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SITTING DAYS—2013

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- BRISBANE 936AM
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- SYDNEY 630AM

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

Governor-General
Her Excellency the Hon. Quentin Bryce AC, CVO

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Parry
Temporary Chairs of Committees—Senators Cory Bernardi, Thomas Mark Bishop, Suzanne Kay Boyce, Sean Edwards, David Julian Fawcett, Mark Lionel Furner, Alexander McEachian Gallacher, Scott Ludlam, Gavin Mark Marshall, Anne Sowerby Ruston, Dean Anthony Smith, Ursula Mary Stephens, Glenn Sterle and Peter Stuart Whish-Wilson
Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

Senate Party Leaders and Whips
Leader of the Liberal Party in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party in the Senate—Senator Hon. George Henry Brandis QC
Leader of The Nationals in the Senate—Senator Hon. Nigel Scullion
Deputy Leader of The Nationals in the Senate—Senator Hon. Fiona Nash
Leader of the Australian Labor Party—Senator the Hon Penny Wong
Deputy Leader of the Australian Labor Party—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Chief Government Whip—Senator Helen Kroger
Deputy Government Whips—Senators Christopher John Back and David Christopher Bushby
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert

Printed by authority of the Senate
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<th>State or Territory</th>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice H. Coonan, resigned 22.8.11), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J. Adams, died in office 31.3.12), pursuant to section 15 of the Constitution.
(3) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. N. Sherry, resigned 1.6.12), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. B. Brown, resigned 15.6.12), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of South Australia to fill a casual vacancy (vice M. J. Fisher, resigned 15.8.12), pursuant to section 15 of the Constitution.
(6) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice C. Evans, resigned 12.4.13), pursuant to section 15 of the Constitution.
(7) Casual vacancy to be filled (vice B. Joyce, resigned 8.8.13), pursuant to section 15 of the Constitution.
(8) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice M. Thistlethwaite, resigned 9.8.13), pursuant to section 15 of the Constitution.
(9) Chosen by the Parliament of Victoria to fill a casual vacancy (vice D. Feeney, resigned 12.8.13), pursuant to section 15 of the Constitution.
(10) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr, resigned 24.10.13), pursuant to section 15 of the Constitution.

PARTY ABBREVIATIONS

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
<table>
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<th>Title</th>
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<td>Prime Minister</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon Eric Abetz</td>
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<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Josh Frydenberg MP</td>
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<td>The Hon Warren Truss MP</td>
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<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>The Hon Jamie Briggs MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
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<td>Minister for Trade and Investment</td>
<td>The Hon Andrew Robb AO MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon Brett Mason</td>
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<tr>
<td>Assistant Minister for Employment (Deputy Leader of the House)</td>
<td>The Hon Luke Hartsuyker MP</td>
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<tr>
<td>Attorney-General</td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>Minister for the Arts (Deputy Leader of the Government in the Senate)</td>
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<td>Minister for Justice</td>
<td>The Hon Michael Keenan MP</td>
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<td>Treasurer</td>
<td>The Hon Joe Hockey MP</td>
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<td>Minister for Small Business</td>
<td>The Hon Bruce Billson MP</td>
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<td>Assistant Treasurer</td>
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<tr>
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<td>The Hon Steven Ciobo MP</td>
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<td>The Hon Bob Baldwin MP</td>
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<td>Minister for Veterans’ Affairs</td>
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<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
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<td><strong>Minister for Immigration and Border Protection</strong></td>
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<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
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<tr>
<td><strong>Minister for Finance</strong></td>
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<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
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</table>

Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
<table>
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<th>Title</th>
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<td><strong>Leader of the Opposition</strong></td>
<td>Hon Bill Shorten MP</td>
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<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
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Monday, 9 December 2013

The PRESIDENT (Senator the Hon. John Hogg) took the chair at 10:00, read prayers and made an acknowledgement of country.

COMMITTEES

Community Affairs Legislation Committee

Meeting

Senator BOYCE (Queensland) (10:01): by leave—I move:

That the Community Affairs Legislation Committee be authorised to hold public meetings during the sittings of the Senate today and on Tuesday, 10 December 2013 from 4 pm to take evidence for the committee's inquiry into the provisions of the Social Services and Other Legislation Amendment Bill 2013.

Question agreed to.

BILLS

Commonwealth Inscribed Stock Amendment Bill 2013

Consideration of House of Representatives Message

Debate resumed on the motion:

That the committee does not insist on its amendment to which the House of Representatives has disagreed.

to which the following amendment was moved:

At the end of the motion, add “but agrees to the following request for an amendment and amendments in place of that amendment:

Title, page 1 (lines 1 and 2), omit “amend the Commonwealth Inscribed Stock Act 1911, and for related purposes”, substitute “remove the limit on stock and securities on issue, and for other purposes”.

Schedule 1, items 1 and 2, page 3 (lines 5 to 11), omit the items, substitute:

1 Section 5

Repeal the section.

2 Subsection 51JA(2)

Omit “, disregarding stock and securities of the kind mentioned in subsection 5(2),”.

3 After subsection 51JA(2)

Insert:

(2A) In working out the total face value of stock and securities for the purposes of subsection (2), disregard:

(a) stock and securities issued in relation to money borrowed under the Loan (Temporary Revenue Deficits) Act 1953; and

(b) stock and securities loaned by the Treasurer under a securities lending arrangement under section 5BA of the Loans Securities Act 1919, or held by or on behalf of the Treasurer for the purpose of such an arrangement; and

(c) stock and securities invested under subsection 39(2) of the Financial Management and Accountability Act 1997; and
(d) stock and securities on issue as at the start of 13 July 2008, other than Treasury Fixed Coupon Bonds.

Note: The time referred to in paragraph (d) is when item 4 of Schedule 1 to the Commonwealth Securities and Investment Legislation Amendment Act 2008 commenced.

4 At the end of section 51JA

Add:

(5) For the purposes of this section:

(a) the face value of a Treasury Indexed Bond is taken to be its face value at the time it was issued; and

(b) the loan of stock or a security is taken to include an arrangement under which it is sold and repurchased.

Page 3 (after line 11), at the end of the bill, add:

Schedule 2—Amendment of the Charter of Budget Honesty Act 1998

1 At the end of clause 2 of Schedule 1

Add:

Additional statements about Commonwealth stock and securities

(7) In certain cases where the face value of Commonwealth stock and securities on issue has increased by $50 billion or more since a previous report or statement under the Charter of Budget Honesty, the Treasurer is to table a statement setting out reasons for the increase (see Part 9).

2 Subclause 3(1) of Schedule 1

Insert:

Commonwealth stock and securities means stock and securities on issue under the Commonwealth Inscribed Stock Act 1911 (the CIS Act) or the Loans Securities Act 1919 (disregarding stock and securities of the kind mentioned in subsection 51JA(2A) of the CIS Act).

debt statement, for a report under Part 5 or 7, means a statement that includes:

(a) the following information about Commonwealth stock and securities on issue, at the time of the report and for the financial year to which the report relates and the following 3 financial years:

(i) the value of the stock and securities (including their market and face value, and their value as a proportion of gross domestic product);

(ii) the total expected interest expenses relating to the stock and securities; and

(b) a breakdown, by maturity and timing of interest payments, of Commonwealth stock and securities on issue at the time of the report.

3 At the end of subclause 12(1) of Schedule 1

Add:

; (f) a debt statement.

4 At the end of subclause 16(1) of Schedule 1

Add:

; and (c) contain a debt statement.

5 At the end of subclause 24(1) of Schedule 1

Add:

; (e) a debt statement.
6 At the end of paragraph 26(a) of Schedule 1
Add:
(v) the information required by paragraph 24(1)(e); and

7 At the end of Schedule 1
Add:

Part 9—Additional statements about Commonwealth stock and securities

33 Additional statements about Commonwealth stock and securities
(1) This clause applies when the actual face value of Commonwealth stock and securities on issue has increased by $50 billion or more since whichever of the following last occurred:
(a) a budget economic and fiscal outlook report, a mid-year economic and fiscal outlook report or a pre-election economic and fiscal outlook report was publicly released;
(b) a statement under this clause was tabled.
(2) The Treasurer is to table in each House of the Parliament, within 3 sittings days of that House after the increase referred to in subclause (1), a statement setting out the reasons for the increase, including the extent to which any of the following contributed to the increase:
(a) lower than expected revenue;
(b) higher than expected spending;
(c) capital purchases;
(d) grants to State and Territory governments for infrastructure.

8 Application—statements under clause 33 of the Charter of Budget Honesty
Clause 33 of Schedule 1 to the Charter of Budget Honesty Act 1998 applies in relation to a report referred to in paragraph (1)(a) of that clause that is publicly released on or after the commencement of this item.”

Senator WONG (South Australia—Leader of the Opposition in the Senate) (10:02): I asked a question of Senator Sinodinos, I think, on Thursday, which I do not believe he had the opportunity to respond to. I asked about what the Australian Greens had actually obtained in terms of debt reporting. I made the point that a substantial amount of the information to which Senator Milne referred is already available on the public record either in the budget papers, in the monthly financial statements issued by the Minister for Finance or in the weekly update on the Australian Office of Financial Management website. I wonder if he could advise the Senate of what additional information the Australian Greens have actually obtained as a result of the agreement with the Treasurer.

Senator SINODINOS (New South Wales—Assistant Treasurer) (10:03): What the debt statement will be doing is consolidating information that, as Senator Wong mentions, is available in a number of places. As part of this, it will also be including, as I understand it, the within-year peak in debt, which can fluctuate, as we have mentioned before; the value of Commonwealth stock and securities, including their market and face value and their value as a proportion of gross domestic product; the total expected interest expenses relating to the stock and securities; and a breakdown by maturity and interest payments of the stock and securities on issue at the time of the report. Importantly, these debt statements will not be issued just at the time of the Mid-Year Fiscal and Economic Outlook, the Pre-election Economic and Fiscal Outlook or the budget; they would be issued—and hopefully this would be a rare occurrence—every time there is an increment of $50 billion or more since the last
budget, MYEFO, PEFO or additional statement in the actual face value of Commonwealth stock and securities on issue. There will be quite a comprehensive amount of information provided between the MYEFO, the PEFO and other statements, if that is necessary. This is not just about what is provided at one particular time; it is providing information over a period as required. As I said before, I hope we do not necessarily need to provide many debt statements. We would aspire to report increasingly over the next few years to this chamber and the other place about our progress in getting deficits and debt under control.

We are also considering additional transparency around government sector reporting; analysis on the manner in which the states and territories report their budget statements, including the reporting of their government enterprises; how such reporting may apply to Commonwealth budget reporting; and whether the additional reporting creates any commercial-in-confidence issues for Commonwealth public non-financial corporations. The advice on the feasibility of this analysis will be provided in early 2014. The Treasury will also consider additional reporting of the public financial corporation sector, which may need to take into account the special circumstances of the Reserve Bank. We will also consider whether there would be enhanced transparency if each MYEFO debt statement were to include details of the public non-financial corporation and public financial borrowings.

Furthermore, in the Intergenerational report we would retain a dedicated section on the environment, including climate change and the effect of these policies and their impact on the Australian economy and Commonwealth budget. But there will be more extensive consultation with the Australian Greens on the scope of what could be included within that section. In part, in answer to the senator's question, it is a consolidation of some existing information and an expansion of that information in particular areas and, importantly, as part of this process, we are also looking to make our reporting more comparable with state and territory reporting in a number of areas. I am particularly interested in what we will be doing on the Intergenerational report and the expanded reporting on the environment and climate change, as well as the effect of these policies and their impact on the Australian economy and the Commonwealth budget.

Another change in the interests of transparency going beyond what is done at the moment is that we will set out the reasons for the increase in debt, including the extent to which the increase was caused by lower than expected revenue, higher than expected spending, capital purchases and/or grants to state and territory governments for infrastructure. The expansion of reasons for the increase in debt—if there is an increase in debt, of course—will allow us to have a more informed and, dare I say, interesting debate around the uses and abuses of debt. I think that will be very important going forward. We are going into a period where Australia is going to have to improve its productivity—double the rate of productivity growth, as income per head will not increase as strongly as it has been—so the challenge is to improve our productivity and competitiveness. As part of that, we need to make sure we are investing in the right sort of infrastructure. That means having a more informed debate about the use of funding for infrastructure. One complication as we go forward and provide greater transparency in the provision of this information will be the extent to which there is private financing of infrastructure and how that will be recorded in any statements where there is a public component. That is more of a footnote at this time.
Senator WONG (South Australia—Leader of the Opposition in the Senate) (10:08): I again ask, because I noticed in the minister's answer there was quite a lot of information about consolidation of existing data already reported—for example, market and face value—if the minister can indicate what additional information on debt has been agreed with the Australian Greens which is not otherwise available in the budget papers, the Australian Office of Financial Management website or the monthly financial statements issued by the Minister for Finance. What do they get for this?

Senator SINODINOS (New South Wales—Assistant Treasurer) (10:09): As I mentioned earlier, we are bringing together information in a way which makes it more accessible, including providing details in the budget, MYEFO and PEFO of government spending on climate change and the extent to which this spending has contributed to debt. That is also new information. But the point remains that, under the previous government, the opposition pressured the government of the day to provide more information around Commonwealth government securities on issue. I stand by what I have said before in terms of the comprehensiveness of what we are providing.

Senator FURNER (Queensland) (10:10): In respect of this particular matter that we are debating in the chamber this morning, we have to look back on the history of when we were in government and how we managed the economy, how we managed incentives to ensure people were employed and how we ensured that contractors and employers were in a position so that the economy never slipped into a void or into jeopardy. It certainly speaks volumes of the way we handled and managed the economy and debt in the past. We held a AAA rating, which should never be forgotten. In many circumstances, the now government tend to neglect that position, the fact that we put this country in good stead. Certainly, out of the eight leading countries in the world, we demonstrated our competence as a government when we were in power in that we did not allow our citizens to slip into a severe circumstance, as citizens of other countries throughout the globe did during the global financial crisis. As you would know, Chairman, when we sat on the Joint Standing Committee on Foreign Affairs, Defence and Trade many ambassadors came along and appraised us about the manner in which we handled the global financial crisis when we were in government and also managed the debt in those circumstances. And we hear it quite often.

We know for a fact that the Liberal Party campaigned against debt before the election and now it is asking the parliament to increase the debt limit to half a trillion dollars. It is a substantial increase to lift the debt ceiling to that degree. We need to see some examples of why there is a need to do that. I note the Treasurer and the government at this point are refusing to demonstrate why there is a need to lift the debt ceiling to half a trillion dollars, without demonstrating some form of example by releasing MYEFO. That certainly would be an opportunity for us as the opposition, and no doubt the crossbenches, to consider a need to do that. But, at this point, if you treat this parliament with contempt, if you treat the citizens of Australia with contempt with regard to not demonstrating a need to do that, then we will have some difficulties in agreeing to this arrangement. The Treasurer must release these updated budget estimates and the impact of this budget blow-out—we have no doubt that there are issues behind what they are proposing—before we can really seriously expect the parliament to consider the debt limit legislation.
Reflecting back on the way we managed the global financial crisis, we were transparent: we went out there and explained to the then opposition and the public the reasons why we were spending this sort of money and the reasons why we had to stimulate the economy and ensure that people were not unemployed to a substantial degree. Certainly, when you look at what happened around the globe, you will see that, in many cases—for example, in the US—millions and millions of people lost their employment and their homes. We did not face those dire straits here. We managed the debt, we managed the global financial crisis and we stimulated the economy, ensuring that we were not in a position where people were unemployed and losing their homes. I certainly know from my experience going around to many school openings that that was one example of how we spent the money; there are many examples of how we spent the money. Contractors, builders and architects explained to me that if they had not had that injection of that sort of money they would have had to put off literally thousands of workers across the board. In hindsight, we did the right thing. We are asking the government now to demonstrate why there is a need to lift the debt ceiling. Be transparent and be upfront, and tell us why you need to lift the debt ceiling to half a trillion dollars.

Senator SINODINOS (New South Wales—Assistant Treasurer) (10:15): I respect Senator Furner, but I disagree with him when he talks about the record of the previous government in managing debt. Part of the reason we have such a big focus on debt in Australia is precisely that the debt did go off. Debt has gone up over the last six years. The whole purpose of the debt limit being introduced in 2008, as I understand it, was to assure people that it would only go to a certain level and not beyond that. The fact that the then government had to come back to the parliament a number of times to raise the limit drew attention to the fact that the debt kept growing. So the limit in itself became, not intentionally but almost by accident, a target—a target that was met and then exceeded.

The whole debate that we have had about the $500 billion, I think, has now been put in its place by the measures we are talking about today by removing this ceiling, which is not the debate we need to have. The debate we need to have is over the quality of the measures that this government take to deal with increased deficits and debts. That is where the debate should be. That is where eminent economists like Ross Garnaut, Saul Eslake and others say the debate should be and that is where the debate will now be. It is very important to understand that this does not reduce the scrutiny of what might happen to debt over time; it increases the transparency of looking at debt and the reasons for the increase in debt. And, yes, it also potentially triggers a subdebate around the pros and cons of using debt for different purposes, and that is built into the transparency measures that the Greens have proposed here and to which the government have agreed. I think we are taking the economic debate several steps further.

In terms of budget policy, the debate should be on the quality of the measures, not on ceilings and limits per se. We will be increasing the transparency of the government's dealings on debt and I think that will be very important going forward. The Mid-Year Economic and Fiscal Outlook will be released in the very near future and, along with that, a debt statement. So we do not have to wait very long for all of that to happen. The reason the MYEFO has taken some time to do, apart from anything else, is that we have also been waiting for the September quarter national accounts. They were delivered last Wednesday. Forecasts and
parameters are being revised in the light of those forecasts. So in the MYEFO, we will lay out the full scale of what we inherited, the measures we have taken to date—

**Senator Wong:** What are you hiding from?

**Senator SINODINOS:** We are not hiding from anything—full transparency. Everybody will have the opportunity to argue whether they like the measures that are in there or not.

**Senator CAMERON** (New South Wales) (10:18): I just cannot get over the hypocrisy of the coalition on this issue of debt. I was a member of the economics committee for 5½ years and on that economics committee we had coalition member after coalition member railing against any increase in government debt. It did not matter whether it was good debt or bad debt; so long as it had the four-letter word 'debt' they railed against debt. I suppose the epitome of the coalition's position has been driven by the National Party. That is the problem that the coalition have: that the National Party are actually driving their economic agenda for them. When they keep capitulating to the National Party on economic issues then any credibility that they claim to have brought from the previous government, I think, dissipates quickly.

