updated as required for: new acquisitions, retirements/disposals, revaluations and (through an asset movement advice form) a change to the location or the responsible person. Any discrepancies found in asset stocktakes are also accounted for in the asset register. The Australian National Audit Office (ANAO) performs audits on the asset ledger records and accounting controls in place every year as part of the interim and annual financial statements audits. There are some 6,000 Administered asset records and 6,000 Departmental asset records in the assets register.
(e) DPS has an obligation to prepare accurate financial statements and the asset register is a source of information for those statements. Stocktake ensures that the DPS asset register is a true representation of its asset holdings for the purpose of financial reporting.

The objectives of a stocktake are:

(i) ensure that all assets controlled by DPS are accurately recorded in the asset register;
(ii) ensure all assets that are recorded in the register do, in fact, exist;
(iii) ensure assets are recorded in the correct location; and
(iv) identify assets that are surplus to requirements, obsolete or damaged.

Stocktakes are conducted in accordance with Accounting Policy Document 2.1 (Attachment W) and with the stocktake schedule in Financial Paper No 4—Chief Executive’s Procedures CEP 4.3.1—Stocktaking framework (Attachment AV). Stocktakes are undertaken by DPS staff. The DPS Assets Official takes responsibility for coordinating and completing the annual stocktakes and amending the asset ledger records as required. The Australian National Audit Office (ANAO) audits stocktake results, as part of its annual audit of financial statements.

As part of the internal audit program, the internal auditor of DPS, Walter Turnbull, conducted an audit in May 2010 of DPS Financial Processing and Assets Stocktakes. The audit’s overall objective was to examine and report on the effectiveness of key controls over DPS’s main financial processing functions, including:

evaluation of policies and procedures relating to the asset stocktakes being performed in March/April 2010.

In the audit report’s conclusion, Walter Turnbull stated:

We note no findings in relation to the asset stocktake policies procedures. We find the method of stocktaking currently being undertaken (including asset barcoding and scanning) to be robust.

Various stocktakes have been undertaken in 2010–11; but these are yet to be audited.

The last completed audit of DPS assets was for 2009–10, which was conducted by the ANAO, as part of the audit of the Annual Financial Statements. The outcome of the audit was that there were no material findings and DPS had unqualified financial statements. DPS has achieved unqualified financial statements since its establishment in 2004.

Audited stocktakes for the following assets were undertaken at various times in 2009–10.

(i) Art Collection (see page 14 for more details);
(ii) Parliamentary Library Collection;
(iii) The Parliament Shop inventory;
(iv) Administered items;
(v) Items on personal issue;
(vi) Systems assets; and
(vii) Departmental individual items.

The results of the stocktakes (except the Art Collection stocktake) are detailed below. A list of items identified as missing in the stocktakess (iv), (v) and (vii) above is at Attachment AW.

Parliamentary Library Collection

The Library stocktake policy is outlined in Operating Policies and Procedures No.11—Library Collection Stocktake (Attachment AX). This document sets out the sampling methodology used in the collection stocktake.

Staff of the Parliamentary Library commenced the 2009–10 stocktake on 16 April 2010.
Of the 107,272 asset items then in the Library Collection (net book value of over $5.5 million), 897 were sampled, representing a value of $40,859. Six items, with a total value of $297, were listed as missing. Of those items—one lending book, one reference book and four media items (eg CD-ROM)—two have been written off and the rest remain missing.

Any items identified as missing are recorded as such in the catalogue and the shelves are checked regularly to determine if they have been located.

The Parliament Shop inventory

The Parliament Shop staff perform a stocktake twice a year, in January and June.

The June 2010 100% stocktake of 59,492 items in the Shop inventory (total value of around $225,000) identified a stocktake variance with 852 items, with a total value of $8,588. Stocktake variances include damaged stock, missing stock and recording errors.

Administered Assets

Administered assets / asset groups include 474 office machines and furniture assets, 414 plant and equipment (P&E) assets, and 121 building assets.

(i) The office machines and furniture category includes purpose-built furniture such as lounges (individually listed), Cabinet Room assets (individually listed) and ministerial suites assets (grouped per suite).

(ii) P&E assets include such items as commercial kitchen equipment (listed individually).

(iii) Building assets include items that are part of the infrastructure of the building that are not easily removed such as chillers, boilers, water fountains etc. Given that these assets are fixed to the building and the risk of their being lost, misplaced or stolen is unlikely, they are not subject to stocktake.

Each year, DPS Finance staff undertake a stocktake of around 20% of Administered assets on a rolling program to ensure all items are covered once in five years.

In 2009-10, 180 Administered assets (out of the 888 office machines and furniture, and P&E categories) were selected for the December 2010 stocktake. Out of the 180 assets / asset groups selected (total net book value of $3.28 million), five items were identified as missing, with a net book value of $3,167.

Often it is difficult to identify an Administered asset—particularly furniture—based on the descriptions of the asset, because different people may use different descriptions. We have now implemented a process for recording all new Administered furniture purchased. A photo of the item is linked to the asset record in the financial management information system to make it easier to identify the asset in the future.

Items on Personal Issue

In the second and fourth quarters of each financial year, DPS Finance staff undertake a 100% stocktake of items on personal issue (over 300 items, at a total net book value of $154,798). These are items that are personally assigned to DPS officials and can include 'assets' (items over $2,000 in value) such as laptops, and/or 'portable and attractive items' (items between $500 and $2,000 value) such as mobile phones, iPads and BlackBerrys.

The first stocktake for 2009–10 was conducted in December 2009, with six items identified as missing. Three of these items have since been found and three have been written off.

The second stocktake commenced in May 2010. Of the 11 items identified as missing, two items have since been found. A subsequent investigation revealed no evidence of fraud and the remaining nine items were written off. Total net book value of written-off items is $6,982.
Items that have not been located in the first stocktake are marked as 'missing', with follow-up action in succeeding stocktakes to locate these items. If an item has been missing for two or more stocktakes, the item is removed and written off.