When you talk about debt, you have to look at the overall economic agenda of a government and you have to look at the economic leadership, or lack of leadership, you get from your treasurer. My experience in politics over recent years is that you do not get much leadership from coalition treasurers—in fact, coalition treasurers are normally pretty malleable. Their backs are made out of rubber. They do not seem to stand up to any challenge in terms of good economic policy. You only have to get former Senator Joyce standing up and talking about how bad debt is, and the coalition run away from debt.

The coalition disparage debt, time and time again. Yet, here we are. After years and years of disparaging debt, we have this grab to move to debt, a grab to say: 'We will embrace debt. We will embrace $500 billion.' Now, with your deal with the Greens, you have the triumvirate: the National Party, the Liberals and the Greens determining economic policy for the coalition. I have to say: people are worried. You only have to read the economic analysis that is out there. People are worried about the messages that are being sent by this government that claimed it would do so much prior to the election and has done so little. It is a government that is in chaos internally, a government that is trying to juggle the pressure from the left by the Greens, from the right from the National Party; they are not handling it. All the balls are going up and they are falling at their feet. You know that well, Senator Sinodinos.

I suppose we have to accept some of our responsibility on this; we handled the global financial crisis too well. We acted in a timely, temporary and targeted manner. All around the world, any analysis that was undertaken by economists or by other governments said what a great job we did. But what the coalition seems to want to do when it comes to debt is forget that sometimes Keynesian economics needs to be implemented. I know you have your right-wing ideologues in the coalition, especially the modest members who would have government do nothing. It is interesting to note that the modest members are no longer claiming they are modest members when they are writing articles. I see this morning that the latest modest member has just walked away from this issue of being a modest member. I am not surprised, given their economic theories are being trashed, day in and day out, by this extremely simplistic and pragmatic approach from the coalition on economic policy.
Sometimes, as you would be aware, Senator Sinodinos, when there is a failure of the market, government has to step in. When you have the biggest single economic crisis since the Great Depression, it is appropriate for government to step in when the market freezes. When investment stops, when business abandons the scene, then you need to take on debt. The previous government did that in a manner based on advice from Treasury, based on watching what was happening worldwide, and ensuring that we did the right thing by this community and by this country.

We did that and we did it well: 210,000 jobs were saved because of the actions we took during the global financial crisis. But, if you listen to the coalition, you would think that there was no problem there; that we should not have gone into debt; that we should have simply abandoned communities around this country; that we should have abandoned industries; that we should have said to the business sector in this country, 'Let the market rip. You get on with it. You suffer the consequences of the global financial crisis', because we would be taking debt on.

So you railed against debt at every opportunity and you used debt as the marker for incompetent government. You argued that, if you were going into debt, there was an incompetence there. But you know, Senator Sinodinos, that that is not correct and that governments go into debt for a range of factors. You railed against government debt during your time in opposition, and now that you are in government it has gone completely the other way—debt is required, masses of it—uncharted amounts of debt can be brought to bear.

I have heard the argument that you are not setting a target for debt, that this will keep the debt under control. I just do not buy that for a minute, because quite frankly when you have a weak Treasurer, as you have with Treasurer Hockey, in the mould and in the tradition of former Treasurer Costello, when you have a weakness at the fundamental core of the coalition when it comes to economic policy, we are entitled to be worried about what is going to happen to this economy.

It is clear that many in the coalition do not understand the fundamentals of the economy, do not understand the role of debt. And, if you do not understand the fundamentals and you do not understand the role of debt, if you have a blank cheque written for you by your new coalition partners the Greens, then we worry that you are not going to be able to manage the economy effectively.

Look at some of the recent decisions: the manufacturing sector—the car industry that creates tens of thousands of jobs around the world and around this country. You have the car industry; you have Qantas. What do we have? We have a bumbling, indecisive government, because you have a bumbling, indecisive Treasurer at the core. It is obvious, Senator Sinodinos, that you pride yourself on your economic credibility and your economic knowledge; it is not clear then that you are influencing your leader, the Treasurer, on this issue.

I will not go to the Prime Minister, because you know what the former Treasurer Peter Costello said about the Prime Minister: basically 'economics is not his strong suit'. So we are left with a position where the Prime Minister has no economic credibility, where the Prime Minister cannot handle economics and where you have a Treasurer who is in the jelly-backed tradition of treasurers in the coalition. You set up this new arrangement with the Greens, who are there driving your economic policy. We are entitled to be worried about where we are
heading as a country under your lack of strategy, your lack of planning and your lack of economic credibility. This is what we have to look at here. You have vilified debt for years, and then, suddenly, when you are in government, debt is as much as you can roll in: 'Give us $500 billion debt.'

The big trucks have all disappeared. We do not see any more trucks going around the place with government debt on them, because the coalition are going to be absolutely delinquent on debt. Senator Sinodinos, you can stand up and you can argue that you will be good economic managers, but there is no evidence—either in the Howard government or in the governments before the Howard government when John Howard was the Treasurer—that there are good economic underpinnings by the coalition. They were poor economic managers; they have always been poor economic managers. They have always gone for the short game, never the long game. They have never understood what the long-term issues are. That is why we have this crazy proposition. Where are the economic underpinnings of this so-called 'Direct Action'? Absolutely none. There is not an economist in the country who is prepared to stand up and say that this is the way forward.

We have a coalition, in my view, dithering over an economic crisis. They do not know where they are going. They will probably set up another review on something or other. We have 50 reviews in nearly as many days they have been in government. How many more reviews do they want? When are they going to start taking some economic leadership? When are they going to demonstrate even an inkling of economic understanding about the issues that are important for this country. I do not think that the coalition will.

They come in here and argue that we should simply capitulate on an open chequebook for the coalition. That is a real worry because whenever they have the National Party on their right and the Greens on their left in this new coalition then I just worry about what demands will be put on their Treasurer. As soon as a demand is put on their Treasurer, you know what happens, Senator Sinodinos, the rubber-back just collapses and he gives in. He was not going to be bullied, but the first rumbling from the National Party when they put a shot across his bow on national television and he gave in.

We need investment in this country. We need a strong approach on debt in this country. That is what the previous government gave and that is why we have had three AAA ratings that the coalition never, ever had. It is extremely worrying that if they have a blank chequebook that all these pressures will be put on them from the Greens and from the National Party to give in on their pet projects, and the trough will have to be bigger and bigger. We know who the experts are in this place at feeding off a trough—the National Party. You know that, Senator Sinodinos, that is why you are smiling. You had to try to manage that for many years, unsuccessfully, I am afraid, when you were the chief of staff to John Howard. But you really have a problem, in my view; you do not understand the economic issues that are important for this country. You are prepared to abandon communities in South Australia, abandon communities in Victoria and abandon families. You talk about these issues in big, macro economic terms but you just do not understand the implications for a family if they lose their jobs in Elizabeth or if they lose their jobs in Port Melbourne. These are big issues for ordinary people and ordinary families, and all those opposite want to do as a government is to pile on more debt and to get a blank chequebook so they can try to look as if they know what they are doing.
It is quite clear that the coalition have no economic comprehension of what the issues are, that the public have been conned and that you are not the government that people thought they voted for. If they only think they know what your policy is then there is a problem. I think your performance so far as a government has been abysmal and the public are onto you.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (10:33): I return to some of the points that the Assistant Treasurer made in answer to my question on what additional information the Greens had achieved in relation to debt reporting. I think a reasonable summary, essentially, is that they have achieved a consolidation of what is already on the public record so it makes it easier for people to find. But there are a number of comments that Assistant Treasurer made which I think are worth exploring. Of course the context of this debate is that we have a government who campaigned on reducing debt who are now saying we should have unlimited debt in this country. They have proffered no sensible rationale for that and they certainly have not provided the Australian people nor the Senate and the parliament with an indication of what their current numbers are and why we need, first, such a massive increase of a couple of hundred billion dollars in the debt ceiling and, now, the removal of any limit whatsoever.

They have not agreed to that, they have not agreed to provide any of that information and, as importantly, they have done a deal with the Australian Greens, the people they regard as economic fringe-dwellers, in order to achieve no debt limit in this country. If you had written this last year in the context of the pre-election campaign and the campaign proper, I do not think anyone would have believed it. If you had said Joe Hockey—the man who says: 'The country is drowning in debt. We have to reduce debt. The solution to debt is not more debt,' all the things Joe Hockey beat his chest about—would do a deal with the Australian Greens to remove any debt limit, after asking the parliament to increase the debt limit by $200 billion, I guarantee Joe Hockey would have denied it. He would have said, 'That's a ridiculous proposition and I guarantee it'll never happen.' It has happened.

More important than the hypocrisy on display are some of the reasons of the coalition government, after campaigning against debt, for wanting no limit on debt. The minister said some interesting things in answer to my earlier question. He said, 'We've got to remove the debate from the fact of debt to the reasons for it and the type of debt; what debt is being used for.' That may well be a sensible policy proposition. The difficulty is that is precisely the opposite of what was told to the Australian people before the election. The Australian people were told by this coalition that all debt is bad. We had that from Mr Hockey, who is very good, I have to say, very hairy-chested, on the rhetoric, but pretty soft when it comes to being rolled by the National Party on foreign investment.

Unfortunately there has been an overcompensation now, which is not unusual from someone who is too weak and gets rolled so then overcompensates on something else. We have seen the overcompensation in the backgrounding of senior ministers to the media on the auto industry. It was an extraordinary display of disunity, but more importantly on economic irresponsibility, to have that the subject of backgrounding. I digress; I will talk on that point another time.

The minister talked about using debt for different objectives. It is important to note that despite being so anti-debt before the election and being relentless in criticism of the Labor government for sensible borrowings keeping the Australian economy going through stimulus...
spending to ensure Australia came through the worst economic downturn since the Great Depression in better shape than almost any other advanced economy, there is now a discussion by ministers, including the minister in the chamber, about more debt and other debt. Apparently there is good debt and bad debt, and good debt appears to be debt the coalition go into while bad debt appears to be debt a Labor government incurs. I noticed, for example, that Mr Hockey in October looked at ways to stimulate growth. He looked at identifying government borrowings raised to fund infrastructure as separate from debt. Mr Briggs talked about leveraging the government balance sheet, which can mean a couple of things. It can mean guaranteeing debt or borrowing more. We have had the Treasurer flagging higher infrastructure spending funded by government borrowing. There have also been a number of comments—including from Senator Sinodinos today.

It may be, Senator Sinodinos, that there is an economic justification for what you are proposing. It may be that there is an economic rationale for increased government borrowings to fund infrastructure. But you should be upfront with the Australian people about that. What you are asking this parliament—and I regret the Greens are going along with it—is to say: 'We're going to give you unlimited access to debt but—guess what—we're not going to tell you what it's used for. We are not going to tell you what we are borrowing and we are not going to tell you how much we are going to borrow to fund infrastructure, we are not going to tell you when you vote on this what we are going to use it for. I ask this question: have the Australian Greens been briefed on what debt financing or what government borrowings for infrastructure funding the government is proposing?

Senator SINODINOS (New South Wales—Assistant Treasurer) (10:40): Those details will be available in the debt statement to be released with the MYEFO. That will provide the sort of information you are talking about. To answer Senator Wong's question, there will be more transparency, not less, as a result of this agreement. That transparency will cover how the debt is being used, including any debt use in relation to infrastructure. Can I make the point while I am on my feet: at no stage am I saying that we are supporting more debt per se. We are calling for a more intelligent debate based on this transparency about what debt is used for, but our commitments remain: to deliver a surplus of one per cent of GDP within a decade, to reduce the size of government as a share of GDP each year, to reduce the overall tax burden on business and taxpayers over time and to offset new spending commitments. Indeed, the $20 billion infrastructure package that we have talked about is paid for. We identified how we would pay for it before we came into power. So we are not seeking a blank cheque and no-one is giving us a blank cheque. What we are getting is an increase in transparency, which may well mean that the opposition and everybody will have the benefit of information as a basis for a debate about what the government is doing. Rightly, that debate will no longer be a debate over limits and ceilings, it will be a debate over the quality of the measures the government of the day has taken.

I think it is paradoxical to say that somehow we are now allied with the Greens. I do not think the Greens would argue that they are allied with us on a variety of matters. Indeed, they remain allied, I think, with the opposition, particularly on issues which fall within the broader environmental/climate change area and I think the mining resource rent tax. So I think it is unfair to characterise us as having somehow formed a new alliance. What has happened is that on a case-by-case basis this government has taking a pragmatic approach when it is
approached with some sensible proposals from the Greens and we should recognise that and acknowledge that. In this case we were prepared to go with that particular set of proposals because, frankly, we were getting nowhere on the issue of the limit per se.

On the point Senator Cameron made earlier, what I find remarkable about this debate is that the strong approach on debt under the previous government which he talked about was an approach which saw debt increase and keep increasing. The coalition did not oppose the first round of stimulus spending, it did not oppose the measures that were taken to support the financial system at the time. We would have liked the government of the day to acknowledge that we went into the global financial crisis with no net debt, with a very soundly regulated financial system and with the benefit of being cheek by jowl with the fastest growing area of the world economy, the Asia-Pacific. So we went in there with a lot of strong marks in our favour, and of course the Future Fund and a number of other capital funds accumulated by the coalition. This description of the former Treasurer, Peter Costello, as somehow being supine and all rest of it, well, on his watch I think he had 11 surpluses out of 12 or something like that and the round of measures he took in 1996 and 1997 to get the budget back in the black and set up the Howard government is a testament to his capacity to deal with his Prime Minister and his ministerial colleagues.

The other point I would make is that the 2011-12 budget, for example, under the previous government was an opportunity to consolidate their budget credentials. It was a lost opportunity. There was something like $22 billion worth of extra spending in that budget, I think it was, and $19 billion of savings measures. In other words, the government took savings measures but it always managed to find ways to spend the money as well. It did not take account of the highest terms of trade in our history to get the budget into a more solid fiscal position.

We all acknowledge that, since the global financial crisis, revenue growth has not been as strong as it could have been. But that was not a licence to drive spending as far as we could by being as optimistic as we could be about what the economic forecasts were looking like. These are the matters that we should be debating in the future—the actual decisions a government makes, the choices it makes—as opposed to having a debate over limits. I would hope that we can bring that debate to a close and vote on the matter soon.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (10:45): I refer the minister to comments made by the Deputy Leader of the Australian Greens. I quote:

We have managed to get the Coalition to agree with us on the question of debt...

I think they have a different view, Senator Sinodinos, than you about who has copped what and who has agreed with whom. Certainly Mr Bandt's view, from his public statements, is that that now precludes the need for any further savings measures. That is why they want to agree to your debt limit being removed. They think they have a basis to stop you cutting next year. You should probably tell them that that is not the case. But I again refer to my question, which was not answered: have the Australian Greens been briefed about the government's plans to use additional Commonwealth debt to finance infrastructure?

Senator SINODINOS (New South Wales—Assistant Treasurer) (10:46): The point I made is that those plans will be laid out next week. There has not been a separate briefing, if that is what you are asking for.
Senator Wong: You can't answer the question.

Senator SINODINOS: No. What I am saying is that there has not been a separate briefing. Next week MYEFO will set out, with a debt statement, what the debt is being used for, including in relation to the question you have just asked. I can go no further than that. Wait for MYEFO. It is not too many more sleeps.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (10:46): Isn't that really the point: wait for MYEFO? We have said, as the minister probably knows, that we intend to ensure that this debate is concluded prior to question time today. We have said that already, so he can be assured of that. But I would make the point that, again, he is saying, 'It'll all be revealed.' You are asking this parliament, after campaigning against debt and deficit for years, to now sign off on no limit to debt, without providing a budget update and your reasons why. That is the reality.

Senator CAMERON (New South Wales) (10:47): I am interested to see that Senator Sinodinos is now in pragmatic mode. I just wonder how this pragmatic mode actually fits with the 'modest members' of the coalition. For those who might be listening, the modest members are those right-wing members of the coalition who say that government should not be involved in anything but defence and policing. That is the role for government. Unfortunately, it is unbelievable that these days we still have politicians classifying themselves as modest members and saying that there should be very little role for government, especially after the global financial crisis. That has really been a case of mass amnesia on the behalf of the coalition. They have completely forgotten that there was a global financial crisis. They have completely forgotten that there was a situation where business just stopped investing, where our banks were under huge pressure, where government had to take action and increase debt to keep the economy moving.

So this mass amnesia, combined with pragmatism, has now got us to this situation where debt is an open-ended cheque book for the coalition and debt is okay, provided it is coalition debt. If you do any arrangement with the Greens under Labor, it is the end of the economy, it is this terrible situation where the lunatics on the Left are determining government policy. But when the coalition enter an agreement with the Greens—when you submit to the Greens' demands—it is not lunacy; it is pragmatism. I think any analysis on this would show that the hypocrisy of the coalition is absolutely huge.

The coalition have railed against debt—debt that kept people in jobs, debt that helped refurbish our education infrastructure in this country and debt that kept industries going. They railed against that. But, as soon as they are in power, they want to be pragmatic. Pragmatism is what is driving the coalition. I would love to hear the debates in the coalition party room on this new found pragmatism. I can just imagine the modest members saying that the only thing they want government to do is to keep paying their salary, keep sending them off to weddings and keep sending them off to all these little rorts that they so love. What is the debate like in the party room against the pragmatists, which I think really means the 'jelly-backs' in the coalition—those with no spine in the Costello tradition, who are not prepared to stand up for what is right for the nation. They are not prepared to stand up for what they think is right but continually capitulate to the PM. It is even worse under Mr Hockey, the current Treasurer. He is capitulating to the National Party and to the Greens to such an extent that he said: 'Come in. Let's form this coalition: the Liberal-National-Greens coalition, and we'll be pragmatists.'
must say: what does this mean? I can only assume that it does not mean much good for the economy and that it does not mean much good for the society.

What is the first thing that the Treasurer demanded? It was a 67 per cent increase in debt, after railing against debt as being bad. Every debate in this chamber on economic policy focused on debt and how bad debt was. What is the first thing the coalition do? You say, 'Give us a 67 per cent increase in debt.' The public are onto the coalition. They know what the coalition is about. You have only got to talk to people out there and they say: 'We didn't think that they would be like this. They told us they were good economic managers, and yet they're going to allow the manufacturing industry to go to the wall; they're going to allow Qantas to go to the wall; they're going to allow jobs to disappear.' It is all about this economic rationalist approach, which we are now hearing described as 'pragmatism'.

I remember in the lead-up to the election campaign a document from the coalition called Our Action Contract. I wonder whether Senator Sinodinos even remembers the coalition's Our Action Contract. It was one of those thousands of blurbs that came out full of spin and full of broad based nonsense about the coalition and what they were going to do. The action contract said that the nation was at a crossroad. What was the crossroad? It was that we were in too much debt; this is what Our Action Contract said.

So, after this line of 'too much debt', the first thing they do when they come into government is become pragmatic, enter into a coalition with the Nationals and the Greens and massively increase debt. They now seek an open cheque book on debt when they had said that our living costs were a problem, our interest rates were a problem, there would be no new taxes and there would be 'modest prudent commitments'. Remember, this is what the coalition said: that they would make 'modest, prudent commitments' and that these commitments were 'achievable'. What were they? That they would end the waste. What does that mean? It is another piece of political nonsense: 'We will end the waste.' But they said it was going to be achievable. We have not seen that being done. Then they said that the modest, achievable commitment that they would make would be to pay back the debt. That was your achievable and modest commitment to the Australian public.

The hypocrisy just oozes out of every orifice in the coalition's body. The hypocrisy just rolls out of you guys everywhere. You tell people that you will stop the debt and pay back the debt, and what is the first thing you do? You massively increase the debt for the nation. You say you will help families; that was another modest achievement. I wonder if the families who are employed in the car industry in Victoria, in South Australia and in my state, New South Wales, feel as if they are being helped by the coalition in this hands-off, 'let the market rip' approach to the car industry. Jobs are being sacrificed on the altar of ideology in the coalition party room.

I would love to see this debate. I would love to be in the coalition party room now and again having a look at what is going on in that party room, because it must be absolutely fascinating: all the right-wing ideologues saying, 'We want the market to rip,' and then the National Party saying, 'What's the market? We don't even know how to spell it.' You have huge divisions in the coalition—huge breaches of this papered-over approach that they took to the election, where there was this united party. The problem, as I said, is that you have, in the tradition of coalition treasurers, a weak, vacillating Treasurer who simply caves in whenever a pressure point is placed on him. Coalition treasurers cave in. They cave in to the National
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Party and the Greens. Not only do they cave in; they say, 'Well, let's have a little economic alliance with the Greens.' So lecturing us about economics—lecturing the Labor Party after we have delivered three AAA ratings and delivered this country through the worst global financial crisis since the Great Depression—is a bit rich coming from the jelly-backs in the coalition.

They go on to say, 'We'll help families,' as I have said. Not if you are a Qantas worker; your family is not going to get helped. Not if you are a car worker; your family is not going to get helped. They said they will stand up for real action. Everyone is sitting waiting for this real action from the coalition. Where is the real action from the coalition? All the action is in the coalition party room, where they are clawing each other to death. They said they wanted a grown-up government. What is the first thing they do? Talk about a nanny state! They have a nanny government. They have the leader, the Prime Minister, telling senior ministers that they cannot even make a decision on who should be in their employment. How crazy is it that you have the Prime Minister's office telling senior ministers that they cannot employ a chief of staff who has worked for them for years? No wonder Senator Macdonald has gone ballistic and is after you lot. No wonder Senator Macdonald cannot understand what this is about. It seems to me that Senator Macdonald has also seen the disintegration of any capacity for the coalition to run a decent economic argument and look after people when they are in need. So the pragmatic approach is in full flight.

I come back to the Our Action Contract. They said there would be modest, prudent commitments that would be achievable. Let me tell you what one of the first modest, prudent, achievable commitments was in their rhetoric to the electorate—that they would restore a budget surplus within three years and start paying Labor's debt. Well, where is that going? That has disappeared down the tube. So much for Our Action Contract! All the action is in the party room. All the action is cuddling up to the Greens. All the action is caving in to the National Party. That is where the action is. The Treasurer is like an Indian rubber man—no spine, no backbone—and is not capable of leading this country. He is submitting and caving in to everyone who puts any pressure on the Treasury.

When you look at what this government promised before the election and you see their inaction now, their lack of capability, their lack of vision and their lack of economic credibility then I think the public are entitled to be worried. The public are on to the coalition. They know that prior to the election they had no policies. They had no real economic policies. That is the reality. They had all these action contracts. As soon as they became a government the contracts were ripped up and thrown away. There is absolutely no contract there. It is absolute nonsense from the coalition in relation to taking this nation forward. They have got no plan. They have no modest, prudent commitments that are achievable.

They are in absolute chaos. You wonder what these party room meetings are like where you have the coalition members from South Australia watching the state get carved up, when the Victorian coalition gets carved up and when the Blue Mountains are denied decent access to rights. This is a bad government and bad economics. (Time expired)

Senator SINODINOS (New South Wales—Assistant Treasurer) (11:02): When I mentioned pragmatism earlier I had in mind something I said during my maiden speech, which is that pragmatism in pursuit of principle is no vice. The principle here was to get a resolution of the issue of the debt limit. The opposition were not willing to agree to the $500
billion debt limit. They wanted a process where they hoped we would be forced to keep coming back to the parliament on debt. We wanted to do it once, do it comprehensively and get it over and done with and remove uncertainty from the financial markets.

The Greens, after sitting through Senate estimates and questioning the Secretary to the Treasury, have raised one of the options that had been mooted by the Treasury with the government—to remove the debt ceiling completely. Seeing that that had an economic and rational justification, the Greens embraced that proposal and raised it with us. So it became an alternative way to achieve resolution of the matter.

None of this takes away from the debate that we will have in a more informed manner than ever before about the composition of the budget and the role that debt plays. I remind people of Senator Milne’s media release of last week where she said, amongst other things: Because of the Greens agreement, the public will now be able to see whether the government is incurring good debt to invest in our future, or bad debt to cover up a shortfall in revenue.

That is actually quite a stringent fiscal policy because it suggests that operating revenue must cover operating costs of government and that infrastructure is essentially focused on investing for the future. Of course, there has to be good governance around infrastructure. You do not just borrow for the sake of investing in things; it has to be economically appropriate. In this regard the Greens have made the point in the past—and I agree with them on this—that in evaluating infrastructure projects you have to make sure you are making appropriate use of existing infrastructure before you talk about new infrastructure. They argue in some areas that putting in new infrastructure may lead to environmental costs that may be avoided if we are using the existing infrastructure more efficiently. On that point we have a degree of agreement. Why shouldn’t we agree when a proposition is made that makes economic sense? Why shouldn’t we agree? It is not a case of looking at a party and saying that everything that that party says is wrong, just as the Greens have recognised in some of the stuff we have put up to them that we are saying the right thing and they agree with that. That is a normal, sensible process. It was open to the opposition to do that as well.

Yes, there are debates within the coalition. Debate is a good thing. There should be debate. We should allow debate within the coalition or within any political party around the costs and benefits of doing various things. The fact of the matter is at the moment Australia is going through some significant structural changes which will require potentially some hard decisions. As I mentioned before, we have to double our productivity growth over the next few years because our income per head is lagging.

Some of the areas that Senator Cameron talked about addressing actually imply increased government spending or increased debt. So we have this situation where on the one hand he rails against us having a propensity to increase debt yet he is calling on us to increase the debt. This is the very paradox that led to the blow-out in debt under the last government. When they had the opportunity to stay within certain limits they kept coming back to the parliament because they were blowing those limits. It is time to bring the debate to an end and accept that what the Greens are suggesting and which we have embraced will give greater transparency.

Before I sit down, in passing I note that there were some comments made about direct action. Grant King, the Managing Director of Origin Energy, praised direct action today and thought that emission reductions were capable as a result of direct action. Is he an economist?
No, he is a senior CEO of a major Australian energy company, someone who is at the front line of these debates. We talk about evidence based policy making—that is further evidence in that regard.

Senator FURNER (Queensland) (11:06): I get a little perplexed when I come here and on one hand hear an example from Senator Sinodinos suggesting that we should not be debating the debt limits and that we should be concentrating on what that debt is used for. However, on the other hand when we hear that the government is proposing to release MYEFO next week and they are seeking to pass this proposition today, how are we going to have the transparency to understand how that money is going to be spent? How is it going to be used? Is it going to be used to save those over-1,000 jobs in Qantas? Someone very close to me works for Jetstar and I want to know whether she is still going to have a job when those jobs are lost. Is the government going to put some sort of salvage package out there to save those over-1,000 jobs?

Are they going to use some sort of salvage package to look after the workers from Holden and their families? I have driven Holdens in my life—they are a very good car—and it will be a sad day for this parliament if we see the doors of Holden close to never open again and thousands and thousands of families affected by the lack of support from a government that claims to have some sort of mandate, some sort of position, to assist families and the manufacturing industry in this country. The emphasis and the impact will be placed on Toyota in your home state, Mr Temporary Chairman Bernardi, and they will be put in a position of pressure to make sure they are maintained as the car industry in this country. We know there is going to be extreme pressure put on them to maintain that position as a car industry.

Just last week we were in this chamber in question time discussing the Better Schools package. We know what happened there: the government indicated they were going to send out millions and millions of dollars to schools throughout every state and allow them to spend that money in whatever way they chose. Once again, this proposition today is an example of, 'Don't argue; don't worry about debating the limits. We as the government know what's best and how that money should be spent.' I think the public these days are a lot wiser than that with this government. They are on to you. They realise that there needs to be transparency in this regard. We were certainly quite transparent when we were in government, when we handled the global financial crisis. We went out there and explained to the public how we were going to use the money, how we were going to save jobs and how we were going to make sure our economy maintained a AAA gold rating.

I do not think that is too much to ask, to demonstrate how you are going to spend this blank cheque that has no end to it. It is consistent with what the government did last week with the Better Schools program. You are going to send out thousand and thousands of dollars to those states and you will not have any accountability of how that money is spent. I want to know from Senator Sinodinos: how is your money going to be spent? Where is it going to be spent? Where are the accountability measures in having a blank cheque way beyond the debt ceiling as it currently sits? I want to have some responsibility and transparency around that.

Senator Sinodinos, I am sure you and those opposite may not have been in a situation where, in your past, you had to go to a bank to seek a mortgage or an extension to your credit card. I know I have done that. Generally, when you walk into a bank seeking a mortgage the first things they want to know is: where are the house plans, where are the checks and
balances, where are your bank accounts, what is your financial situation, what is your employment? All those questions are put to you to make sure you are responsible and accountable in terms of repaying that debt.

You as a government come here today expecting to have a debt ceiling way beyond any possibility and expecting us as an opposition, and also the Australian public, to agree to this arrangement. That is quite unreasonable. I think you need to be upfront; you need to be transparent; and you need to explain how you are going to deal with this debt ceiling beyond its possibilities and limits. We put a reasonable proposition on the table by presenting an ability to lift the ceiling to $400 billion and then assess it thereafter. I think that is a responsible measure for an opposition to have those sorts of arrangements in place and to have some checks and balances.

When you were in opposition you questioned our spending and how we handled the global financial crisis, how that money was spent—whether it was in the retail sector or through schools or through all our infrastructure measures—and certainly there were other things we had to do during our term in government. If you recall, with the natural disasters in my home state, we came to this chamber to seek a levy to make sure people were assisted in times of greater need. My recollection is that the government when in opposition opposed those levies, opposed them when people needed assistance at a very extreme time of their life to ensure they were in a position to renew some of their furniture, whether it might be getting to their family home after they were separated as a result of the natural disasters, or whatever the case might be. You as an opposition opposed those sorts of measures.

So I would like to hear some answers as to how you are going to spend that money. Are you going to spend it as my state Liberal-National parties in Queensland are spending it? Are you going to cut jobs in the health sector and in education such as selling schools as they are doing in Queensland? Are you going to look at building tunnels under the CBD of Brisbane to go from Government House through the proposed new annexe building? These sorts of propositions need to be understood and need to be answered so that we as an opposition, and also the Australian public, have trust in the government. That is where the rubber hits the road—having trust in you as a government to make sure these sorts of things are delivered and are accountable so we can understand what you are proposing to do by lifting the debt ceiling beyond all possibilities.

**Senator SINODINOS** (New South Wales—Assistant Treasurer) (11:14): As I have indicated before, I think the best for all this—and my excitement is growing because it is getting closer by the day—is the Mid-Year Economic and Fiscal Outlook, which will lay out the full plan in this regard. It will lay out what we have inherited, what parameter revisions there have been since the Pre-Election Economic and Fiscal Outlook and the initial measures we have taken. It will give people a comprehensive snapshot of where the economy and the budget are at and the challenge that we then face in a budget context. That MYEFO will also have information on portfolio areas, including infrastructure and regional development, to which you allude.

In relation to Queensland I can give you an assurance that there is no better friend of the people of Queensland than this government in terms of the infrastructure and other opportunities that we will be providing in concert with the excellent Campbell Newman government in Queensland.
With regard to speculation about budget cuts and all the rest of it: I cannot respond to that. There is no point responding to specific individual things. I think you would have to see everything together, and that is going to be laid out in the Mid-Year Economic and Fiscal Outlook. What I find interesting is that, on the one hand, we get lambasted for allegedly wanting to increase the debt without limit and, on the other hand, we get accused of all the cuts we are going to be making. I do not think those propositions are mutually consistent or coherent. I think the opposition will have to find a different line of argument.

Here we are putting the debate back onto the quality of the budget decision making and not having this argument about debt limits on the sidelines. It has become a substitute for actually arguing over the substance of economic policy. The Greens have rightly said they want more of the debate to be around the substance of economic policy. They say, for example, it is time Australia had a much more mature debate about how to fund the long-term infrastructure that the nation needs. They mention proposals like high-speed rail and better public transport, which are obviously particular policy priorities that they have. The Commonwealth will now have to be much more upfront and transparent about how projects will be funded. That essentially covers it. They are saying incurring good debt to invest in our future or bad debt to cover up a shortfall in revenue. That is quite a stringent fiscal policy, so I do not think what we are doing here today is some licence for an unlimited increase in the debt.

Senator PRATT (Western Australia) (11:17): In the committee today we have had quite a bit of discussion about modesty, whether that be the society of modest members or modest debt. All modesty seems to be going out the window in relation to this bill. While we are on the subject of modesty, I much prefer the words of Modest Mouse. There is a line in their song that says, 'Could we change the subject now?' and that is exactly what the coalition seems to be seeking to do with this legislation. We have gone from a budget emergency to an unlimited debt ceiling. That is the question before the chamber today with this legislation.

We all saw the coalition campaign against debt before the election, and now they are asking the parliament for an unlimited increase in the debt limit. There was good reason why in government we put forward that there should be an explicit cap on debt. It was so that it could be rationalised before the parliament, so that this place could ask itself what modest, responsible debt looked like. Now it seems that the government in this parliament is asking this chamber to vote on that question without MYEFO, without a midyear economic plan, without all of the infrastructure documentation and plans—the very substance of economic policy that Senator Sinodinos refers to. We are told to wait for that substance next week. This question about the debt limit is before this chamber now, and I think it is irresponsible for us to be asked to make this decision without that information. We are being asked to blindly tick off for an unlimited credit card for our nation.

They truly have changed the subject from the so-called ‘budget emergency’. When they were in opposition Mr Abbott and Mr Hockey used to tell us about it day in, day out and all during the election campaign. It has all but disappeared. Now the question before this chamber is for an unlimited, uncapped debt ceiling for our nation. If we had anything like a real debt emergency in this country, anything like a real budget emergency, we would have had MYEFO by now and you would have had to put your savings on the table now. Instead this place has been subject to the complete opposite. In fact it has been through the media. Hey presto, we had the RBA given an $8.8 billion grant which counts against the 2013 budget
deficit. As Glenn Stevens pointed out, the strategy will see higher government dividends returned in later years.

So I ask you, Minister: why won't you tell the chamber now what you are going to tell us next week? It is quite extraordinary that, when you are so far down these plans, it can be only political manoeuvring on your part that you seek to put this question to this place before we actually see your MYEFO laid out. I think it really shows what economic fringe dwellers the coalition are truly capable of being. It is quite an extraordinary play on their part given the economic rhetoric that comes out of the coalition for pure political convenience most of the time. I cannot fathom why it is brought back to this place with this kind of question, other than by the idea that you just want to play pure politics. You raise the cry of a budget emergency, and then one of the very first pieces of legislation that you bring to this place is for an unlimited debt ceiling.

I understand what Senator Sinodinos said when he said, 'Yes, we want a $500 billion cap,' but instead it is a matter of political convenience that the Greens will offer you an unlimited debt cap. You could have come to us and explained yourselves. You could have put forward the rationale for the debt and the required lifting of the debt ceiling, but you have absolutely failed to do so. It is an absolutely extraordinary feat, to my mind—the political hoops that you are jumping through in that context. The budget reply speech of the former opposition leader, our Prime Minister, coined the phrase 'budget emergency', despite endorsing Labor's revenue and spending measures. Ms Bishop sang from the same 'emergency' song sheet, albeit she was confused about net and gross debt. We have had Senator Cormann in here with his cries of 'budget emergencies', nor did Mr Hockey seem to get off message when he said, 'Well, we didn't say the economy is in crisis.'

Confusingly, the coalition still claimed a budget emergency, but there has been no budget emergency. Where are those claims of 'budget emergency' now? When does a debt emergency end? Apparently—and this was editorialised in The Age some time ago—it is the moment when those raising the alarm win government. So what we have here is the move by Treasurer Hockey to raise the debt ceiling by two-thirds, from $300 billion to $500 billion, and now to set an unlimited ceiling. It is, I think—and as was editorialised—an implicit admission that the debt position this nation is in, established by the Labor Party in government, is responsible. We have brought forward a debt limit to this place with good reason: so that we can explain and rationalise to the parliament what sustainable debt looks like. We governed through some pretty extraordinary times when it came to things like the global financial crisis, and that meant that we needed to stimulate the economy and take those kinds of steps. Yes, they have an impact on our debt threshold—how much debt this nation has. That debt and that stimulus have to come before this place to be rationalised and debated, just as we did in government. I would ask you to responsibly do the same.

I started my remarks briefly this morning with a line from a Modest Mouse song, Missed the Boat. Other lines from the song are:

We made ourselves a pillar,
We just used it as a crutch.

I put to you, Senator Sinodinos, that your debate about debt and debt emergencies is just that. You have to get out from behind the politically convenient rhetoric about budget emergencies.
and stop using the debate about debt and deficit as a political crutch. I ask you to get out from underneath that. Modest Mouse says:

Well, nothing ever went
Quite exactly as we planned.
Our ideas held no water
But we used them like a dam.

Senator IAN MACDONALD (Queensland) (11:26): I have been following this debate very closely on the monitors, and you would almost think that this whole debt issue is a debt issue for the Liberal-National Party—the coalition, the current government. I want to ask the Assistant Treasurer: what has brought about the need to keep extending the limit of borrowing of the Commonwealth? As I recall, back in the days of the Howard government there was very little borrowing at all. There was not a great deal of need to extend any limits, because that was a government that lived within its means.

I confess to not being a great expert on the finer points of Commonwealth funding and management of government works, but it seems to me to be fairly clear—a matter of simple logic—that you borrow money only when you do not have enough money to pay for the things that the government needs to pay for. As I say, back in the Howard government's time the government lived within its means, yet we have had six years of profligate spending by a Labor Party government that was simply incapable of living within its means. Governments get a certain amount of money in. It is not government's money, of course; it is yours and mine, Mr Temporary Chairman. It is the taxpayers' money. Governments get in a certain amount of money, as in your household, and having got that money in they then spend it in the best interests of the household or the people that you are looking after—in this case, the people of Australia, and more often than not those less able to look after themselves, the socially disadvantaged—or for the essential things of government: defence, security, pensions and that sort of thing.