As a result of the 2009–10 stocktake, procedures were changed and a more secure room with restricted access was selected for storing laptops. In addition, all laptop movements are documented in greater detail and every laptop is assigned to a position or officer, and must be signed for.

**IT Systems Assets**

Systems assets (total net book value of $37.7 million) include software, IT hardware, servers etc. (Note that the Systems Assets stocktakes are also used to reassess their remaining useful life. Hardware items, such as PCs, may also be included in the Departmental assets and personal issues lists and stocktakes.)

DPS Finance staff perform a 100% stocktake on Departmental IT systems assets each year. The July 2010 stocktake of 1,048 systems assets did not identify any missing items.

A new process has since been implemented. When a systems asset is being replaced as part of a project, the project proposal now includes the information about the old asset it is replacing. This information is then picked up by the assets area in Finance and the asset record is updated accordingly.

**Departmental Assets**

Departmental assets can include any physical departmental asset with a barcode such as desktop IT hardware, printers, photocopiers, office furniture and broadcasting equipment.

DPS Finance staff perform a 100% stocktake of Departmental individual item assets each year. In 2009–10, there were 5,664 assets included in this stocktake with a total net book value of some $6.33 million. The initial stocktake exercise (March–April 2010) and subsequent follow-up work identified 76 missing items. Of these, 16 were written off (they had been identified as missing in 2008–09); 24 have been since found; and 36 are still missing.

Out of the 2009–10 stocktake, the total net book value of still missing and written-off departmental individual items is $5,935.

**Locating missing assets**

When items are noted as missing in one stocktake, attempts are made to locate them in various ways.

(i) Whilst the stocktake is under way, any item initially noted as missing in one location is looked for (and often found) in subsequent stocktake locations.

(ii) Sometimes during a stocktake, an asset from another location is found within the location being checked. Details of the mislocated asset are cross-checked on the financial management information system and the record is updated accordingly.

(iii) After the stocktake is completed, branches are requested to check the items on issue to the branch against the missing items list. Some items may not be in the location expected due to office moves, but can be located later in the year once staff have settled in to a new location.

(iv) The list of missing items is regularly checked against disposal forms.

A final attempt to locate the items is undertaken in the following year's stocktake. If the asset cannot be located at that time, the asset is then written off in the financial management information system.

(f) Asset information acquired from PHCA and maintained prior to 2004 by the former parliamentary departments is incomplete. This may be due to different accounting policies at that time. It may also be because we are not able to access old records because, in the majority of cases, the paper records have not been kept beyond the mandatory seven years retention period. In addition, we are not able to access the legacy Financial Management Information Systems that were used by the former
Available records show that, since 2000, the following original Parliament House items, which came from OPH, were gifted back to OPH:

(i) two billiard tables (2000) and
(ii) a barber's chair (2009).

(g) Furniture in Parliament House is classified into 3 status groups.

**Status A**

All areas of Public and/or VIP status which require a unique and comprehensive design service for loose furniture and furnishings. These areas will lend themselves to the accommodation of highly crafted, custom-made and specialised furniture items. Status A areas include: the Chambers, Members' Hall, Reception Hall, Foyer, the Cabinet Rooms and Committee Room No. 1, the private Members' and Guests' Dining Rooms, Party and Party Committee Rooms. The following suites are also included in this category: the Presiding Officers, Prime Minister, Deputy Prime Minister, Leader of the Opposition, and the Leader of the Government in the Senate.

**Status B**

Status B areas include all other Ministerial offices, Members' and Senators' offices and areas which require special design and/or selection services for a limited range of standard items of loose furniture and furnishings that will be duplicated within all areas of similar status throughout the building.

**Status C**

All areas throughout the building except those listed as Status A and B. In these areas, there are ready-manufactured items that provide a range of standard elements for loose furniture and furnishings within each area of similar status. Such office spaces within this classification are the House of Representatives Department office spaces, Senate Department office spaces, Parliamentary Library and other DPS office spaces.

The range of standard elements will also include some light industrial items for use in plant rooms, stores, workshops and printing rooms.

General office furniture under Status C is replaced as required for OHS and functional reasons, due to deterioration associated with age. There would have been many items disposed/retired over many dates. Much of the old outdoor furniture has been disposed of, mostly for OHS reasons, but also as these items were becoming corroded or were becoming expensive to maintain.

(i) and (ii) Known Status B and C furniture replacements, and the reason for replacement, undertaken in the building since 1988 are as follows.

**Outdoor Bertoia Chairs**

See details provided in response to Q682 (5)

**Black Leather Lounges**

Black leather lounges were replaced in two stages for a total cost of $255,614. Stage one (2002–03) consisted of 65 lounges (60 single-seaters and 5 two-seaters). Stage two (2003–04) consisted of 32 Lounges (28 single-seaters and 4 two-seaters) at a final cost of $83,512. The existing lounges were replaced because the leather and cushioning were in poor condition and in need of replacement.

**Cabinet Suite Executive Chairs**

A total of 64 chairs—36 high-back and 28 low-back chairs—were replaced in 2006, at a total cost of $179,656. The Cabinet Suite flood in 2004 damaged many of the Cabinet Suite Executive Chairs. The remaining chairs were in poor condition and it was more cost effective to replace all of the chairs at the same time. $94,315 was recovered from the insurance claim—leaving a cost to DPS of $85,341.
**MG 63 Meeting Room Chairs**

16 Wilkhahn committee room chairs were replaced in 2010, due to poor condition, notably the deterioration of the chair upholstery. They were replaced with 18 Wilkhahn chairs @ a total cost of $51,700.