I want to ask the Assistant Treasurer: why are we in this situation? Is it something that your government has done, Minister, that has put us in this, or is it your government attempting to deal with the huge debt that was bequeathed to you by the previous Labor government after six years of profligate spending? I would be interested to hear your answer.

I have been listening to this debate. I heard you, Minister, say that there is no greater friend of my state of Queensland than this government, and I look forward to seeing the proof of that. Dare I say in passing that this government should be looking after Queensland because, if it were not for the electoral result in Queensland in 2010 and again in 2013, this government might not be here. It was a magnificent result from Queensland and it was an expression of the concern my constituents had about the six years of awful government we had under Ms Gillard and Mr Rudd—six years when nobody knew quite what was happening and when money was just being spent without any regard for financial responsibility whatsoever. The people of Queensland do not like that. The people of Queensland are hard workers. They put their shoulders to the wheel. They contribute enormously to the economy of Australia. I have often said—and I am sure people are sick of me saying it but I will say it again—that those of us who live above the Tropic of Capricorn represent only about five per cent of the Australian public and yet we are responsible for more than 50 per cent of Australia's export earnings. We do not see much of it coming back to the North, I might say. I
would hope that, as Senator Sinodinos has assured me and assured the Senate, this government will be looking after the people of Queensland and—by extension, I take it—the north of Australia generally.

We have read and heard over the last few days a hell of a lot about the car industry in Victoria. I remind the minister and the government that there is another very significant industry in Australia that is on its knees at the present time: the northern beef cattle industry. I wonder what assistance the government is intending to give for that industry. That industry is in the situation it is in not through any mismanagement of the industry, not through any international car maker in Detroit making decisions about its Australian operations; it is in that predicament because of a criminally stupid decision of the previous government that destroyed the northern beef cattle industry and all the jobs and the small businesses that used to support that.

Fortunately, Minister, under your government there has been some progress made in dealings with Indonesia—with no help from the opposition, who seem determined to destroy any goodwill between us and the Indonesian people and government. But I am delighted, Minister, that your government has done something. But of course more is needed. People in that industry are in a desperate plight at the moment and desperately need urgent assistance—and not, I repeat, assistance for assistance’s sake but assistance to compensate that industry for the criminally stupid decision that the Gillard-Rudd government made to destroy an industry and all the jobs and small businesses that went with it.

I have diverted myself from the question. The Committee of the Whole is an opportunity to ask questions, not to make speeches, as the previous speaker seems to have done. I want to get the minister to bring the debate back to what I understand it to be about. Is it a fact, Minister, that we have to continue borrowing this money because of debt incursions or debt commitments made by the previous government over the last six years to pay for expenditure that they did not have the money for so they borrowed it? I assume that just the change of government and the stopping of that ridiculous spending does not allow the debts to stop. I assume that a lot of the debts are locked in over a long period of time. But I would just like your confirmation of that, because, having heard the debate today, one would be confused, Minister, for thinking it was your government that has run up all these debts and required this. Perhaps you could clarify that for the Senate.

**Senator SINODINOS** (New South Wales—Assistant Treasurer) (11:34): I thank Senator Macdonald for his questions, because they give me an opportunity to remind the chamber that, yes, when we left government—a government of which he was an effective and important member in the various roles that he played—there was no net debt. There was a Future Fund. There was a fund to look after health capital. There was a fund for education infrastructure. These were funds which had been built up over the years. Everybody talks about the so-called profligacy of the Howard government, particularly the last part of it, but we actually left the place with no net debt. The reason we have a $300 billion limit that we will be bumping up against this month, on 12 December, is the build-up of debt over the last six years.

As I sought to explain earlier, the government had plenty of opportunity during that period to bring debt under control, and the whole reason we have had this debate about limits three or four times now in this parliament is that they sought to make a political point by creating a
limit and then they went and breached the limit three or four times. Then they are surprised that there is a debate about their intentions. People say: 'Hang on. You're saying you want a surplus by such a date, but your action is that you keep coming back to raise the limit.' It is important that we get away from just debating limits and talk about the substance of budgetary issues.

I am glad you raised issues in relation to Queensland, Senator Macdonald, because I do not resile from anything I said before about the support that we want to provide to Queensland—including infrastructure support, because that is going to be one of the growth areas of the country. You mentioned issues around the live cattle trade. My portfolio and others are looking at aspects of that. There are issues around insurance in North Queensland that we have discussed. There are a whole series of issues we need to tackle so that the growth and prosperity of these areas where we have such a comparative advantage can be reinforced.

We are not looking to do that through increased debt necessarily. My point is: let us talk about the substance of policy and about the priorities and choices that governments have to make. What the Greens have suggested in this debate is that we have greater transparency and by all means debate what spending is being used for and what debt is being used for. But you are right, Senator Macdonald: we are in this situation because we are bumping up against a $300 billion limit. We were advised when we came to government that, all other things being equal, when there was a certain deterioration in the economic parameters, we would be facing $400 billion to $500 billion of debt over the forward estimates.

The Treasurer made the decision that he would only come back to the parliament once to get approval for a limit, which is not a target. It is not about saying, 'The credit card is now $500 billion, let's go out and spend that.' That seemed to be the practice in this place for six years, but it is not the practice now. The MYEFO will set out what has happened to the budget since we came to office, what we inherited and the measures we have taken to date. It will lay out the problem, and the budget will have more of the solution.

The Mid-Year Economic and Fiscal Outlook has had to take account of the September quarter national accounts. That is another reason why we have spent the period since last Wednesday updating the forecast and the parameters which are in it. It will all be laid out. Modest Mouse would be very happy with what we are about to put out. From the description provided by Senator Pratt, particularly at the end, Modest Mouse sounded like a member of the Labor Party.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (11:38): Given that the minister has raised the current state of the budget, I am going to ask him about a couple of the decisions this government has made and to confirm the effect on the bottom line. I think the lie, or the misleading position, that has been put by those opposite is a suggestion that nothing that has happened since they were elected has affected the budget. The reality is that they have made a number of decisions for more spending and to change tax arrangements, including tax minimisation arrangements that the previous government put in place, which have negatively affected the budget.

The minister does not want to talk about that and he certainly will not be providing information on that, but that is a decision that is very relevant to this debate. If you are going to campaign against debt and deficit and if you are going to say that the answer to debt is not more debt and then come into this place and say that you want to have more debt, I think you
are obliged to provide the parliament and, through it, the Australian people with information about what you have done to effectively worsen the budget position since you have been in charge.

Can the minister confirm that the coalition's decision to provide an $8.8 billion grant to the Reserve Bank of Australia will add to the 2013-14 budget deficit?

Senator SINODINOS (New South Wales—Assistant Treasurer) (11:39): Let me put this in context. The Mid-Year Economic and Fiscal Outlook will lay out what has happened to the budget since the election. There will be parameter revisions—as you are very familiar with, Senator Wong—which will reflect any change in the economic circumstances of the country which feed through to spending parameters; labour market pressures and the impact they may have on unemployment receipts; revenue and its impact on the economy and nominal GDP, which is the main driver of revenue for the budget; and any other changes in our economic circumstances.

The September quarter national accounts confirmed that the economy is growing at sub-trend growth. It is growing at around 2.5 to 2.6 per cent per annum, not the 3-plus per cent that we have been used to, which we call trend growth—maximum non-inflationary growth, if you like. My point is that we have sub-trend growth and soft wages and prices in the economy. The gross operating surplus, a measure in the national accounts of company profits, has been soft as well. The result is that there is softening, which has been confirmed by the national accounts. That will be reflected in the economic parameters. But guess what? We will not be hiding that; that is there.

Quite rightly, the senator, from her long experience being finance minister and a cabinet minister, will know that the Mid-Year Economic and Fiscal Outlook will also lay out discretionary decisions. For the benefit of those listening to this debate in the gallery, those are decisions of the government of the day as opposed to something that happens automatically because an economic parameter has shifted in the budget. An example is the decision like the one mentioned by Senator Wong, which is the $8.8 billion grant that will be provided to the Reserve Bank. Yes, that is a conscious decision of the government. It reflects discussions between the Treasurer and the Governor of the Reserve Bank, who is very clear in his mind that what we call the capital buffer that the Reserve Bank has to deal with fluctuations in our foreign exchange—its armoury for dealing with fluctuations in exchange rates and the like—had to be replenished because it had been reduced over time. When push came to shove, the previous government believed, in principle, in rebuilding the buffer—it had fallen to two or three per cent—but in practice they kept coming back, in the last instance for a $500 million dividend even though they had said to the Reserve Bank that the buffer should be rebuilt. So in consultations between the Treasurer and the Governor of the Reserve Bank it was agreed that the buffer would be rebuilt to about 15 per cent. That is an investment in having a strong central bank with a strong balance sheet so that when there is financial volatility in the international economy they have the firepower to deal with it. They will be very happy with that, and we take full responsibility for that decision. We will defend that decision, and, yes, it will be in there.

For those of you interested in the technicalities, the grant cannot be provided as what is called an equity injection—in other words, like a shareholding. You cannot just buy shares in the Reserve Bank and do it under the line. It had to be a grant, which means it is above the
line and has an impact on the budget bottom line. We take full responsibility; we do not shy away from that. That will be there in all its glory, and we will lay out the reasons for that in the budget.

The senator talked about announced but unenacted tax measures. On coming to government, this government found there was something like 96 measures of the previous government relating to tax and superannuation which had been announced but not legislated. So the problem you have in the community is: what law do they follow? The existing law or the law as it might be if a particular proposal that was announced via press release at budget time or some other time which was expected to become law had not yet become law? What do you do? So we had to deal with those measures. We dealt with 28 of those measures as quickly as we could. I will send off another 64 for consultations with the private sector, the Board of Taxation and other bodies.

And yes, in the case of some of those measures we did take a hit on revenue.

Let me give you an example: the fringe benefits tax on cars—$1.5 to $1.8 billion, fully offset in our budget deliberations from before we came to government.

Senator Wong: $3 billion!

Senator SINODINOS: Fully offset, Senator Wong, the fringe benefit tax on cars decision. And that was the major decision in that $3 billion.

We removed the self-education cap, which was a cap of $2,000. Eighty per cent of people who have self-education expenses of more than $2,000 earn less than $80,000 a year. A nurse on $55,000 a year, expending more than $2,000 on self-education was going to be $1,200 a year worse off as a result of what the government had enacted when it was scrambling to find money to pay for Gonski and other things.

So, yes, we took some hits to revenue, but we can justify every one of them. In net terms those hits were something around $1 billion because we had identified savings options on issues like the fringe benefits tax on cars before the election. So we are happy to stand in the public arena when the Mid-Year Economic and Fiscal Outlook is put out there and defend each of those measures and to set out the tasks that we have—the Everest we must climb.

Let me say in this regard that Senator Pratt referred before to what happened to the budget emergency. Do not take my word for it: go and get an article by Jessica Irvine—an independent journalist. She talked about the budget emergency last week. I mention a journalist because Senator Pratt mentioned The Age. Go and get that article by Jessica Irvine which sets out in brutal detail the budget emergency.

The challenge we have in this country is that it really is like the boiling frog: the temperature is rising ever imperceptibly but conditions are getting hotter and hotter. And we are going to cook our goose if we—sorry to mix metaphors on geese and frogs!—are not able to get deficit debts under control because our population is ageing. The structure of our economy is changing and that is impacting on our revenue base. So we have real work to do. That is why there has been so much debate through the Productivity Commission report recently, and the Grattan Institute, about what we need to do about the various ages at which people become eligible for benefits. But that is for another day.

My point is simply this: there is a budget emergency, we are committed to bringing it under control and that is the substance of the issue, not the issues around debt limits or whatever. As
I mentioned in earlier parts of this debate, economists like Ross Garnaut, Saul Eslake and others, who are not necessarily always friends of the coalition, made it quite clear that that debate is a sideshow. And the Secretary of the Treasury made it clear to us who were at the table at Senate estimates, including the Greens who were at the table—Senator Milne was there. The Treasury Secretary came under close questioning on these points, and he said that one of the options that had been raised with the government was the idea of abolishing the debt ceiling.

I actually think this is a much better way to go, ultimately. It will lead to a much more informed debate and I really think we should bring the matter on.

**Senator WONG** (South Australia—Leader of the Opposition in the Senate) (11:48): I would make a few comments in response to the minister's non-answer to my question, where he is not confirming by how much the coalition government is worse in the bottom line since they came to government. We know, for example, that there is the $8 billion grant to the Reserve Bank which will probably—although he will not confirm it—hit this year's deficit and blow out this year's deficit. We know also that revenue measure changes will hit the budget negatively by about $3 billion. That is some of what we know.

We also know that they are now going to spend more in some areas to deal with their political problems—political problems in schools and political problems in the regional grants area. So there are additional spending decisions. This government has worsened the budget bottom line and is refusing to fess up to it. That is the reality. And if they are going to offset all of that new spending, well, the minister should stand up and say that.

The Labor government did offset new spending, and many of the savings measures that we used to offset that spending those opposite opposed. As yet, I have not heard the Treasurer, the Assistant Treasurer or the finance minister be absolutely clear that in MYEFO they will offset all new spending. Because if you are not offsetting new spending you are adding to debt. That is the only way you can finance it. The reality is that this government is intent first on breaking their pledge to the Australian people that they would reduce debt and deficit. They are not the government they said they would be. They said they would reduce debt and they said, over and over again, that the answer to debt is not more debt. And now they come in here and demand more debt, and they want to demand more debt without even telling Australians what they want to spend it on.

We know from what the minister has said in here today, we know from what the Treasurer has said, we know from what Mr Briggs has said and from what Senator Milne has said about what she has been told—or what she has said publicly—that this government wants to spend more money on infrastructure. Well, if you are going to borrow to fund infrastructure you are going into more debt. And if you campaigned against more debt it is incumbent upon you to tell Australians what you are going to use the money for. If you are going to fund more infrastructure through more Commonwealth debt, more public debt, you should come in here and say that. But you do not want to say that: you want to have a debt debate where you do not actually tell people what you are spending it on.

The phrase 'budget emergency' was used in the minister's speech, and I would say this: there is not a budget emergency, but the coalition will try and create one. If there were a budget emergency there is no way that this government could even talk about borrowing money for infrastructure. If there were a budget emergency there is no way that this
government could even talk about guarantees for the private sector. The very fact that they
can do that demonstrates that there is no budget emergency. It is the strength of Australia's
public finances which enable them to even contemplate more debt or public guarantees. If
there were a budget emergency you could not. That is the reality, and Senator Sinodinos
knows that.

The facts are these: that you do always need to seek to improve the structural position of
the budget. You do, which is why we made some difficult decisions. And I recall Joe Hockey
doing another one of his hairy chested routines. When we sought to tighten the means test on
family tax benefits to create a structural save over time, what did he say? He called it 'class
warfare'. Very quietly, magically, he decided to support it later—but the first day out: this was
bad, this was class warfare. And who can forget, when we put out our position on the baby
bonus, the person who is now the Treasurer of Australia likening it to the one-child policy in
China? That was the standard of the debate when it came to some of the structural savings
measures that we put in place. And when it came to DisabilityCare or the Better Schools Plan,
we laid out a 10-year funding plan, many of the savings of which were opposed by the then
opposition. So what we have is a coalition that said one thing to Australians when they were
in opposition about how they would be and now, in government, they say something
completely different.

There is not a budget emergency, but the coalition want to create the impression of one.
Why do they want to do that? It is all about politics. It is all about trying to set up the
rationale, the excuse, for the cuts that are to come. You know that there is no way that the
Australian people will accept some of the cuts that you are proposing to heal
health and to
education. Watch the Prime Minister walk away from that election commitment. His ministers
will not even back it in in the chamber in question time now—when they are asked, 'Will
there be cuts to health and education?' they duck and weave. You know you have to walk
away from that election commitment. That is why ministers in this chamber will not back it
in. The only rationale you have, the only justification, the only excuse is you need to create a
budget emergency. You need to do what Jeff Kennett did, what Campbell Newman did, what
Liberal governments have as tried and true practice: you get into government and you say:
'Oh, no, it's much worse than we thought! Oh, dear, oops-a-daisy, we're now going to have to
do all the things we gave you a commitment we wouldn't do!' That is what is being set up
here; that is what this debate on debt is a precursor to. It is a debate about a government that is
refusing to come clean with Australians about what its real plans are.

I have one other question to the minister, and that is about how you are going to present
MYEFO and how you are going to present the budget. It has been longstanding practice that
budget aggregates are presented in both the underlying cash balance and the fiscal balance,
both accrual and cash accounting. The importance of this, obviously, is that people do not just
pick and choose which aggregate suits them. Can the minister confirm that the government
intends to present both the mid-year economic update and the budget in the same form, using
the same preferred budget accounting methods, including both the underlying cash balance
and the fiscal balance for both the budget updates?

Senator SINODINOS (New South Wales—Assistant Treasurer) (11:55): My expectation
would be that that would remain the practice. If I believe it is about to change I will let you
know, but I see no reason why it would change. I would say from the point of view of the
financial markets that they have tended on the whole to rely on the underlying cash balance as
the measure of the budget position, but it has become the practice to have both the underlying
cash balance and the fiscal balance. I see no reason why that would change.

I thought it was interesting that the former minister almost ended up in an intellectual cul-
de-sac, talking on the one hand about how we are about to blow the debt lid and on the other
hand that we are softening everybody up for these major cuts. Well, I will let you into a
scoop. What we are going to do is going to be quite balanced. It will balance the near-term
needs of the economy at a time when the economy has been relatively soft for the reasons I
mentioned earlier—with subtrend growth, with unemployment edging up—against the
medium-term need to put in place the sorts of measures that Senator Wong referred to as the
'structural saves' so that, over time, we are making more and more savings. The fact of the
matter is beyond the forward estimates is when the increase in some of the major spending
starts to come through, whether it is the Gonski education funding or the National Disability
Insurance Scheme. Contrary to what the senator said, essentially what we have been told on
both those items is not that there were specific saves but there was a commitment to find
offsetting savings for those proposals.

Senator Wong: That's not true!

Senator SINODINOS: I invite Senator Wong to perhaps refresh and remind us of the
specific measures that were going to be taken that were going to offset these initiatives. In
recent days, when it comes to the so-called Gonski reforms, we are now being told that the
opposition will oppose one of its own savings measures to do with tertiary education. What
this government is doing, I can assure Senator Wong, is we will be providing full information
on offsets. There has been a very rigorous process through the Expenditure Review
Committee to look at offsetting savings for new spending and also to review spending
commitments of the previous government and measures announced in the economic
statement. I can assure the senator that that will be a very rigorous process.

With regard to infrastructure spending, when we put our proposals together before the
election we also identified how we would pay for them. The Parliamentary Budget Office
made it very clear that on the whole that savings exercise on our behalf was very credible. So
we come into government and into this debate in this chamber with a lot of budget and
economic credibility. I want to remind people that the budget emergency we are talking about
is an emergency that does build up further over time, over the medium term, including with
the ageing of the population and the drivers of spending that will unleash particularly in
the health and aged-care areas. So there is more work before us to be done. This is not an
excuse just to spend, spend, spend. We have to do so in a judicious way, conscious that,
notwithstanding our size as a G20 economy, we remain by world standards a small, open
economy and therefore we cannot afford to carry great levels of debt. Adverse external
economic shocks can have a major impact on our economy, and we have to make sure we
have flexibility in the structure of our capital flows to accommodate that.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (11:58): First,
in relation to offsetting savings, I invite the minister to consider some of the documents
released at budget and also what was made clear by the then government, including at
estimates, about the long-term funding plans for both of those major initiatives of the former
Labor government. I remind him that he opposed, and is opposing, a number of them still,
which means he is going to have to find the money elsewhere or spend less money on DisabilityCare and on education. I also want to note that, despite all the bravado about making sure that they are responsible, the minister declined to indicate that the government would be offsetting all new expenditure—or maybe I missed that. I didn't miss it?

Senator SINODINOS (New South Wales—Assistant Treasurer) (11:59): It will be all laid out in the budget. Rather than mislead you, it will all be there in black and white. That is the intention of the government.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (11:59): You either do or you do not. You either offset all new spending—discretionary spending, of course—or you do not. So which is the fiscal rule? I am not talking about estimates variations, I am talking about discretionary decisions of government to increase expenditure. Is it the government's position that in the MYEFO it will offset all new spending?

Senator SINODINOS (New South Wales—Assistant Treasurer) (12:00): The rule we laid out, which I mentioned before in the context of some other budget rules, was that the coalition will offset new spending commitments. But what I am saying is that rather than take my word for it, wait until MYEFO is released and then you can judge for yourself.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:00): I also make this point: the intellectual cul-de-sac the minister made reference to is, I think, the government's. The intellectual cul-de-sac comes from saying, 'We do not believe that more debt is the answer to debt,' and then coming along and saying, 'but more debt is the answer if it is us proposing it.' That is probably not an intellectual cul-de-sac, it is just rank hypocrisy, isn't it, or misleading the Australian people, however you would like to describe it? That is what we are debating here. We are debating a government that said before the election, 'The answer to debt is not more debt,' and who now says, 'but the answer to debt is more of our debt.'

I come back to the budget emergency point. The government wants to talk about a budget emergency because they need the political impetus and justification and excuse for what they will plan to do after the commission for cuts. That is the reality. But again, I make this point. You can look at the economic data; you can look at the fact that under our government our economy grew from, I think, the 15th to the 12th largest economy in the world; and you could look at the state of our public finances. You can look at our unemployment rate as compared with many other advanced economies, and you can look at how Australia avoided a recession, which unfortunately was faced and experienced by too many advanced economies around the globe. But I make this point: one of the things that this minister, the Treasurer, and other ministers in the government have flagged is more government financing or government support for more infrastructure spending. If there were a budget emergency, they could not possibly flag that. You could not contemplate that. The only reason you can contemplate either more borrowing or a public guarantee for infrastructure projects is because of the strength of Australia's public finances. The only reason that you can come in here and argue for no limit on debt, is also, frankly, because of the strength of Australia's public finances.

I would make this point. I said on Thursday—I made the point when this was last debated—when I referenced Mr Costello's comments about a debt limit and the discipline that that imposes on government and the cabinet process. I think those comments remain apposite. I again remind the government that we on this side have said that we will always take a
responsible approach to these issues. We were willing to provide a $100 billion increase to the
debt limit, essentially, sight unseen, and to take the government on their word ahead of the
midyear review. We were prepared to ensure that Australia's debt ceiling was increased and
we said we would be prepared to look at it going to the $500 billion, which was the
Treasurer's ask after the midyear review. But we did think that if you are going to ask for that
sort of massive increase in Australia's debt position, or debt limit, that it was a reasonable,
sensible proposition to say: put your books in front of the Australian people. You refused that.
It is a very sensible path that would have required a little bit of disclosure by government.
Instead you have gone down the track of doing a deal with the 'economic fringe dwellers'—
your phrase not mine—and you have convinced them to agree to an arrangement which
essentially consolidates existing debt reporting into one document. They are not actually
getting any more information from that than what is already on the public record, and I expect
that the Assistant Treasurer knows that.

There is one other area that I did want to question the minister on—the climate reporting.
This is interesting. This was referenced, I think, in Senator Milne's press release where she
said that 'the other thing that we have got is a recognition that climate change policy, if it is
not going to be a market mechanism, is going to come out of the budget, and so there is an
'agreement that the government will report on climate change policy on the Australian
economy and the budget not only in the media but also as part of the Intergenerational
report'. Can the minister provide some details as to what has been agreed?

Senator SINODINOS (New South Wales—Assistant Treasurer) (12:05): That is subject
to further discussion. We are doing the Greens the courtesy of having a further discussion
about how we can improve reporting in that regard, building on some of the reporting that is
there already. I think that what the Greens are proposing there is very logical and sensible,
because if we are talking about climate change as something which happens over a longer
term period, it makes a lot of sense to put that in the context of something like the
Intergenerational report and improve the reporting.
The Treasurer's letter, I think, laid out in a bit more detail how we would do this. It says:
… retaining a dedicated section on the environment including climate change and the effect of these
policies and their impact on the Australian economy and the Commonwealth budget.

I will consult with the Australian Greens on the scope of what could be included within the section.
Then also in the additional debt statements, which may become due in due course if debt
surpasses $50 billion also at any particular time, it talked about the reasons for the debt
increase and would also to make some reference to whether they were climate change related
spending as well. That was my recollection. Again, most of this will be the subject of further
consultation. I think that is a good development. I think it is good that there is more
transparency around talking about the impact of climate change. Evidence-based policy
making means having information and using that information to make informed decisions,
and I think what the Greens have suggested on that front is quite appropriate.

Senator MILNE (Tasmania—Leader of the Australian Greens) (12:07): I would like to
add a few comments in relation to climate change reporting. As everybody is aware, even a
five per cent target will not be achieved with direct action, but it in the next few years we are
going to see Australia have to agree to much higher levels of emission reduction, especially in
the negotiation of a 2015 treaty to take effect after 2020. That means that if you are not going
to go with a market mechanism, you are going to have to end up spending an awful lot of money in order to buy emission reductions—especially if you are going to only do that in the Australian context. That is why, by 2019, you are going to see huge impacts on the budget from having to cough up billions into the government's preferred direct action. The only way you are going to see a projection of that in that kind of time frame is to put in a report not only the impacts of climate change on the Australian economy, but also the impacts of climate policy on the budget generally. That is why we have an intergenerational report which comments on changes to demographics over five years, and the next one is due out next year in 2014.

Next year's intergenerational report will report on the projected costs out to 2019. There will also be an undertaking that details regarding government spending on climate change and the extent to which this contributes to debt will be included in the debt statements in the budget, MYEFO and PEFO. It is going to lead to much more significant reporting around how much direct action is actually costing, compared with what an emissions trading scheme would cost—and, as we know, one of the issues with the emissions trading scheme is that if you bring it forward to flexible pricing in 2015, as Labor would have us do, it would be a $4 billion hit on the budget that year which has to be accommodated somehow. I think that is one of the things that people are starting to realise. If you are going to address climate change in a way that is appropriate to the science, it is going to be massive emissions reductions. That is why it makes no sense to have those emissions reductions funded by government, especially since government is resisting regulatory change.

In the United States they have gone down the path of regulatory change, not because they think it is superior to emissions trading or a market mechanism, but because President Obama was unsuccessful in trying to get market mechanisms. So they have gone down the path of regulatory change, particularly with power station emission standards. But, if you are going to go down this path of funding emissions reduction from the budget, it is going to cost big time and we need to see where and how that money is going to be found, especially since there is no appetite for increasing revenue—which is where the government is failing again in terms of the mining tax—and that is one of our strong arguments around why you would be mad to get rid of an emissions trading scheme at the moment. It is quite important that those figures are made quite specific and are not just what has been spent in a budgetary sense in the last year, but also what is projected to be spent over coming years.

Senator SINODINOS (New South Wales—Assistant Treasurer) (12:11): I thank Senator Milne for her contribution. Her contribution indicates why the government agreeing to this particular set of proposals is no free lunch for the government. As Senator Milne has demonstrated, there remain significant differences between the government and the Greens on the approaches to climate change policy, but what we do agree on is having the transparency and the debate about what the measures mean and their implications for climate change emission reduction.

The point I would make about what is happening in the United States is that going down the route of regulatory change is the very same reason why Australia is going down the route of direct action, and it is not the coalition's fault. Over time you can track this in things like the Lowy Institute Poll, with which I was associated for a number of years. What we have found is that while people remained concerned about climate change—even though that
concern did reduce over time as the global financial crisis and other matters came to the fore—their willingness to put their hand in their pocket directly to pay for mitigation policies was very limited. This was the dilemma, particularly in a context where electricity prices had risen very strongly as a result of network investment, which was done with the approval of state regulatory authorities. That was the political context, for the benefit of those listening in the gallery.

So the United States has gone down the route of regulatory change and Australia is going down the route of direct action in order to try and meet the twin aspirations of the public, which are to do something about climate change while not requiring people to put their hand further in their pocket. That is the truth of the situation, that is the dilemma with which the coalition had to wrestle and that is the dilemma with which the Obama administration has had to wrestle. The greater transparency that we will have over paying for climate change will inform that debate over climate change going forward, and we are prepared to live with the consequences of that. That is why, as I said before, there is no free lunch for the government in agreeing to these particular measures.

Can I go back to a point that Senator Wong made about Peter Costello, when he talked about the debt limit being a discipline that could be used to persuade his colleagues not to increase spending beyond a certain point. Of course, he is right—you can use a limit to do that, but under Labor that limit was not used as a discipline to stop debt going up. All that happened is that people would come back to this parliament from the other side to request an increase to the limit. Every time we got close to spending the credit card limit they came back for more, rather than using it in the way that Peter Costello suggested.

**Senator CAMERON** (New South Wales) (12:14): The issue before us is an issue of trust and competence. I think, given the pathetic performance of this government since it took office, that the public do not trust you. That is the reality. They do not trust you to look after jobs in the manufacturing sector, they do not trust you to look after their health and they do not trust you to look after their education. No-one has ever seen such a fiasco so early in a government's life as the education fiasco that has beset the coalition, an absolutely terrible situation. I always wonder, when we keep hearing about where the coalition are heading and we keep coming back to Peter Costello—my least favourite treasurer—and also find it interesting to think through where the coalition got some of the arguments that they put to the public prior to the last election. The reality is they had a Tea Party tool kit in their back pocket.

How do we know that? We know that because Senator Mathias Cormann, the now Minister for Finance, had in his itinerary for a trip to the US, in January 2011, meetings with all of the right-wing ideologues in the US including FreedomWorks and the Tea Party. So he was not going there to be told about the role of government, he was not going there to be advised about what role government can play in terms of crisis; he was there to talk to the Tea Party, FreedomWorks, the Cato institute, the Heritage foundation, the Chicago Climate Exchange and the Heartland Institute. That institute is the mob who do not believe anything is happening with the climate, they do not believe the climate is a problem and they do not believe that smoking is a problem. They are financed by big business from the mining sector and financed by the tobacco sector. So here we have one of the senior frontbenchers in the coalition in 2011 out to get his tool kit from the Tea Party. They have got what is called the
Patriot's Toolbox. Every time you hear Senator Cormann speak in this place, understand that a toolbox is coming out. It is the Patriot's Toolbox. It is the Tea Party's Toolbox and in it they have got all their approaches on a range of issues.

They have got 10 principles of healthcare policy, including that you should keep government out of health care and only those that can afford to have health care should engage in health care of a standard that is appropriate for their means. So if you are working class then you do not get health care but if you can afford to get health care then you get it. That is from the Patriot's Toolbox, which Senator Cormann brought back. There are 10 principles of energy policy, so just deny that there is anything happening in terms of climate change, just deny that the big polluters are polluting the atmosphere and just deny that the changes that are taking place as to climate are anything to do with the big business that fill the coffers of the Tea Party and the coalition here with money to fight elections. There are 10 principles of school choice. Quite clearly, that part of the Toolbox has come out as used by Senator Cormann and that part of the Toolbox is alive and well. It is basically about going back to a situation where it does not matter what are your needs as it is simply about whether you can afford to pay for a private education—and if so you will get it. So if you have got plenty of money your education is not a problem; if you are in the working class in this country then you will be set back a long way as you will not have access to the best and you will not have the equal opportunity that we hear so much about in this place. You can still stay in decaying schools, you will not have access to the best teachers and you will not have access to the tools that provide a decent education.

There are 10 principles of privatisation. I think all it says is 'Sell off' 10 times, so sell off anything that government is involved in. There are 10 principles of telecom policy, so put up a big fridge at the end of every street in the country, call that a node and say, 'We'll get to you your second-rate, second-class digital access in the future.' There are 10 principles of state fiscal policy. What it goes on to say there is that fiscal policy and state budgets across the country are bleeding ink with no end in sight and 'this booklet presents a pathway towards sound fiscal policy'. It says:

Above all else: Keep taxes low.

Protect state employees from politics.

It goes on with a whole load of nonsense. I think the situation is quite clear, that there is a role for the state and that when the market is failing there is a need for the state to be involved. I have been looking through some of my books over recent times including one by Joseph Stiglitz, the Nobel laureate economist. The book is called Freefall. What does he say about the big debate that is going to take place after the global financial crisis? Remember that this is the global financial crisis that the coalition pretend has never existed. They wiped it out of their memory banks. In fact, we had senators who are here arguing that it was not really a global financial crisis and that it was a North American financial crisis. How dopey can you get? They tried to argue that our businesses were not failing because they could not get investment, they tried to argue that banks were not in jeopardy, they tried to argue that what we had done in terms of a stimulus package really should not have been done—just when everyone else in the world was talking about the global financial crisis and I think in the United States they called it 'the great recession' with multimillions of people losing their jobs. Twenty million in China alone lost their jobs because of it—but supposedly it was only an
American phenomenon! What Joe Stiglitz, one of the most eminent economists in the world, says is that we need to take on this argument that the government that governs best is the government that governs least. That is the argument we are getting over here: it is a fiscal policy that is about small government, no role for government, let the market rip.

What Joe Stiglitz points out is that the Republicans argue that tax cuts can cure any economic ill: the lower the tax rate, the higher the growth rate. Yet if you look at one of the most successful countries in the world, Sweden, it has one of the highest per capita incomes and broader measures of wellbeing; it outranks the United States by a considerable margin. Life expectancy in Sweden is 80.5 years, compared to 77 years in the US. Sweden understands that a country has to live within its means. Labor understands that the country has to live within its means. But I think it is becoming clear that the coalition do not see that they have to live within their means when they come here and ask, weeks after being elected, after railing against debt, for massive increases in debt. The hypocrisy is just huge.

Joe Stiglitz also says that if you want to have good health, education, roads and social protection, those public services have to be paid for and that the Swedish public sector has managed to spend its money well. America's private financial sector has done a dismal job if you compare the Swedish approach, the Scandinavian approach, to the US approach. Our shadow Treasurer is over there talking to the Tea Party and it is chalk and cheese. This small government, low tax issue is not the way forward.

Let us have a look at the Howard government when they were in government. We hear all of the arguments about what a great Treasurer Peter Costello was. In my view, he was probably the worst Treasurer we have ever seen. In the book The Australian Moment, by George Megalogenis, one of the most respected analysts in the country, he said:

Costello's first budget involved no lasting sacrifice. Labor had reduced the size of the national government from 27.3 per cent of GDP in 1984-85, to 22.7 per cent at the top of the previous boom in 1989-90. Half of those gains were lost in the session, and jobless recovery and federal spending were at 25.5 per cent of GDP by 1995-96. The coalition returned to the benchmark of 23.1 per cent of GDP by 1999-2000.

The coalition were not good economic managers. Megalogenis goes on to say:

Every voter that cried 'cost of living' was given a wad of cash to quieten them down.

So rather than be good economic managers, the coalition just handed money out—a wad of cash every time that somebody cried out. He then said:

Then the next voter wanted the same. The competition for handouts infected the government itself—

Senator Sinodinos was up to his neck in this, being a Howard staffer at the time—being pragmatic, I assume, Senator Sinodinos; taking pragmatic decisions to break the back of any opposition or any concerns people were raising about the government. He goes on to say:

The competition for handouts infected the government itself. Howard and Costello argued repeatedly over the quantity and content of the largess—

well we know who won that one. It was not jelly-back Peter Costello; it was the then Prime Minister—

but it was the Howard government, not the Howard-Costello government. The Prime Minister always prevailed, because the Treasurer did not want to take the fight to the public, even though, as Paul
Keating demonstrated through the eighties, the deputy with the calculator can often pull rank on the leader with the chequebook.

So when you hear about the coalition saying that they are great economic managers, and ‘Just give us all of this money and everything is going to be okay’, well you want to be very careful about it. There is no trust in the coalition being able to handle the economy. There is a growing concern about their competence, and so there should be, because the Treasurer has demonstrated that he will capitulate to everyone who raises an issue—it is the Peter Costello-John Howard modus operandi writ large. There will be a capitulation. Whether you capitulate to the Nationals or you capitulate to the Greens, there will be a capitulation from the coalition, so no-one is trusting your capacity to deal with a massive increase in debt in this country.

So the issue that faces this Senate is this: if you are not trustworthy, if you are not competent, why should you be given the keys to the bank? We do not trust you; the public do not trust you. They have seen the chaos that has been this government from the start—the chaotic approaches. On the one hand you have the Greens in coalition with you and on the other hand you have the National Party in coalition with you. You have the right-wing ideologues such as Senator Cormann out there cuddling up with the Tea Party, running all of this small government agenda—this extremist agenda.