**Status C furniture**

From 2008–09 to 2010–11, DPS spent $735,862 on Status C furniture replacement in existing work areas as indicated in the following table. Workstations were replaced for either OHS or for functional reasons (ie where the functional role of an area had substantially changed). Chairs were replaced because they were worn out and where repair was not economical. The budget for 2011–12 is $200,000.

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<tr>
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</table>
(iii) The press reporting on 21 May 2011 related to the replacement of office furniture by the Department of the Senate and the Department of the House of Representatives.

The articles included a statement that new staff furniture in Parliament House would have a "common and consistent" theme. The three parliamentary departments have all agreed to use an 'Office Furniture Style Guide' (Style Guide) (Attachment X) prepared in consultation with the three departments. DPS will use the Style Guide in selecting any office furniture it purchases for use within Parliament House. Furniture acquired for the fit-out of the new accommodation behind the Staff Dining Room is consistent with the Style Guide.

The Style Guide is intended to assist departments as a model to follow for the procurement of standard office furniture. The Style Guide has been developed so "that there should be a consistent and common approach to procurement across Parliament House—a 'One Parliament House' model for furniture procurement." The intent is to "restrict furniture provision to one design by many suppliers (prepared to meet the design requirement)."

The Style Guide refers only to office furniture (Status C furniture) for parliamentary staff, including Ministers', Senators' and Members' staff. This furniture is located in the administrative spaces within the Department of the House of Representatives, the Department of the Senate and the Department of Parliamentary Services.

(iv) This information would need to be provided by the Departments of the Senate and the House of Representatives—refer to paragraph (iii) above.

(v) This information would need to be provided by the Departments of the Senate and the House of Representatives—refer to paragraph (iii) above.

(vi) This information would need to be provided by the Departments of the Senate and the House of Representatives—refer to paragraph (iii) above.

(vii) This information would need to be provided by the Departments of the Senate and the House of Representatives—refer to paragraph (iii) above.

Furniture Program. The Parliament House Furniture Collection recognises the classifications as outlined in the Central Reference Document; however, the Central Reference Document and the PH Furniture Collection operate with slightly different classifications.

Office Furniture (Status C) requires a selection of ready-manufactured items to form a single range of standard elements for loose furniture and furnishings within each area of similar status. The Style Guide (refer to 4(g)(iii) above) provides guidance on the look and feel of replacement administrative office furniture within Parliament House.

The quality and design of replacement furniture is intended to be consistent with the original furniture. Some adjustments have been made to contain costs (eg thinner solid edges on timber tops). The new furniture will not be bespoke, but of comparable quality.

The colours continue the chromatic selection of materials and finishes of the original furniture, using commercially available materials. The style is consistent with the original Status C furniture and in harmony with the building design (eg simple detailing, reserved form of expression and use of natural materials).

The design of the new furniture provides improved adjustability and flexibility to accommodate contemporary work practices. The design aims to standardise components to simplify the management of office furniture.

Procurement of administrative office furniture by DPS staff will be based on the requirements of the Style Guide (Attachment X).

(5) (a) According to available records, the original outdoor furniture (and their locations) consisted of:

- two styles of Bertoia chairs (in the courtyards and on balconies);
- metal-legged jarrah tables (in the courtyards and on the balconies);
- jarrah benches (near the tennis courts); and
- teak benches—gift of the Burmese Government and People (on the Queen's Terrace).

The Bertoia items were not listed in the heritage and cultural assets class on the asset register. No heritage assessment was undertaken before disposal.

(i) Sale by public online auction or destroyed.

(ii) Sales using DOLA (Dominion Online Auctions) and AllBids auction houses.

(iii) Over 400 of the Bertoia plastic coated chairs were purchased by the Parliament House Construction Authority (PHCA) for Parliament House. There were two types of chair—the Side (dining) Chair and the Diamond (lounge) Chair. Bertoia chairs had been standard furniture items manufactured by Knoll Inc. of the USA. The chairs purchased by the PHCA were made in Australia by George Pockett and Sons (under licence from Knoll Inc). They each cost $185.60 and $241.60, respectively, according to PHCA records.

(iv) There were no valuations performed on these items as they had not been included on the asset register. These items were not recorded on the asset register by the former department (JHD) and, as such, were not transferred on to the DPS asset register.

(v) There was no reserve set on items put up for sale.

(vi) June 2008 sale of 42 chairs realised $154.

January 2009 sale of 92 chairs realised $625.

March 2009 sale of 13 chairs realised $43.

July 2009 sale of 27 chairs realised $600.

March 2011 sale of 49 Side chairs realised $873.

QUESTIONS ON NOTICE
March 2011 sale of 19 Diamond chairs realised $1,514.
June 2011 sale of 3 chairs realised $78.
(vii) The proceeds from the sales were returned to the Official Public Account.
(viii) Sale dates are provided under (vii) above. The original outdoor furniture was purchased new by PHCA for Parliament House and, prior to the 2010 sale, was under the stewardship of DPS. The identity of any purchaser is not provided to DPS, although it is understood that a former DPS staff member had purchased several of the chairs.

(b) DPS has retained one Diamond (lounge) chair and 23 Bertoia Side (dining) chairs. The one Diamond chair and 16 of the Side chairs are now held in the Furniture Store. These have been kept as part of the furniture collection to reference the original design of the chairs. Another five Side chairs are in use on a Senate tearoom balcony and two weathered Side chairs are located in the Gardeners compound. The original jarrah tables and benches remain in use (courtyards, balconies and/or near tennis courts), as do the teak benches on the Queen’s Terrace.

(c) In November 2007, 370 outdoor Hee Hay dining chairs and 30 outdoor Hee Hay lounge chairs were purchased to replace the Bertoia chairs, for a total price of $106,470. These chairs were selected as they matched the evaluation criteria well and were significantly cheaper than other short-listed proposals.