Your party room must be an absolute hoot. It must be an absolute hoot to be in your party room, listening to what is happening with Senator Cormann, listening to the arguments from your jelly back Treasurer—he just wants to give in and make sure everything is done, as you describe it Senator Sinodinos, in a pragmatic way. So it must be a real sight to be in your party room when all of these tensions and all of these divisions are writ large. No wonder Senator Macdonald is on to you. No wonder Senator Macdonald, on your own side, is describing some of the dysfunctionality in your government. Your government is dysfunctional; your government has been one of the worst governments ever to take over the Treasury benches. You cannot be trusted with the extra money that you are seeking; you cannot be trusted in looking after people who need jobs; you cannot be trusted in relation to your promises. It is what people think they were promised, according to the Prime Minister, not what you are going to do. This is a big challenge for the country. It is not a challenge for you people because you will continue your chaotic practices and demonstrate that you are unfit for government.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:29): We are going to be in a position I think for this debate to be concluded soon, subject to the government not adding any more surprises to this legislation. I want to make a few points about the opposition’s position and about this debate.

We will be supporting the Greens amendment in relation to transparency. We do not think it actually adds anything. We think the amendment really simply consolidates information that is already on the public record and can be found by a sensible perusal of the budget papers, the website of the Australian Office of Financial Management or the monthly financial statements issued by the finance minister, which are also available on the web. So while we will support this amendment, we do not support a no debt limit position.

This debate has demonstrated a number of enormous hypocritical turnarounds, reversals of position. The government that was the party of no debt has become the party of no debt limit. The party that described the Greens as the economic fringe dwellers has now made the Greens
its trusted economic partners on debt management. The party that told everybody all around the country that Australia was drowning in debt now wants to add to Australia's debt. It has done it already through blowing out the deficit this year through making a range of decisions but it does not want to tell people what they are. Just as importantly, it wants more debt down the track to finance infrastructure that it is not prepared to front up about. So a country that was drowning in debt is now going to get more debt, according to what ministers are saying.

The central proposition from the government seems to be that Labor debt is bad and coalition debt is good. That is what this all comes down to: Labor debt is bad; coalition debt is good. That is the only explanation for the hypocritical U-turn that we have seen from those opposite, who once came in here and went up hill and down dale across Australia railing for hours that debt was bad. They are now coming in here saying: 'We don't want a debt limit. We're also adding to debt, but we're not going to tell you the detail of those decisions until much later.'

We said we would take the responsible approach to this debate and we have. I think Australians will see this as yet another example of a government that said one thing before an election and another thing afterwards. The professed self-styled warriors against debt now come in here and say, 'We want no limit on the amount of public debt that we can take on.' That is the reality and yet another example in the short time this government have been in place that they are absolutely not the government that they said they would be.

Senator SINODINOS (New South Wales—Assistant Treasurer) (12:32): I am glad that we are coming to the end of this matter.

Senator Wong: If you keep speaking, I'll keep speaking.

Senator SINODINOS: No, I don't want to provoke Senator Wong any further. The only point I want to make in relation to what Senator Cameron has said is that we are not following the Tea Party, the Nordic model or any other model. We are going to do this the Australian way and we are going to do it by promoting people who have a go while giving other people who need it a fair go. That is the Australian way, Senator Cameron, and that is reflected in what we are doing here today.

The TEMPORARY CHAIRMAN (Senator Whish-Wilson): The question is that Senator Milne's amendments be agreed to.

Senator Wong: Mr Chairman, I ask that you put amendments (1) and (2) separately to the remainder, given that I indicated in my contribution just now that the opposition intends to vote differently on those two sets of amendments. I will take some advice from Senator Milne or the Clerk through you, Mr Temporary Chairman, but I think amendments (1) and (2) relate to the substantive removal of the debt limit—and we have made our position clear on that—and amendment (3) relates to the transparency arrangement, the additional reporting, and we propose to support that amendment. If the Clerk could clarify that, I would appreciate it.

The TEMPORARY CHAIRMAN: The question is that amendments (1) and (2) moved by Senator Milne be agreed to.

The committee divided. [12:38]

(The Chairman—Senator Parry)

Ayes .................. 40
Noes .................. 25
Senator Hogg did not vote, to compensate for the vacancy caused by the resignation of Senator Joyce.

Question agreed to.
The CHAIRMAN: The question now is that the amendment moved by Senator Milne, (3) on sheet 7451, be agreed to.

Question agreed to.

The CHAIRMAN: The question is that the motion moved by Senator Fifield, as amended, be agreed to.

The Committee divided. [12:44]

(The Chairman—Senator Parry)

Ayes .................40
Noes .................25
Majority.............15

AYES
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Edwards, S
Fawcett, DJ
Fifield, MP
Johnston, D
Ludlam, S
Madigan, JJ
McKenzie, B
Nash, F
Rhiannon, L
Ruston, A
Scullion, NG
Siewert, R
Smith, D
Whish-Wilson, PS
Wright, PL

Birmingham, SJ
Boyce, SK
Bushby, DC
Colbeck, R
Di Natale, R
Eggleston, A
Fieravanti-Wells, C
Hanson-Young, SC
Kroger, H (teller)
Macdonald, ID
Mason, B
Milne, C
Parry, S
Ronaldson, M
Ryan, SM
Seselja, Z
Sinodinos, A
Waters, LJ
Williams, JR
Xenophon, N

NOES
Bilyk, CL
Cameron, DN
Dastyari, s
Furner, ML
Lines, S
Lundy, KA
McLucas, J
O'Neil, DM
Polley, H
Singh, LM
Sterle, G
Tillem, M
Wong, P

Brown, CL
Collins, JMA
Farrell, D
Gallacher, AM
Ludwig, JW
McEwen, A (teller)
Moore, CM
Peris, N
Pratt, LC
Stephens, U
Thorp, LE
Urquhart, AE
Senator Hogg did not vote, to compensate for the vacancy caused by the resignation of Senator Joyce.

Bill, as amended, agreed to.

Bill reported with amendments.

Senator SINODINOS (New South Wales—Assistant Treasurer) (12:47): I move:

That the report of the committee now be adopted.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:47): To be clear about what has occurred, I want to make a few comments before we vote on this. The Labor opposition very responsibly moved an amendment which was originally accepted by this Senate to increase the debt limit by $100 billion to $400 billion—a debt limit that evidence from Treasury and Finance estimates made clear would ensure plenty of space for this government until the next budget update. We also said that we would be prepared to look at additional increases provided the government was prepared to open the books and provide an update to the Australian people via the parliament as to the true state of the budget since they have been elected.

The government refused that, and the government that was the party of no debt has now become the party of no debt limit. This was the party that opposed the Australian Greens, that lectured us and the Australian people about how radical the Greens were and said they were watermelons—green on the outside, red on the inside were Senator Abetz's words—and economic fringe dwellers. Now the coalition have done a deal with the economic fringe dwellers to ensure that there is no debt limit in this nation. We do not support that position. We do want to behave as a responsible opposition, and that is why we have taken the steps we took to ensure that there was an increase before the current limit was reached. I note that those opposite refused to accept that very reasonable proposition and are now saying: 'We know before the election we said that the answer to debt wasn't more debt. Well, we don't believe that anymore. That's not our government's position. We do believe the answer is more. We believe now that, in fact, Labor debt is bad and coalition debt is good.' For that reason we will be opposing this report.

The PRESIDENT: The question is that the report of the committee be adopted.

The Senate divided. [12:53]

(The President—Senator Hogg)

Ayes ......................40
Noes ......................26
Majority.................14

AYES
Bernardi, C  Birmingham, SJ
Boswell, RLD  Boyce, SK
Brandis, GH  Bushby, DC
Senator Carr did not vote, to compensate for the vacancy caused by the resignation of Senator Joyce.

Question agreed to.

Report adopted.

Clean Energy Finance Corporation (Abolition) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.
to which the following amendment was moved:

At the end of the motion, add "but the Senate expresses concern over the impact that the abolition of the Clean Energy Finance Corporation will have on investment in renewable energy projects".

Senator IAN MACDONALD (Queensland) (12:56): There is a long list of speakers on the Clean Energy Finance Corporation (Abolition) Bill 2013. I am one of the few from the coalition who will be speaking. The Labor Party are quite clearly filibustering on this and every other bill to cause as much difficulty as possible to the Australian public. The Australian public want this bill passed before Christmas. They made their views very, very clear at the last federal election. The government is keen to honour its commitment to the Australian people to abolish the carbon tax and all the trappings that go with it, and that is why government speakers will be noticeable by their absence from this debate. We are, thanks to the Labor Party and the Greens, dealing with each bill separately, and I will not have the opportunity of speaking on any other bills, so my remarks, as I indicated earlier, are in the broader way. I am also keenly aware that we want to get on, so I will try to confine my remarks. I have already spoken for about eight minutes.

Before concluding, I just want to emphasise this point: I think this whole climate change debate will go down in history as one of the great frauds on the Australian people—similar to Y2K, I would suggest. The suggestion is that having the world's biggest carbon tax, which will reduce our emissions by five per cent—that is, five per cent of the 1.4 per cent of emissions that come from Australia—will change the climate of the world. You have heard Senator Milne time and time again telling us all that this climate change process in Australia is what is going to save the world. She cannot possibly believe that. Nobody in their right mind could possibly believe that.

I have always said the climate is changing. Clearly it is. Australia used to be covered in ice once. The centre of Australia used to be a rainforest. Clearly the climate is changing. Is it man's emissions that have done it? I do not know; I am not a scientist. But I say again that there are a great number of reputable scientists who doubt it. I acknowledge there are a great number of reputable scientists who are absolutely passionate about the argument, but I might say I am not convinced. But I do accept the climate is changing. But why Australia, which emits less than 1.4 per cent of the world's carbon emissions, should be leading the way nobody has ever been able to explain to me. Why Australia should have the world's largest carbon tax when it is such a small emitter again escapes me, and nobody, in any debate we have had in this chamber, has ever been able to explain to me why it is that we should destroy Australian industry, destroy Australian jobs, for no benefit whatsoever.

As the report I was referring to when I last spoke on this says, it is all pain for no environmental gain. It is clear that Australia acting alone cannot change anything. We will do what Australia committed to do—that is, reduce our emissions by five per cent. We will do it by the direct action method. But I emphasise, even in relation to our programs, that unless the rest of the world does something then it is not going to make one iota of difference. I have heard all the statistics, but I know the other statistics. China opens a coal fired power station every week. India continues to use fossil fuel. I am not critical of them for doing that. All I am saying is: why does Australia put itself at such a commercial disadvantage for something that is not making one iota of difference? The sooner we get rid of this authority and all the
trappings that go round the Labor-Green con job, if I might call it that, of climate change, the better Australia will be.

I am quite sure that in years to come people will look back on history and say: 'Remember how Y2K was going to destroy the world? Remember global warming?'—as it was originally—'Well, we're still going.' Whilst the coalition will do its five per cent, as we have always committed to, we are not going to do it at the expense of the Australian people. We took this proposal to the election. No Australian could have been under any doubt. Mr Abbott said many times: 'This election will be a referendum on the carbon tax.' Nobody could have been in any doubt.

I know Labor Party people—I will not name names, but they might out themselves one day. I can read the papers. I knew about the debates in caucus. Most of them in the Labor Party agree with my approach that there is no point in going through all of this pain for no environmental gain. The Labor Party profess to be interested in the jobs of Australian workers, yet they have had this adherence to a carbon tax policy, a policy they promised never to introduce. They said before the last election that they had already got rid of it. Here they are with a golden opportunity to honour their 2010 election commitment not to introduce it—well, they did that but they can get some forgiveness by at least helping get rid of it. Before the last election they went around trying to pretend to the Australian voters that they had already got rid of it. We know that is simply not true.

I would like to go through every one of these bills in detail, on the actual subject of each bill, but I am not going to have that opportunity. I am luckier than most on this side of the chamber in that I have the opportunity to speak once, but most of my colleagues will be asked not to speak, because we want to get this through. We want to do what we promised we would do for the Australian public, and that is get rid of the carbon tax before Christmas so that people can have a $500 Christmas present, in the way that their electricity bills will fall.

**Senator Thorp:** Five hundred dollars by Christmas—is that what you're promising?

**Senator IAN MACDONALD:** Well, it'll be a good start, Senator, and you can help.

**Senator Thorp:** Five hundred dollars?

**Senator IAN MACDONALD:** Let's not argue about the amount and let's not argue whether it is this Christmas or next Christmas, but not even you, Senator, could say that the carbon tax is not having an impact on the price of electricity that all your constituents are suffering from.

**Senator Mason:** It was designed to do that.

**Senator IAN MACDONALD:** It was designed to do that, Senator Mason; you are absolutely correct. That is why the Australian public in droves, in safe Labor seats, voted for us. I know we are pretty good apart from that, but people in safe Labor seats voted for Liberal candidates because they would get rid of the carbon tax. I do not know how long it is going to take the Labor Party before the penny drops, but that is what the people of Australia want. I desperately hope that you will knock it back this time and the next time and go to a double dissolution election on it, because it would mean the end of the Australian Labor Party as it is known. It may mean the increase of the Democratic Labour Party. It may mean that the Greens will pick up that ultra-left-wing vote, a little bit of which still goes to Labor. So, if you want to see the end of the Labor Party, please knock this legislation back. If you have any
interest in your own principles and what you believe in and what you think needs to be taken
to parliament every time—

**The ACTING DEPUTY PRESIDENT (Senator Ludlam):** Senator Macdonald, I ask you
to refer to other senators through the chair.

**Senator IAN MACDONALD:** Thanks, Mr Acting Deputy President. You are quite right.
Members of the Labor Party in the Senate should understand that their own future depends as
much on a sensible vote on this particular piece of legislation as anything else.

I will confine my remarks there. We want to get on and try and get this voted upon. I do
not want to delay the chamber anymore except just to appeal to those opposite to allow us to
honour our commitment to the Australian people. The Australian people made their voices
and their wishes very, very clear at the last election. Please listen to them as we have and
allow these bills to go through.

**Senator THORP** (Tasmania) (13:07): The plan to close down the profit-making Clean
Energy Finance Corporation is not just a narrow-minded act of economic and environmental
vandalism, but it is completely devoid of any rational justification. This decision runs counter
to expert opinion and global thinking at the expense of future generations, our international
reputation and the future of our planet. If ever there was concrete evidence that this
government is hell-bent on ignoring the advice of experts in order to maintain the integrity of
their welded-on climate change blinkers, the repeal of the Clean Energy Finance Corporation
is it. Simply put, the government plans to shut down the very organisation that has cut our
nation's carbon emissions while returning a profit to Australian taxpayers. This is an
organisation which has not only leveraged $1.5 billion of private sector investment and cut
carbon emissions by an estimated 3.9 million tonnes, but it has added millions of dollars to
our national coffers in doing so.

Let us take a step back to consider the logic of the government's position. Let us cast our
minds back only a few months to the point when those opposite could not talk for more than a
few minutes at a stretch without screeching about a budget emergency. Of course even the
most basic perusal would show that the facts did not support this perspective, but let us give
those opposite the benefit of the doubt, that they do not understand the fundamentals of
economics and that they truly believed that this was the case. If they do truly believe that the
budget is in such a dire situation and if, as they say, they believe wholeheartedly in the very
real risks of human created climate change, then why would they make one of their first acts
the shutting down of an organisation that has a proven track record of cutting carbon
emissions while turning a multimillion-dollar profit? Frankly, it baffles me.

The truth of the Clean Energy Finance Corporation is that it has been a spectacular and
lauded success. The truth of the Clean Energy Finance Corporation is that it is run by some of
the brightest business minds in this country and has leveraged investment from the biggest
investors around. The truth of the Clean Energy Finance Corporation is that it actually brings
profits to government coffers to the tune of $200 million a year. So it is indeed a mystery that
the coalition would set out to dismantle something that is so undeniably successful in meeting
its objectives—the very objectives that they purport to support. How could it be that those
opposite are willing to force a $200 million hit to the budget whilst the chance to meet our
carbon targets recedes further and further into the distance?
I was hoping to gain some insight into this mystery by listening to the speech of Senator Abetz in this place last Tuesday. I thought there was a chance that there was something I and a multitude of experts across the country and around the world had missed in our analysis. But do you know what? In his whole 20-minute speech, Senator Abetz did not even mention the Clean Energy Finance Corporation, let alone provide reasons for eradicating it—not a peep; not a whisper. This is despite the fact that Minister Abetz was speaking directly to the Clean Energy Finance Corporation (Abolition) Bill. This leads me to believe that Senator Abetz knows, just as I do, that the arguments to justify this action do not exist and that it is, quite simply, indefensible. Perhaps this is the reason that we have barely heard from any other speaker of the Liberals or National Party, despite the fact that they have spent the last three years waging vicious scare campaigns against Australia’s clean, green energy policy. This should be their moment in the sun and their realisation of victory in their three-year war against action on climate change. So where are they?

The $10 billion Clean Energy Finance Corporation was set up by the previous Labor government to mobilise private sector investment in the commercialisation and deployment of Australian-based renewable energy, low emissions and energy efficient technologies. Its self-described mission is:

… to accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase private sector investment in emissions reduction.

That is exactly what it has been doing. The CEFC was created to respond to a slow uptake on the behalf of investors when it came to adopting green investment opportunities. This was not due to a lack of financial viability of energy-efficient projects, but it resulted from investor unfamiliarity, the size of the loans required and the relative level of technical complexity involved. The CEFC helped address these problems by acting as a bridge between investors and projects. It provides invaluable independent advice, tailored finance and advocacy in the marketplace. In its short life, the CEFC has provided $1 for every $2.90 of private sector investment in green initiatives. In doing so, it has leveraged more than $1.55 billion in private capital investment and facilitated more than $2.2 billion in projects. Together, these projects account for a reduction of 3.9 million tonnes of carbon—an impressive outcome for an organisation so young.

On its own, this is a very worthwhile outcome, but it becomes even more remarkable when you learn that the CEFC has also been able to secure a return to Australian taxpayers of over seven per cent for their investments. This is particularly laudable when you consider that the five-year bond rate across the portfolio was only 3.11 per cent. The CEFC has invested in a diverse portfolio mix across the economy. It has invested in projects including wind, solar and bioenergy across Australia as well as energy efficiency and low-emissions technology projects in manufacturing, building and local government. They boast benefits including improved energy productivity, faster technological advances and greater acceptance of green projects in the finance sector. We have also seen improvements in technology design, supply chain depth, construction practices, operating skills, financing structure and market risk appetite.

As at 20 August this year, the CEFC had active discussions underway with 37 project proponents who were seeking finance of more than $2 billion, which would help leverage
projects worth more than $4 billion. They had also received proposals from over 170 proponents for green projects with an estimated value of close to $15 million.

They have also set the ball rolling for some very worthwhile projects. In New South Wales the large-scale solar PV plant to be built near Moree will generate enough power for about 15,000 homes and abate more than 95,000 tonnes of carbon emissions. In Port Augusta, South Australia, Sundrop Farms is building a 20-hectare greenhouse facility which will use a renewable power supply and a sustainable water supply to produce over 15,000 tonnes of tomatoes a year.