(d) Most of the following information relates to both the Bertoia Diamond (lounge) and Side (dining) chairs. Only records for March 2011 define whether the chairs sold were Side or Diamond style.

(i) A total of 245 Bertoia outdoor chairs have been sold; 198 were destroyed. The 245 chairs were sold because, even though they were still stable, their condition was deteriorating (specifically, they had elements of rust and some of the plastic coating had come off). The 198 were destroyed because they were assessed as unstable and unsafe; specifically, they had large amounts of rust, and/or their frames and/or joints were broken.

(ii) June 2008 sale of 42 chairs realised $154.
January 2009 sale of 92 chairs realised $625.
March 2009 sale of 13 chairs realised $43.
July 2009 sale of 27 chairs realised $600.
March 2011 sale of 49 Side chairs realised $873.
March 2011 sale of 19 Diamond chairs realised $1,514.
June 2011 sale of 3 chairs realised $78.

(iii) The assets were sold at public auction. DPS is satisfied that value for money was achieved.

(iv) These items were not listed in the heritage and cultural assets class on the asset register. No heritage assessment was undertaken before disposal/retirement of these items.

(v) N/A.

6) (a) Any DPS-owned terracotta pot plant holders that were removed from Senators' and Members' suites are currently in storage within Parliament House. They are located in rooms: 9B.B.004; 16.1.003 and in the Landscape Services area. These pots will be kept in storage in case they are required again in the future.

(b) There has been no program to dispose of pots and DPS has no record of any disposal. However, there are several hundred pots and it is possible that one or two have been broken and scrapped over the years.

(c) The total of the values listed for the original terracotta pots in the PHCA Register of Furniture for New Parliament House is $234,928. The terracotta pots were not recorded on the asset register as
transferred to DPS in accordance with the accounting policy of the former Joint House Department. As the pots are not on the DPS assets register, no valuation has been made.

(7) (a) DPS records identify several proposals for heritage listing of Parliament House.

DPS file records indicate that a proposal made in July 1995 by the Australian Heritage Commission to include Parliament House on the Register of the National Estate was not supported by the then Presiding Officers on the grounds that the Joint House Department was in the process of establishing its own internal procedures for protecting the design integrity of the building.

A proposal made in October 2003 by Mr Tom Harley, Chair of the Australian Heritage Commission, for Parliament House to be included on the Register of the National Estate was not supported by the then Presiding Officers on the grounds that the Commission and its enabling legislation were about to be replaced.

Parliament House and surrounds were nominated for the National Heritage List by the Royal Australian Institute of Architects—ACT National in June 2004.

A preliminary assessment of Parliament House was completed by the Australian Heritage Council (AHC) (Attachment Z) in 2005. The AHC formally agreed that the place [Parliament House] might have one or more National Heritage values and one or more Commonwealth Heritage values. In correspondence from the AHC chairman in April 2005 (Attachment AA), the AHC requested Presiding Officer comments on whether Parliament House should be included in the National Heritage List and Commonwealth Heritage List.

The Presiding Officers (Senator the Hon Paul Calvert and the Hon David Hawker MP) responded to the AHC chairman on 12 May 2005, stating that they were not in a position to respond until legal advice had been obtained about the effects of including the building on the Heritage lists (Attachment AB).

Senator the Hon Ian Campbell (the Minister for the Environment and Heritage) wrote to the Presiding Officers on 22 Dec 2005 asking for a response to the AHC and for future correspondence to be forwarded to him directly (Attachment AC).

Following advice from the Australian Government Solicitor (AGS), the Presiding Officers wrote to Minister Campbell on 2 March 2006, stating that "we are of the view that it is both undesirable and unnecessary for Parliament House to be listed at this stage" (Attachment AD).

Minister Campbell wrote to the Presiding Officers on 20 April 2006 stating that the AHC had made arguments for heritage listing and that Parliament House is subject to the Commonwealth Agency provisions of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) (Attachment AE).

The Presiding Officers wrote to Minister Campbell on 10 May 2006 "confirming the view that heritage listing of Parliament House would impose an inappropriate constraint on the management of Parliament House." They also stated that they would not have concerns if senior officers from the Department of Environment and Heritage (DEH) contacted the Secretary DPS to discuss concerns (Attachment AF).

DEH wrote to the Secretary DPS on 1 August 2006 to clarify concerns raised by the Secretary during a meeting in July 2006. DEH informed the Secretary DPS that legal advice indicated that Parliament House was already subject to the provisions of the EPBC Act in relation to actions on Commonwealth land (s26), actions by a Commonwealth Agency (s28), and the requirement to prepare a heritage strategy (Attachment AG). Further details after August 2006 are provided as part of the answer in paragraph (b) below.

(b) The EPBC Act is a comprehensive piece of legislation covering environmental and heritage matters. DPS reports against its environmental EPBC responsibilities in its Annual Report, and also to
the Department of Climate Change and Environmental Efficiency. DPS is not aware of any instance where responsibilities under the Act were not met.

With regard to heritage considerations, in January and March 2006, AGS provided legal advice to DPS in relation to heritage listing and obligations under the EPBC Act. The AGS advice included that Parliament House would be subject to the Heritage provisions of the EPBC Act and that the Secretary DPS is probably a "Commonwealth agency" (under the EPBC Act) and has control of Parliament House.

The then Secretary DPS, Hilary Penfold QC, was concerned that, if accepted, the AGS advice would effectively transfer decision-making authority from Parliament to an arm of executive government. This issue was also discussed with the then Presiding Officers: Speaker, the Hon David Hawker MP and President, Senator the Hon Paul Calvert, who concurred with the Secretary's concerns.

Nevertheless, and broadly in accordance with the AGS advice, officers from DPS were tasked with preparing a Heritage Strategy. This was in line with obligations under the EPBC Act that require Commonwealth agencies to prepare heritage strategies.