In Queensland, JBS Australia, the country's largest meat processor and exporter, will capture and use biogas in its existing natural-gas-fired boiler plant at its Dinmore facility to reduce dependence on grid connected natural gas by over 48 per cent. The project will cut the facility's greenhouse gas emissions by the equivalent of 44,000 tonnes of carbon dioxide per year. In my own home state of Tasmania, the Clean Energy Finance Corporation supported a project in Kingston which has cut the civic centre's lighting costs by 75 per cent. By replacing the existing fluorescent lighting with more efficient LED tube lighting, the Kingborough Council was able to make savings of more than $11,000 a year.

Through projects like these, the CEFC is also supporting 21st century jobs in rural and regional Australia and building Australia's clean energy supply chain capability. If allowed to continue to do their good work, the CEFC has the capacity to make investments that would make up half of our five per cent emissions target by 2020, and in doing so they would return a profit to the taxpayer of $2.4 per tonne of abatement.

It is not surprising that Mr Nathan Fabian, CEO of the Investor Group on Climate Change, outlined five reasons we need to retain the CEFC. In his words:

Firstly, governments cannot sufficiently finance low-carbon alternatives to meet a two-degree outcome and private capital is needed. Secondly, the low-carbon investment market is relatively young and so deal flow needs to be supported. Thirdly, capacity in the finance sector must be increased through the experience of financing investments. Fourthly, financial participants welcome investment opportunities presented in a new market by an objective third party, even more than by investment banks. Lastly, co-financing organisations can actually earn financial returns for governments, delivering abatement at negative costs—and we think this is appealing and makes sense to all parties.

Clearly, he has not been talking to Senator Macdonald. He went further to say:

Given the government's infrastructure agenda, we think that dismissing co-financing as a useful policy instrument may be premature.

This perspective is backed up by Rob Murray-Leach, chief executive at the Energy Efficiency Council who said of the CEFC that it has encouraged:

… a lot of investment in energy efficiency, probably more than we’d have expected in a short period of time, and we’re also seeing it really catalyse changes in the finance sector.

He also said that it is not clear:

… whether the finance sector will continue to evolve and invest heavily in energy efficiency and clean energy after the CEFC is repealed.

The truth is that co-financing is a tested and proven model to encourage private sector investment, reduce emissions and provide a return to taxpayers.
The CEFC is just one of 14 such co-investment schemes across the globe. As I said earlier, the work is guided by some of brightest economic minds in the country. Its work is overseen by chair and respected businesswoman Jillian Broadbent, who has a distinguished career in the banking sector and was one of the longest-serving members of the Reserve Bank Board. In her evidence to the recent inquiry into the package we are considering today, Ms Broadbent presented a compelling overview of the incredible achievements of the CEFC. I recommend that all senators revisit this inquiry, in particular Ms Broadbent's evidence, as she presented a persuasive case for retaining the CEFC and saliently showed us what we stand to lose if it is abolished.

Ms Broadbent was also clear when asked about the government's proposed Direct Action scheme which will provide grants to big polluters. She said:

I don’t think you have to make a grant to get that emissions reduction. Our experience is you’re better to make an investment to get the emissions reduction.

Of course, this opinion is entirely in keeping with the opinions of climate scientists, economists and policy makers right around the world. It baffles the mind that the Coalition would choose to spend billions of dollars on their Direct Action plan, which has been widely and vigorously criticised by experts, rather than maintain a body which has proven itself not only to reduce emissions but also to bolster the budget bottom line.

I share Jillian Broadbent's frustration when she said how disappointed she was that such a vital issue has become so politicised. I understand exactly how she felt when she said:

You just want to get on with what you think is in the public good, which is positioning Australia for a low carbon world.

This is exactly what we on this side of the chamber are trying to do. But unfortunately, the national interests have run counter to the coalition's desperate ploy to gain power at any cost by waging a massive scare campaign about Australia's clean energy policies.

Despite what those opposite say about believing in climate change, it is hard to believe them when they are systematically dismantling all the tools we have at our disposal to tackle it. They are not only flying in the face of scientific evidence but they are seriously threatening our international reputation in the process. Ironically, as we debate today whether we should let our climate policies disappear into oblivion, they are doing the exact opposite in China's second largest province, Guangdong, which has a population of around 100 million. In fact Guangdong is set to introduce an emissions trading scheme this week, if not next, which will be second in size only to that of the European ETS.

I cannot help but think it is ironic that, in the very week that China is making this progressive move, we in this place are talking about how we in Australia can turn back the clock and turn our backs on our ethical obligations, the planet and generations to come. But it is not just China that is making progressive changes to limit carbon emissions. The truth is that 99 countries have pledged to reduce or limit emissions by 2020. This covers 80 per cent of global emissions and includes all major emitters. In this context it is not surprising that, if the coalition is successful, Australia's rating will drop to 57 out of 61 countries on our efforts to mitigate climate change, according to the Climate Change Performance Index.

This bill and the others that make up this package are designed to systematically dismantle all the good work that has been done towards meeting our national obligation to combat
climate change. This package, if passed, puts our future quality of life at risk. Of course, those opposite are so determined to shut down the Clean Energy Finance Corporation that they have not let such a small thing as legislation being passed in this place get in their way. In fact, in his very first day on the job, Treasurer Joe Hockey is reported to have written to the CEFC requesting that they desist immediately from making any new investments—never mind the fact that the CEFC are legislatively required to undertake this task by an act of parliament; never mind minor details such as the need for legislation to pass through this place before the CEFC can be abolished. This was an audacious act that showed complete disregard for parliamentary process.

The government would have you believe that just because they won a majority in the other place that gives them carte blanche to do whatever they choose. Given the chance, those opposite have proven they will gladly dispose of all the annoying dissenting voices, particularly those who provide rational, reasoned evidence of their failed policies. We have seen this happen already in this young parliament when they gagged debate in the other place on this bill. They seem to hold the curious idea that winning an election makes it somehow illegal or unethical for anyone to oppose them. They seem to be arguing that no-one in this place has the right to maintain opposition to their policies, regardless of how ludicrous, counterproductive and ideologically driven they may be.

The idea that a mandate somehow abolishes all rights to opposition smacks of totalitarianism. I and my colleagues will not be bullied by those opposite into selling out future generations. What the government did achieve a mandate for on 7 September was to introduce their policies and present the arguments for their passage through this place. They most certainly did not win the right to ram through any ham-fisted, ill-considered nonsense like this bill before us today.

We in Labor will not just sit down and acquiesce to the regressive and dangerously anti-scientific policy regime that the government seems to be waging. We also have a responsibility to the Australian people to fight as hard as we can to ensure the best policy outcomes for all Australians. We also have a responsibility to the people in our states and electorates to represent the policy stance that we took to the election, which was for a rapid move to an emissions trading scheme. So, no, a mandate does not mean we will simply wave through bad policy that runs counter to our strongly held beliefs, which are solidly backed up by the advice of experts. We will stand strong on our beliefs and will not be bullied by those opposite into supporting a policy that will be detrimental to the budgetary bottom line, our nation and the planet. I can only hope that the coalition recognise how breathtakingly irrational they are being in shutting down the Climate Change Finance Corporation and come to their senses before it is too late.

Senator SINGH (Tasmania) (13:26): I rise to speak to the Clean Energy Finance Corporation (Abolition) Bill and do so with a sense of frustration and pity. Why? Because there is mounting evidence of the human impact on climate change, making it no longer acceptable not to act. The previous Labor government acted because we believe that policy, not politics, is required to fight global warming. But today the coalition have let their politics dictate policy, and I have to say this is a very dangerous thing. They have been blind to the proven benefits of the Clean Energy Finance Corporation and what it has brought to Australia.
Those things were alluded to by the chairwoman of the Clean Energy Finance Corporation, Jillian Broadbent, during a Senate committee hearing last week. She made very clear that her organisation is making money, cutting emissions and fulfilling a role that the private sector could not. This was reported in The Australian Financial Review last Friday, yet Senator Sinodinos thinks that the CEFC’s functions could be fulfilled by the private sector. That is completely contrary to the view of the chairwoman, Ms Jillian Broadbent. She has made it very clear that to abolish this body would be a mistake because the private sector could not fulfil this role. I think Senator Sinodinos has some clear reflection to make on his point of view. Is it a point of view only based on ideology or is it a point of view that is based on good public policy, on science and on economics?

We know when it comes to climate change that the position the government takes is ideological. It is not a policy that is based on science or economics, and that shows, because as soon as the new Prime Minister, Tony Abbott, was sworn in he instructed his department to prepare to repeal Australia’s climate change policies. It was the very first thing he instructed his department to do because of this fixed ideology that the coalition have about climate change. It was to be replaced—they do have some kind of policy—by the most expensive climate policy they could come up with. Abbott’s plan, let’s make it very clear, is to give taxpayers’ money to polluters—

Senator Johnston: A point of order, Mr Acting Deputy President, about referring to the Prime Minister.

The ACTING DEPUTY PRESIDENT (Senator Ludlam): Yes. Senator Singh, I ask you to refer to members of the other place by their correct titles.

Senator SINGH: My apologies, Mr Acting Deputy President. The Prime Minister’s plan is to give taxpayers’ money to polluters to encourage them to change some equipment and perhaps plant some more trees. But even with a price tag of almost $3 billion, it is hard to find a scientist who believes that direct action will come anywhere near its target. Reducing emissions—and let us make it very clear—is very much a secondary goal in the coalition’s policy. The main game very much continues to be playing politics with climate change. In fact the Prime Minister’s direct action plan will have a net cost in the end to the taxpayer. This is really bad policy.

Labor’s policy, on the other hand, created an incentive for all businesses to cut their pollution by investing in clean technology and for finding more efficient ways of operating, thereby cutting costs to their business. It provides an opportunity for clean producers of energy and goods, those who have taken into account that impact on their environment, to have a competitive advantage commensurate with their social contribution to the effort to reduce the world’s carbon emissions. It encourages businesses across all industries to find the cheapest and most effective way of reducing carbon pollution rather than relying on more costly approaches such as the government regulation and direct action. It is the policy that provides the spark for Australian ingenuity, for innovation in responding to climate change. It is a policy that translates the motivation we have in science into motivation for economics. The CEFC has been working to unleash some amazing economic opportunities, be it wind, solar, biomass and geothermal energy, all providing sustainable options to deliver our energy and transport needs and create new innovative industries for Australia to embrace. All pretty good stuff!
Australians have a proud history of sustainable industry. My home state of Tasmania is one example of that. In the early 20th century—I think about 1914—the Tasmanian government set up the Hydro-Electric Scheme, later the Hydro-Electric Commission, to create the first state-owned hydro-electricity generator in Tasmania. At its heart was the recognition of forward-thinking investment in the infrastructure of the future and what we can create, and opportunities for sustainable development and the jobs that they create. In Tasmania the early adoption of hydro-electricity paved the way for industry to come to the state and access our cheap energy. In these days of the national energy market, hydro-electricity continues to provide Tasmania with opportunities to sell premium clean energy, and gives further credence to our reputation as a state of pristine beauty.

We need to foster innovation in this country. We need to embed the carbon costs of doing business into the thinking of our entrepreneurs and job creators, and we need to do that now. We need to deepen our capacity to produce high-quality, low-emissions goods and services that we can sell to the whole world. They are the new jobs that look and feel like the kind that we have been familiar with for some time. The difference with the clean energy jobs future is that they do not have a use-by date. They will not be rendered obsolete when commercial, environmental and technological pressures mean that only the innovative will be able to survive. It is only Labor that has ever had that courage to introduce the kinds of broad economic reforms that are necessary to ensure that jobs in Australia stay competitive, that conditions stay decent and the opportunity to find and keep work remains open to this generation of workers, their children and their children's children.

The CEFC is a prime example of just that. It is a prime example of successful policy in the clean energy sector. So why on earth would you abolish it? Why on earth are we debating this bill to abolish the CEFC? It works to overcome capital market barriers, which have hindered the clean energy industry in Australia by investing in firms and projects which are using innovative technology. It is not, as incorrectly labelled by the government, 'Bob Brown's slush fund'. How insulting to the CEFC and its chairwoman!

Senator Whish-Wilson interjecting—

Senator SINGH: And to Bob Brown—thank you, Senator Whish-Wilson. It is commercially oriented and that has made positive returns on its investment. It is critical to understand that this corporation is making a profit on the taxpayers' investment. Isn't that a good thing, making a profit on a taxpayers' investment? Why would a party that supposedly stands for the free market get rid of something which has such a positive economic return the government investment?

That is why Labor has taken responsibility and stood by our principles in advocating for protecting our environment and the Australian people during a period which will decide the stability of Australia's future. The leadership displayed by Labor, I believe, has pioneered a scheme in Australia which is very progressive and critical for our future. The latest Intergovernmental Panel on Climate Change report says that we can be 'as certain that humans are to blame for global warming as we are that smoking cigarettes causes lung cancer'. The scientific evidence of climate change and the case for action to both mitigate anthropogenic climate change and adapt to its effects have been mounting for decades. For sometime now the need for action on climate change has been beyond reasonable doubt. The best science tells us that research and development is vital for the continuous creation, improvement and
adoption of new technologies to help mitigate climate change. The distinction needs to be made between science that is robust and science that is relatively uncertain. All conclusions should be based on peer-reviewed literature.

The OECD study *Effective carbon prices* found that emissions trading schemes provide the lowest cost for reducing carbon pollution among the different approaches available. The report 'shows that taxes and trading systems are preferable to other policies, such as feed-in tariffs, subsidies and other regulatory instruments.' The findings were 'in line with textbook suggestions that trading systems and broad-based carbon taxes are the most economically efficient policy tools to mitigate climate change.'

What it means is that we have to take threats of severe environmental degradation seriously and that we have to be mindful of the effect that we are having, and are able to have, in redressing environmental damage. It says that we should use the tools we have at our disposal before it is too late. This is attested to by the Intergovernmental Panel on Climate Change, the CSIRO, the Bureau of Meteorology and the Australian Academy of Science.

I want to briefly explore some of the ideas about the intersection between science and public policy by reflecting on approaches taken by international organisations of which Australia is a member, including the Convention on the Conservation of Antarctic Marine Living Resources. This organisation, which is charged with managing environmental resources, is based on the precautionary principle. The precautionary principle holds that:

Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.

There is another important component when we are talking about science and public policy, and that is the ecosystem approach. I think it is worth mentioning a few words from the Food and Agriculture Organization's definition with regard to fisheries:

An ecosystem approach to fisheries strives to balance diverse societal objectives, by taking into account the knowledge and uncertainties about biotic, abiotic and human components of ecosystems.

That approach means a number of things: it means that we need to take into account the full effects of our actions on the environment; it acknowledges that humans unquestionably have an impact on the world around them, often in unpredictable and unanticipated ways; it explains that an ecosystem is an interdependent thing and that the human community is firmly a part of it; and it recognises the significance of serious environmental degradation now and into the future and the effects that recklessness towards our environment have on our human prosperity. It says that when we risk our environment we risk our own prosperity, and yet the coalition would rather mischaracterise not just the Australian and global scientific community, but also the very properties of elements such as carbon itself. They would rather play disingenuous semantic games with words like 'pollution' and 'natural' than face up to the issues that a responsible public policy maker would take account of.

The CEFC is specifically about all of that: it is about sustainability; it is about our environment; it is about rewarding forward-focused businesses and giving traditional industries an incentive to think ahead; and it is about making sure that Australia is prepared for the new types of industries and jobs which will allow us to maintain our economic prosperity into the future.
It has also brought economic certainty for businesses in co-financing models. As chairwoman Jillian Broadbent, who I mentioned earlier, commented on the success of the CEFC:

Over the past year, the CEFC has achieved real success in addressing its challenging objective of funding transactions with a public policy objective, applying a commercial filter, and achieving financial self-sufficiency and a return on capital.

A return on capital. A positive economic outcome. That is what the CEFC has provided to the Australian taxpayer. Further indications from the industry show strong support. For example, Epuron secured government co-financing loans due to the CEFC and stated:

The role of the CEFC is pivotal in enabling renewable energy projects, particularly solar PV, to reach financial close so that more are built and the market in Australia matures at a faster rate. In our own experience, the CEFC has not been providing concessional loan finance that undercut the market but rather debt that fairly reflects project quality on market terms from a perspective and in a way that does not crowd out the local banking community.

That is a pretty positive comment there, among so many other positive comments that have been made about the Clean Energy Finance Corporation, making it clear as day that the position of this coalition—particularly of Senator Sinodinis—that the private sector can simply replicate the work of the CEFC is not only short-sighted but simply wrong. We have an organisation providing a return to taxpayers—it has a positive investment for taxpayers and for the government—so why on earth would a government now get rid of such a successful organisation? Of course there is only one reason, and that is that they are ideologically bent on doing so. It cannot be based on economics and it cannot be based on science, because those arguments simply do not stack up. It can only be based on their ideological fixation to get rid of anything that the last government was involved with when it came to positive public policy around tackling climate change in this country. That, I have to say, is a real shame.

It is a real shame not just for our generation and not just for current taxpayers; it is a real shame for our children, because it is about the new jobs that will come about through the innovation of businesses being part of wanting to create a clean-energy future. It is that generation that will miss out because the incentive will not be there

There is no incentive that this coalition government is providing, if they get rid of this Clean Energy Finance Corporation, for businesses, corporations and companies to change their behaviour—and this is exactly what this CEFC did as it provided that support. That is exactly what the whole carbon pricing mechanism did. It provided that support, that incentive and that meaning to business and Australians to make a change to a new, clean energy future, one based on new, clean energy jobs, one based on cutting our emissions and doing our part as a middle power in Australia on the issue of climate change.

As a middle power, what does that actually mean? It means that we are setting a bit of an example in our region. We know that in our Asian region a number of countries have some way to go on acting on climate change and yet even China is going ahead in leaps and bounds when it comes to pricing carbon. But as Australia we can set the example and we can lead the example and show them how positive economic outcomes can come about through transforming an economy to one with a clean energy future, one where a clean energy finance corporation—a government body—can be set up and can actually provide a return on
investment to their taxpayers, just as it has to our taxpayers here in Australia. To abolish this organisation is short-sighted and simply stupid.

Senator CAROL BROWN (Tasmania) (13:46): I rise to also speak on the Clean Energy Finance Corporation (Abolition) Bill 2013. This bill cannot be supported. There is not a logical reason to tear down the Clean Energy Finance Corporation. Labor support terminating the carbon tax but we do not support doing nothing. There is no reason to get rid of the Clean Energy Finance Corporation, no matter how the other pieces of legislation proceed, and the Labor opposition will not support the abolition of the Climate Change Authority.

The coalition government is trying to abolish a profitable entity simply because it is hell-bent on removing any trace of positive policy relating to tackling climate change. The Clean Energy Finance Corporation is making a profit, as you have heard, Madam Acting Deputy President, from the many contributions from this side of the chamber. The corporation is making a profit, reducing emissions and helping to invest in Australia business as we transition to a low carbon economy.