The draft heritage strategy was developed using the normal DEWHA template and in May 2008 the draft was provided to the AHC for review. In August 2008, DPS received the AHC response.

The new Secretary DPS reviewed the draft Heritage Strategy in November 2008 and was concerned at the possible transfer of decision-making from the Parliament to executive government. The Secretary sought a clarifying legal opinion from Blake Dawson lawyers.

The Blake Dawson response included the following advice.

(i) Parliament House is under the control and management of the Presiding Officers (not DPS, nor the Secretary DPS).

(ii) The Presiding Officers are not "Commonwealth agencies" and are therefore not subject to some of the EPBC Act obligations on Commonwealth agencies (including the obligation to prepare a Heritage Strategy).

(iii) "actions" may be undertaken without approval under the EPBC Act if those actions fall within the scope of Parliament's right to administer its internal affairs.

(iv) Parliament has the right to "administer its own affairs" and this takes precedence over the EPBC Act. The relevant existing Parliamentary legislation is the Parliamentary Precincts Act 1988 and the Parliament Act 1974."

In January 2010, DPS summarised the Blake Dawson advice for the Presiding Officers.

In response, the Presiding Officers considered that the obligations under the EPBC Act for Parliament House were an issue for the management of heritage in the building and asked the three parliamentary service departments to develop a broad definition of parliamentary administration to clarify the authority of the Presiding Officers in relation to heritage management.

The Presiding Officers also reserve the option of seeking amendments to the EPBC Act to exempt Parliament House from its most onerous heritage provisions.

DPS has subsequently consulted with the Chamber departments about the definition of parliamentary administration and a draft Heritage Management Framework, accountable to the Presiding Officers.

Version 2 of the framework is currently being reviewed and is receiving—prior to finalisation—valuable input from stakeholders, including Commonwealth agencies and their heritage management staff (Attachment AH).

(c) DPS has numerous control and monitoring systems in place that assist in the management and preservation of the design integrity at Parliament House. These include the following.
(i) Annual inspection and reporting against key performance indicators including: the Building Condition Index (BCI), the Landscape Condition Index (LCI) and the Design Integrity Index (DII).

(ii) All capital works projects are required to meet the requirements of DPS Strategic plans.

(iii) Maintenance and asset replacement programs must take into consideration design integrity requirements. The attached Central Reference Document is used as a resource to ensure the original design elements of Parliament House are maintained. The Central Reference Document expresses the Architect’s intent in the design of the building and its surroundings.

(iv) Governance Paper No 25—Request Approval Process (RAP) (Attachment AJ) provides a central mechanism for initiating, prioritising and approving all customer requests for new, improved or modified services. The process includes a mechanism for addressing impact on design integrity of the infrastructure (architectural alignment, design integrity risks).

(v) Governance paper 26—Intellectual Property Policy (Attachment AK) provides for the protection of moral rights and intellectual property at APH and ensures that appropriate consultation is undertaken prior to undertaking any action that may impact the design integrity.

(vi) Governance paper 33—Caring for Parliament’s Assets (Attachment AL) outlines the Asset Management Principles for DPS, including the maintenance of the design integrity and heritage values of this building, and the preservation of cultural heritage assets that have unique national historic significance.

(vii) The DPS Standard for Project Documentation and the Parliament House Site Book (Attachment AM) include procedures requiring compliance with heritage principles.

(d) Copies of the following documents were provided to the Finance and Public Administration Legislation Committee as part of DPS’s responses to Questions on Notice that came out of the Budget Estimates process in May 2011.

(i) Draft 1 Parliament of Australia—Department of Parliamentary Services—Heritage Strategy 2007-2009 written by Heritage Management Consultants, received from consultant 23 November 2006

(ii) Draft 2 Parliament of Australia—Department of Parliamentary Services—Heritage Strategy 2007-2010 written by Heritage Management Consultants, received from consultant 23 November 2006 (Draft 2 submitted same day consisted of Draft 1 with minor changes)

(iii) Draft 3 Parliament of Australia—Department of Parliamentary Services—Heritage Strategy 2007-2010 written by Heritage Management Consultants, received from consultant 5 December 2006


(v) Draft 5 Parliament of Australia—Department of Parliamentary Services—Heritage Strategy 2007-2010 written by Heritage Management Consultants, received from consultant 22 January 2007


(ix) (Draft 9—unable to locate)

(xi) Heritage Strategy for Australian Parliament House version 11 draft—written by Heritage Management Consultants, prepared for submission to A/Secretary 3 March 2008

(xii) Heritage Strategy for Australian Parliament House version 12 draft—written by heritage Management Consultants, last saved 30 April 2008

(xiii) Heritage Strategy for Australian Parliament House version 13 draft—written by Heritage Management Consultants, last saved 26 February 2009

(xiv) Heritage Strategy for Australian Parliament House version 14 draft—written by Heritage Management Consultants, last saved 5 May 2009


(xvi) Draft Parliament House Heritage Management Framework v1—authored by Tristan Hoffmeister, Assistant Director Strategy and Communication Section, Department of Parliamentary Services, May 2011

(xvii) Draft Parliament House Heritage Management Framework v2—authored by Tristan Hoffmeister, Assistant Director Strategy and Communication Section, Department of Parliamentary Services, June 2011

The following people and organisations were consulted in the preparation of the draft Heritage Strategy:

(i) Duncan Marshall, Heritage Management Consultants Pty Ltd
(ii) Mike Pearson, Heritage Management Consultants Pty Ltd
(iii) President of the Senate, Senator the Hon Paul Calvert
(iv) Speaker of the House of Representatives, the Hon David Hawker MP
(v) Senior General Counsel, Australian Government Solicitor, Susan Reye
(vi) Australian Heritage Council Chairman, Tom Harley
(vii) Acting First Assistant Secretary, Heritage Division, Department of the Environment, Water, Heritage and the Arts, Theo Hooy
(viii) Minister for Environment and Heritage, Senator the Hon Ian Campbell
(ix) Blake Dawson lawyers
(x) Department of Parliamentary Services Secretaries: Hilary Penfold QC, Alan Thompson
(xi) Assistant Secretaries, Strategy and Business Services, Department of Parliamentary Services: Val Barrett, Terry Crane and Heather Chapman
(xii) Deputy Secretary, Acting Secretary: David Kenny
(xiii) Senior Design Integrity Officers, Strategy and Business Services, Department of Parliamentary Services: Helen Maas, Gowrie Waterhouse, Jonathan Everett
(xiv) Building Fabrics Officer, Strategy and Business Services, Department of Parliamentary Services: Robyn Stewart

The following people and organisations were consulted in the preparation of the draft Heritage Management Framework:

(i) Usher of the Black Rod, Department of the Senate, Brien Hallett
(ii) Serjeant-at-Arms, Department of the House of Representatives, Robyn McClelland
(iii) Director Governance and Business Management (later Director Strategy and Communication Section), Department of Parliamentary Services: Kathryn Dolan

QUESTIONS ON NOTICE
(iv) Director Strategy and Communication Section, Department of Parliamentary Services: Judith Tahapehi

(v) Senior Researcher, Parliamentary Library, Department of Parliamentary Services: Morag Donaldson

(vi) Various staff in the Department of Parliamentary Services in Facilities, Building and Security Projects, Maintenance Services, Building Information, Art Services, Landscape Services sections and the Parliamentary Library

(vii) Head of Facilities Management, National Gallery of Australia, Dean Marshall

(viii) Head of Building Services, Australian War Memorial, Stewart Mitchell

(ix) Deputy Director, Business and Operations, National Portrait Gallery, Ruth Paterson

(x) Project Manager, Design and Accommodation, National Museum of Australia, Michel Staring

(xi) Manager Heritage and IT, Museum of Australian Democracy at Old Parliament House, Ree Kent

(xii) Chief Operating Officer, High Court of Australia, Jeff Smart

(xiii) DPS Secretary, Deputy Secretary and members of the Strategy and Finance Committee and Executive Committee.

The President of the Senate, Senator the Hon John Hogg and the Speaker of the House of Representatives, Mr Harry Jenkins, MP have also noted the draft framework.

(f) The Strategy and Communication Section of DPS has responsibility for strategic heritage management and has two officers who are assigned duties that range from maintaining building fabric plans through to providing high-level policy, administrative or technical advice on heritage management.

The two staff in the Strategy and Communications section who have heritage-related responsibilities are an Assistant Director (PEL1) and a PSL6 Building Fabrics Officer. The Duty Statement and Selection Criteria for each of these roles are attached (Attachments AN and AO).

The Assistant Director Strategy who has responsibility for heritage management has a Graduate diploma in Applied Science Cultural Heritage Management and a Bachelor of Arts Degree and is responsible for providing high-level policy, administrative and technical advice on heritage management.

The Building Fabrics Officer has a Certificate in Architectural Drafting. This role works with staff in the Project Branch and Infrastructure Services Branch to ensure that design integrity standards and specifications are maintained throughout the building.

Additionally, the staff of the Art Services section provide expertise related to care and management of cultural heritage items in the Parliament House Art Collection, and provide advice on collection management and art related matters to other areas of DPS, the Presiding Officers, the Chamber Departments and individual members and senators as required.

The Director Art Services has tertiary qualifications in Visual Arts, and has extensive experience (25 years) working in a number of the major national collecting institutions in Canberra. It is a general requirement for all Art Services positions that staff have either relevant tertiary qualifications or comparable work experience with cultural heritage collections (and most staff in the section have both). Art Services staff have excellent working relationships with professional colleagues in other institutions and are able to seek assistance with more complex collection management issues. [Examples include both formal and informal mechanisms—such as input provided by the National Library and National Archives conservation staff in relation to preservation of Magna Carta (covered by MOU); input of the National Portrait Gallery in relation to the Historic Memorials Collection, and participation in the DISACT group (Secretary is a signatory to the DISACT agreement) and the National Collections Preservation Committee]. Art Services also contracts specialist services (eg, for complex conservation
treatments) as needed. The Duty Statement and Selection Criteria for Director Art Services are attached.

(Attachment AP)

DPS uses a robust project management process, which includes significant consideration and management of heritage or design integrity issues. DPS also consults with the original building architects—details are provided in the answer to question (i) below.

Under the proposed Heritage Management Framework, a heritage advisory board will be established to provide advice to the Presiding Officers. It is proposed that the deliberations of the board be assisted by input by officers of the National Capital Authority and the Heritage Branch of the Department of Environment, Water, Heritage and the Arts.

(g) DPS retains a range of spare building materials, fixtures and fittings for future use provided by the PHCA.

(i) Locks and Hardware—approximately 4000 items (such as handles, hinges, latches, mortise locks, striker plates, and pull and push plates). Cost is unknown as no records were handed over from the Parliament House Construction Authority.

(ii) Spare furniture items, including:

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<th>Purchase cost</th>
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<tr>
<td>Staff Dining Room tables</td>
<td>26</td>
<td>764</td>
<td>19,864</td>
</tr>
<tr>
<td>Tub Chairs (suites)</td>
<td>50</td>
<td>817</td>
<td>40,850</td>
</tr>
<tr>
<td>Timber coffee tables (suites)</td>
<td>34</td>
<td>528</td>
<td>17,952</td>
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<tr>
<td>Stone and bronze coffee tables</td>
<td>34</td>
<td>595</td>
<td>20,230</td>
</tr>
<tr>
<td>Members' Guests Dining Room chairs</td>
<td>17</td>
<td>468</td>
<td>7,956</td>
</tr>
<tr>
<td>Staff Dining Room chairs</td>
<td>300</td>
<td>343</td>
<td>102,900</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>209,752</td>
</tr>
</tbody>
</table>

(iii) Timber. Approximately 2 cubic metres of Silver Ash. $4,000 in value.

(iv) Critical electrical spares and Stock spares—listed in the attached spreadsheets. (Attachments AQ and AR)

(v) bathroom hardware (basins X 50, pans X 60 and tapware X 50 basin sets) that have been replaced to keep as spares for other areas,

(vi) ceiling tiles,

(vii) spares of the ceremonial door handles,

(viii) Alimak gearbox and clutch replacement equipment (for the flagpole lift)

(ix) Loading Dock truck stopper gate gearbox and cog replacement components, and

(x) some glazed link door spares.

(h) In 2007, a number of spare Troffer lights were disposed of because they were rusty. DPS has no record of the disposal of other spare original building components. As advised in answers (2) and (7)(g), DPS retains a range of spare building materials, fixtures and fittings for future use.

(i) DPS procedures for developing and managing projects are documented in various papers, with attention to heritage aspects in the following specific references.

Governance Paper No. 33—Caring for Parliament's Assets (Attachment AL) notes:

For the next 200 years (at least), it is the intention of the Australian Parliament to base itself in the new Parliament House.

New Parliament House is recognised as a design icon and is part of Australia's heritage. This should not be compromised.
This leads to the asset management principle:

**Protect what we have**—we need to maintain the design integrity and heritage values of this building and preserve cultural heritage assets that have unique national historic significance.

Governance Paper No. 25 ([Attachment AJ](#)) describes the Request Approval Process (RAP). The RAP process aims to ensure:

(a) the prioritisation and selection of projects is based on their alignment and contribution to the Parliament's strategies and objectives;

(b) customers are engaged in the process to support effective decision-making; and

(c) all customer requests follow a consistent and transparent assessment process which has a whole-of-Parliament perspective.

The evaluation process for a proposed project requires consideration of the impact on design integrity of the infrastructure (architectural alignment, design integrity risks).

Historically, DPS staff, from time to time, have held discussions with Mr Giurgola and GMB Architects (which comprises a number of the original APH architects) about Parliament House design issues. This has now been formalised with regular meetings to provide a forum for DPS to advise Mr Giurgola and/or GMB Architects of projects identified for inclusion on the Capital Works Program (CWP). Additional discussions are scheduled on particular projects where necessary at the Concept drawing stage and sometimes at later design stages if there are particular issues to consider.

This consultation is conducted in addition to the 'Notice to Author of Artistic Work', pursuant to Section 195AT (3A) of the *Copyright Act 1968* Regulation 25AA (2) (Moral Rights) which, if required, is provided once the project has commenced and a design is available for review.

*Project Management Paper No. 1—Policy—Project Management in DPS* ([Attachment AS](#)) provides guidance on the management and delivery of projects. The Building and Security Projects (BSP) Section is responsible for managing the delivery of building, engineering and physical security projects related to refurbishment, modification, upgrade, replacement or new works in Parliament House and the Parliamentary Precincts. BSP Staff use a checklist ([Attachment AT](#)) to ensure that significant governance and reporting requirements are met. The list includes steps to manage heritage aspects of the work including the engagement with the original building architect during each project when required.

DPS uses the PRINCE2 project management methodology for projects valued at over $80,000. An essential step in this methodology is the development of a business case for approval of new projects by the DPS Strategy and Finance Committee. The Business Case development process (noted in Business Case template—[Attachment AU](#)) includes consideration of heritage aspects covering design integrity, constraints, and critical decisions. Only once the SFC has approved the Business Case does the project start up and initiating stage commence.

DPS has produced a comprehensive checklist for use on large projects (which can also be used as appropriate for small projects). This checklist ([Attachment AT](#)), which is based on the PRINCE2 methodology, is divided into five main sections to cover all main stages of a project from Project Start-up to Defects Liability and Completion. Parts of the checklist with specific reference to heritage or design integrity issues are detailed below.

BSP checklist (2.8) requires that, in preparing a Functional Design Brief (FDB), the Project Manager must consult:

- Heritage Officer / Design Integrity input—identify possible salvage items (and their significance) early.

As well as an outline of the project (aim, background), the FDB template contains a range of other checks—see extract below.
Design integrity

9. Parliament House was constructed to exacting standards with a design life of 200+ years. Consequently, all works projects are to be designed and constructed to maintain the design integrity of this national landmark and contemporary heritage building and its diverse landscape.

10. Parliament House was designed and detailed according to a system of order which took account of the varying functions and areas of significance of the place.

11. Overarching design principles relevant to the project are outlined within the following chapters of the Central Reference Document (Refer to Attachment {insert if appropriate}):

12. Further relevant reading can be found in The Design Integrity and Management of Change Guidelines (1995). This and the Central Reference Document should be consulted with reference to any change likely to impact on the building's design integrity.

Moral Rights

13. This work has been identified as not being {delete as applicable} being subject to notification and other actions in accordance with the Copyright Amendment (Moral Rights) Act 2000.

Works within the Parliamentary Precincts

14. This project is/is not {delete as applicable} subject to approval by the Presiding Officers and the Parliament of Australia, or works approval by the National Capital Authority in accordance with the Parliament Act 1974 and the Australian Capital Territory (Planning and Land Management) Act 1988.

Design Deliverables

Performance

The key elements of the Consultant's performance include:

... (b) development of a design resolution that best meets the functional, building and operational requirements of this brief;

(c) the consideration of the identified project risks, Design Integrity, quality, safety and environmental requirements;

Parliament House Site Book


Specification

31. All specifications are to be prepared using the national building specification system NATSPEC. Some sections of NATSPEC have been updated by DPS to include requirements specific to Parliament House. The technical specification prepared by the consultant, is to reference these standard Parliament House Standards and Specifications and only include information that is specific to the project.

32. The current editions of all Parliament House Standards and Specifications are available from Building Information.

Drawings in the design phase of a project are generally reviewed at Concept, 80%, 100%, For Tender and For Construction stages.

BSP Checklist (3.4) Design Options Phase. Contact original design agent if "Moral Rights" applicable—commence informal consultation (present concepts). This activity is identified as a part of the discussions with Mr Giurgola indicated above.
BSP Checklist (3.5) 80% Stage. Formalise "Moral Rights" notification if applicable. The Director BSP writes formally to Mr Giurgola (or other Moral Rights holder) enclosing a formal notice and also the 80% plans. The letter includes the statement:

As part of our obligations under the Copyright Amendment (Moral Rights) Act 2000 we are informing you of our intention to undertake this work. Under the Act, you may request access to the building in order to make a record (for example, by way of photographs or sketches) and/or consult with DPS, concerning any aspect of the proposed changes that you consider may be prejudicial to your honour or reputation as an author of the building.

This provides an additional opportunity to comment on specific issues with the design.

Should the Moral Rights holder not agree with the plans, we arrange meetings to identify the key issues and possible alternative approaches. However, the regular meetings between the Director, BSP and Mr Giurgola, and additional informal discussions with GMB Architects are intended to reduce areas of concern at this stage of the design.

BSP Checklist (3.6) Arrange Parliamentary Approval if applicable, then NCA advised of Parliamentary Approval (note consultation already conducted earlier).

BSP Checklist (4.3) BSP Project Manager to arrange for Heritage Management to have access to undertake archival pictorial record prior to construction (or agree to carry out for Heritage).

BSP Checklist (4.5) Contractor to submit dilapidation report for approval —send copy to DPS Heritage for review/noting.

BSP Checklist (4.12) Take archival photos of site regularly throughout construction and at key hold points (demolition, pre-sheet, pre-pour etc). Alternatively, arrange for Design Integrity (DI) to have site access to conduct.

Specifications and Standards

Some heritage aspects are met by ensuring DPS specifications and standards are used. The requirement to use these specifications and standards is highlighted and checked throughout the design and construction phases, and finally during the handover process from BSP to the end user. However, many of these specifications and standards can result in very high costs. As a Financial Management and Accountability Act 1997 Agency, DPS is required to ensure it manages public resources efficiently, effectively and ethically. To ensure the efficient and effective use of public money DPS evaluates alternative solutions and considers the application of the specifications and standards in relation to the significance of the space, fitness for purpose and cost implications.

(i) The Project Manager is required to ensure that architects comply with the overall project governance framework outlined above, including response to design integrity and heritage considerations.

(ii) Refer to (j)(i) above.

Full list of documents attached to support responses to Q. 682 (Attachments are available from the Senate Table Office)

[See note on page 31 re copies of documents already provided to Finance and Public Administration Legislation Committee as part of DPS’s responses to Questions on Notice that came out of the Budget Estimates process in May 2011.]

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<td>Significance Methodology</td>
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<td>C</td>
<td>ANAO 2004–05 audit report No. 59</td>
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<td>Operating Policies and Procedures No. 17—Parliament House Art Collection (incorporates the Rotational Collection Acquisition Policy);</td>
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<td>Letter to Hilary Penfold QC (former DPS Secretary) from Theo Hooy A/First Assistant Secretary, Heritage Division, Department of Environment and Heritage—1 August 2006</td>
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<td>Draft Parliament House Heritage Management Framework—June 2011 v2</td>
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<td>AI</td>
<td>Department of Parliamentary Services, Annual Report 2009–10</td>
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<td>AL</td>
<td>Governance Paper No 33—Caring for Parliament's Assets—30 August 2010</td>
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<td>AN</td>
<td>Duty Statement / Selection Criteria: Assistant Director Strategy and Communications (PEL1)</td>
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<td>AO</td>
<td>Duty Statement / Selection Criteria: Building Fabrics Officer (PEL6)</td>
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<td>AQ</td>
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<td>Project Management Paper No. 1—Policy—Project Management in DPS</td>
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<td>AT</td>
<td>Building and Security Projects Large Project Check List</td>
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<td>Operating Policies and Procedures No.11—Library Collection Stocktake</td>
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1See Significance 2.0 published in 2009—available online at http://www.environment.gov.au/heritage/publications/significance2-0
5—Exit Interview questionnaire in 2005 and 2006 asked re ‘any problems with workplace harassment: Yes/No. If Yes, was Harassment Contact Officer (HCO) consulted: Yes/No.
—In 2008 and 2009, asked if ever experienced or observed workplace harassment, bullying or discrimination: Yes/No. If Yes, was HCO consulted: Yes/No; was supervisor consulted: Yes/No.
—In 2010, additional question asked if workplace harassment, bullying or discrimination observed, was it reported: Yes/No.
6Although some reports at Exit Interviews of workplace harassment said that the incidents had been previously reported to someone, not all such reports could be confirmed as having been made.
7Report is online at http://www.anao.gov.au/uploads/documents/2004-05_Audit_Report_59.pdf The audit included the National Library of Australia, the National Museum of Australia, the National Gallery of Australia, the National Archives of Australia and the Australian War Memorial.
8Mislocations are items with incorrect location details recorded. All mislocations reported are subsequently corrected.
9DPS Annual Report 2009–10 (Attachment AI) p47–50
10The Central Reference Document is approximately 1,000 pages in size. It is available at DPS on request.

QUESTIONS ON NOTICE