So why is the Prime Minister, Mr Abbott, along with those opposite, so determined to get rid of it? Is it because the Clean Energy Finance Corporation was a Labor idea—a petty-minded approach so typical of this new government? As you have heard, Madam Acting Deputy President, from the many contributions that have been given on this bill, we on this side believe that this is a typically petty-minded approach of the government to remove what is a profitable corporation. The Prime Minister, Mr Abbott, has himself so worked up about scrapping the carbon tax that he is ready to scrap a market based mechanism and replace it with taxpayers' money to pay grants to the big polluters to reduce their emissions. That flies in the face of the Liberal Party values: don't let the market dictate matters; leave it in the hands of the government. Mr Abbott's policy removes the legal cap on pollution and allows the big polluters open slather. Instead of polluters paying, Mr Abbott is setting up a slush fund of billions of taxpayers' dollars to hand to polluters. Experts agree this will cost households more while failing to cut pollution. That is in stark contrast to the opinions of the many experts that have given a view on the government's direct action policy. In contrast, the CEFC lends money for both renewable and clean energy technology investments and is set to fund emissions reductions at a negative cost to government. It is turning a profit. The government's alternative plan for an emissions reduction fund will consume billions from consolidated revenue. But Mr Abbott and those opposite are so determined to follow through on their three-word slogan that they are willing to turn their back on the very principles of their own party.

Here we have an entity facilitating loans to clean energy technology aimed at increasing power efficiency for businesses and industry. This, in turn, has been reducing carbon emissions and developing valuable renewable energy technologies. We should be lending this money to those who are reducing pollution, not paying money to those contributing to it, as the Prime Minister wants to under his Direct Action Plan. The Clean Energy Finance Corporation is ticking all the boxes. It is making money for the government and is helping to reduce Australia's carbon footprint. Why won't this coalition government—Mr Abbott and those opposite—listen to reason? Why won't they listen to the Chair of the Clean Energy Finance Corporation, who has pressed the government hard to spare the corporation from Mr Abbott's savage cuts? The corporation's chair is Jillian Broadbent. She told the Senate
Environment and Communications Legislation Committee on Tuesday, 26 November, that the Clean Energy Finance Corporation is making money for taxpayers and that if it were to continue would account for half of Australia's 2020 emissions target at no cost—half of that bipartisan target of five per cent. Where do those opposite suggest that the slack will be made up for if they have their way and scrap the CEFC, which is making money for the government's bottom line and helping the nation reach its emissions target free? Why would you say no? No, they prefer to scrap this revenue-raising corporation in favour of handing out money to big polluters. Why would you want to scrap an entity that is making significant headway in reducing Australia's emissions? It is simply not good enough to stick our heads in the sand and leave the next generation to tackle the issue of climate change. Climate change is real. The Labor Party supports real, meaningful, effective action on climate change. Something must be done. We cannot sit back and do nothing. Our parliament, as leaders of our country, must send a clear message on this issue: why is it so important to our children and generations into the future? We must tackle climate change with a long-term view.

It will take time to effect change and reach targets, but we must stay the course set by bodies like the Climate Energy Finance Corporation. The CEFC has been strongly supported by private investors. For the $536 million the CEFC has invested, $1.5 billion has been poured in by private investors. Those private investors have seen the benefit of investing in clean energy, energy efficiency and renewable energy. The coalition should not destroy the business confidence in this growing young industry that has so much potential, especially when, at its expense, the government is taking the Direct Action Plan—that is, paying grants at a net cost to the taxpayer.

As reported in the Australian Financial Review on Wednesday, 27 November, Ms Jillian Broadbent and the Clean Energy Finance Corporation Chief Executive Officer, Mr Oliver Yates, put the strong case for keeping the corporation going to the Senate environment and communications legislation committee. They said the $10 billion loan facility was exceeding all expectations. They said it was making money for the government. They said it was effecting real reductions in emissions. But this is a coalition government that shuts down independent advice and any organisation that dares to accept that climate change is real. This is a government that thinks it knows better than the experts. This is a government with its head in the sand on climate change. This is not the government the Australian people thought they were voting for. This is a government that would rather lose money from its budget bottom line than face up to the fact that climate change is real and that something must be done by this generation to tackle it.

The CEFC is one of about 14 organisations across the globe that are a catalyst for investment in renewable energy and clean technologies. It fills an important role in mobilising capital for investment. It is absolutely not a slush fund; it is making the Australian taxpayer money. In contrast, the coalition plans to keep a pile of dollars to dole out to big polluters. The average return on the CEFC's investment is seven per cent, a clear argument for retaining it. Ms Broadbent and Mr Yates made it clear that abolishing the Clean Energy Finance Corporation would cost the Australian government and Australian taxpayers up to $200 million a year in lost revenue—that is, up to $1.5 billion by 2020. All that while reducing carbon emissions. Ms Broadbent said it would cost the taxpayer more to shut down the CEFC
than it will save. I will repeat that: it will cost more to shut down the Clean Energy Finance Corporation than it will save. What is this government thinking?

This is a naysayer government of climate change deniers that cannot get its head around the issue, so it will torch everything associated with it. This government, when in opposition, slammed the setting up of the Clean Energy Finance Corporation, saying it would fail and cost the taxpayer. Not for the first time when it comes to climate change action, the Liberals and the Nationals were wrong. The Clean Energy Finance Corporation is a roaring success by the two most important measurables: it is making money for the government bottom line and it is putting a dent in this country's emissions output. It beggars belief that the government would want to junk this successful enterprise, but as part of Mr Abbott's three-word scrap the tax policy, it is on the chopping block. He would rather bankroll the polluters at taxpayers' expense.

Senator Bernardi interjecting—

Senator CAROL BROWN: Mr Abbott wants to scrap the meaningful steps made on climate change under Labor and put in his poorly thought out and widely ridiculed Direct Action Plan—probably authored by Senator Bernardi, who has a lot of poorly thought out policies that he puts forward—and an emissions reduction fund plan. Guess what: if direct action goes ahead, the Climate Energy Finance Corporation could work under direct action as well. Ms Jillian Broadbent told the Senate environment communications legislation committee as much on 26 November.

Mr Abbott will thumb his nose at science, logic and reason. He is prepared to put pressure on the budget bottom line simply to get his way. He is prepared to turn his back on the Liberal Party philosophy of letting markets dictate affairs rather than the government. Mr Abbott is more prepared to hire a stack of bureaucrats to task them with the job of writing cheques to big polluters. Mr Abbott is happy to rip up $200 million a year in revenue from the Clean Energy Finance Corporation from the taxpayer. All because he denies the science and does not believe that action should be taken.

Mr Abbott could not be more in contrast to what my party, the Labor Party, believes. We know climate change is happening. We put measures in place to tackle the problem. In government, we knew it was not good enough to just leave the problem to a future generation. The Clean Energy Finance Corporation was a key plank in our body of legislation to take on the challenge of climate change. The Labor Party cannot support abolishing an effective entity that will cost the taxpayers of Australia. It is the Australian people who will pay for this mean-spirited, antiscience and expensive move if Mr Abbott's government has its way. And as the Australian Financial Review's chief political correspondent, Phil Coorey, wrote on 27 November this year:

It is set to be abolished along with the carbon tax and the government has budgeted a saving of $760 million over four years from its demise. But because the CEFC is making money, the combined blow to the budget from its abolition could be as high as $1.5 billion.

That is $1.5 billion out of the budget bottom line, along with the handbrake of effecting meaningful reductions to Australia's carbon footprint.
Ms Broadbent and Mr Yates went on to say that the Climate Energy Finance Corporation had lent $536 million, which had seen—

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:00): by leave—I inform the Senate that Senator Payne, the Minister for Human Services, will be absent from question time today. Senator Payne's question time responsibilities will be handled by Senator Fifield, including her representative portfolio of education.

QUESTIONS WITHOUT NOTICE

Automotive Industry

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Prime Minister. I refer to four days of persistent and pernicious backgrounding against Holden by senior ministers in the coalition government. Which ministers are providing these anonymous briefings designed to damage Holden?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:01): I do not know about pernicious briefings, but I do know about pernicious policies. The pernicious policies that those opposite pursued are the policies of the carbon tax and the FBT, which drove many people out of work. Those opposite can cry their crocodile tears. I do not see the crocodile in the chamber, but clearly the tears are here.

Senator Kim Carr: Mr President, I rise on a point of order. It is a question of direct relevance. This was a question that went specifically to the issue of backgrounding by senior government ministers against General Motors Holden and we have not heard a word on that subject by the minister.

The PRESIDENT: There is no point of order. The minister is addressing the issue. The minister has one minute and 30 seconds remaining. I call the minister.

Senator ABETZ: I think on this side we can all understand the great sensitivity by former Minister Carr, who presided over the announcement of Mitsubishi to leave Australia and also Ford to leave Australia. I was asked by the Leader of the Opposition in this place about these pernicious briefings. As I said at the very beginning of my answer, I do not know of any pernicious briefings by any minister in the government. I then went on to remind those opposite—

Senator Wong: Four days.

Senator ABETZ: that the pernicious policies of the Labor Party went on, not for four days, Leader of the Opposition, but month after month with a carbon tax that has put a reverse tariff on each and every Australian-made motor vehicle. It is a tariff that exists—

Senator Moore: Mr President, I rise on a point of order, again on direct relevance. The minister has actually effectively answered the question. There is no need for more background briefing.
The PRESIDENT: There is no point of order. The minister is in continuance. The minister has 26 seconds remaining.

Senator ABETZ: Every single automotive worker knows that the carbon tax is destructive to their jobs. Everybody in Holden knows how destructive the FBT policy was. Here we have a former general secretary of the AMWU for his own political purposes selling out the workers of this country. (Time expired)

Opposition senators interjecting—

The PRESIDENT: When there is silence I will call Senator Wong.

Honourable senators interjecting—

The PRESIDENT: I will call Senator Wong when there is silence on both sides. I call Senator Wong.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:04): Mr President, I ask a supplementary question. I again refer the minister to the backgrounding by senior ministers against Holden, the most recent of which was reported today. Given that Mr Macfarlane has asked the media to identify the sources of the backgrounding, has the Prime Minister taken steps to identify those responsible? What steps has the Prime Minister taken?

Honourable senators interjecting—

The PRESIDENT: Order! The minister is entitled to be heard in silence.

Opposition senators interjecting—

The PRESIDENT: Silence on my left! I call the minister.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:05): I wonder who said this about automotive policy: that it left international company executives wondering just what they had to do to get a consistent government policy commitment in Australia. It was none other than Senator Kim Carr on his own government's policies in relation to the automotive sector.

Let us be very clear. I have said that I am not aware of any background briefing referred to by the Leader of the Opposition, but I am aware of on the record comments by the former undistinguished minister for industry and I am also aware of comments by the South Australian Premier in relation to Labor policies having a detrimental impact on the motor vehicle industry. I am more than happy to go through those for the benefit of those opposite. (Time expired)

Honourable senators interjecting—

The PRESIDENT: When there is silence, I will give Senator Wong the call. I call Senator Wong.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:06): Mr President, I ask a further supplementary question. I again refer to the four days of backgrounding by ministers that has been widely reported in reputable media outlets that the minister appears to not have noticed. Do firms now have to factor in the sovereign risk of coalition senior ministers speculating anonymously on market sensitive matters?
Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:06): The only sovereign risk that was a real problem for the automotive sector was the promise by a party saying there would be no carbon tax and then introducing a carbon tax, and then a government introducing an FBT policy which was designed—I do not know what for, but it caused devastation within the motor vehicle sector within Australia.

The PRESIDENT: Order! Senator Abetz. Senator Moore is on her feet.

Senator ABETZ: They should have got Senator Farrell to be manager!

Senator Moore: I have a point of order, Mr President. My point of order refers to—Honourable senators interjecting—

The PRESIDENT: Order! I remind honourable senators that Senator Moore is on her feet and is entitled to be heard in silence on both sides.

Senator MOORE: Mr President, again my point of order is on relevance. The question was specifically about background briefings. The minister has not gone near it and he is halfway through his answer.

The PRESIDENT: The minister is addressing the question. The minister still has 31 seconds remaining. I call upon the minister.

Senator ABETZ: I was asked about the issue of sovereign risk and the issue of sovereign risk was highlighted by those opposite.

Senator Wong interjecting—

Senator ABETZ: The honourable Leader of the Opposition in this place can make all the noise she likes but the reality is the only sovereign risk to the automotive sector was the introduction of the carbon tax and the threat of the fringe benefits tax. We seek to remove both those sovereign-risk issues and we invite the Labor Party to support us in that task. (Time expired)

Carbon Pricing

Senator EDWARDS (South Australia) (14:09): My question is to the Leader of the Government in the Senate, Senator Abetz. Is the minister aware of reports in today's media that in the year following the introduction of Labor's job-destroying carbon tax Australia's carbon emissions fell by just 0.1 per cent? Does the government believe this reduction in emissions is worth the damage being caused to the Australian economy and jobs?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:09): I thank Senator Edwards for his question and acknowledge that he is a South Australian senator with a deep commitment to the automotive industry in his home state. That is why he is so anxious to ensure—Honourable senators interjecting—

Senator ABETZ: the removal of the carbon tax, a carbon tax that the Leader of the Opposition in this place—herself a South Australian senator—sought to champion, did champion and got through to the great detriment of the automotive sector in this country. The recent media articles have highlighted the ineffectiveness on the environmental front whilst
also highlighting the job-destroying and household-budget blowing impacts of the carbon tax. Let us be quite clear here: if the carbon tax was such a good idea why did the Labor Party rule it out before the 2010 election by saying there would be no carbon tax? If it was such a good idea, why did they campaign on that issue?

Honourable senators interjecting—

The PRESIDENT: Senator Abetz, just resume your seat. You are entitled to be heard in silence. There are two senators debating the issue across the chamber. That is not fair to you. You are entitled to be heard in silence.

Senator ABETZ: And, Mr President, in 2013, knowing how toxic the carbon tax was and is in the Australian community, they went to the people of Australia saying that they had abolished the carbon tax. Well, they had not. We are seeking to remove the carbon tax and those opposite, along with the Greens, are deliberately standing in the way of removing the huge mandate we got from the Australian people to remove the carbon tax. I invite those opposite to search their consciences. In 2010 they said there would be no carbon tax. In 2013 they said they made a mistake and 'We're going to get rid of it'.

Well, we are now trying to get rid of it and we have the Australian Labor Party yet again standing in the way of economic prosperity, jobs growth and reducing the cost of living in this nation. (Time expired)

Senator EDWARDS (South Australia) (14:12): Mr President, I have a supplementary question. What impact has Labor's job-destroying carbon tax had on reducing the world's carbon emissions?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:12): In fact, a very strong case can be made that Australia's carbon tax has made the CO$_2$ emissions in the world so much worse. That is the perverse outcome of this carbon tax, because what has occurred is the exporting of a lot of Australian manufacturing, under clean environmental rules in this country, having been costed out of the business, moving to countries such as China where the CO$_2$ output is so much greater. Whilst Australia can boast—if we call it that—of a 0.1 per cent reduction courtesy of the carbon tax, we know that as a result of manufacturing deserting Australia those CO$_2$ emissions are occurring elsewhere in the world—exactly the same experience as Europe has had with its ETS and manufacturing going over to Africa.

Senator EDWARDS (South Australia) (14:14) I have a further supplementary question, Mr President. What is the minister's response to reports that Australia's total contribution to the planet's human-caused carbon output is in the realm of 1.4 per cent?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:14) Australia's contribution of 1.4 per cent in general terms is relatively small, one would have thought, by anybody's standards. But it would be fair to say that, per capita, it is relatively high. But you know one of the important things—and Senator Collins might be interested in this—is we are the most efficient producers of wheat and dairy product for the world. We in fact feed millions of people around the world each year. Yes, in producing the wheat, in producing the dairy produce, we do in fact increase our CO$_2$ emissions; but, when you take into account the
good that that does for the world's food tasks, one can only accept that it is in fact for the betterment of humanity at large. I would invite those opposite to take those sorts of considerations into account when they are seeking to destroy our economy and jobs. (Time expired)

**Automotive Industry**

Senator KIM CARR (Victoria) (14:15): My question is to Senator Ronaldson, the Minister representing the Minister for Industry. I refer to the government's repeated statements that any further funding for the auto manufacturing industry would be determined after the Productivity Commission inquiry into Australia's auto industry hands down its findings. I also refer to the Prime Minister's comments on Friday that there is not going to be any extra money for the car industry and his confirmation that there was going to be a $500 million cut from the auto industry. Given the inconsistencies between these two statements, what is the government's position?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:16): The first thing I would say is that honourable senators and those listening today should reflect on what the first question was in this chamber. The first question was about politics—not a question in relation to the future of the car industry but a political question. Senator Carr through Senator Wong started off today talking about the last four days. The last four days have been about the Australian Labor Party playing politics. Have we heard from Senator Carr or Senator Wong in her first question one word about the industry people who survive on the car industry and others? Not one word.

I will make it quite clear where the government is in relation to the car industry. Then I will talk about what Senator Carr did when he was the industry minister, and that is a very long diatribe. I will say this: the government has made it quite clear that we believe in a stable and sustainable motor car industry. Holden themselves have made it quite clear that they agree with our plan for the Productivity Commission timetable. You know, Senator Carr, as I know that there will be an interim report before Christmas. There will be a final report before the end of March. Unlike the Australian Labor Party and unlike Senator Carr, we are running a no-surprises government, and the car industry knows full well—(Time expired)

Senator KIM CARR (Victoria) (14:18): Mr President, I ask a supplementary question. Minister, is backgrounding to journalists by senior ministers the 'clean fight' that Mr Macfarlane predicted over car industry funding?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:18): You are a disgrace to this place. The first supplementary is regarding politics again.

Senator Moore: Mr President, one part of the point of order is on relevance in the process; but, in terms of the statement across the chamber to one of our members, I think that was unparliamentary.

The PRESIDENT: No, there is no point of order. The minister now has 50 seconds to address the question. Minister.

*Honourable senators interjecting—*

The PRESIDENT: Order on both sides!
Senator Cormann interjecting—
Senator Wong interjecting—

The PRESIDENT: Order! If you two wish to debate the issue, go out of the chamber and do it. Do not do it in the chamber now. Senator Ronaldson, address the question. You have 50 seconds.

Senator RONALDSON: I make it quite clear that the automotive industry fully understood before the election what our program was. The Australian automotive industry knew well before the election that we would be having a Productivity Commission inquiry in relation to the automotive industry. Holden has taken no objection to that timetable and Holden knows what the process is. But what we will not countenance is a lecture from the Australian Labor Party, whose first question today was a political question not related—

(Time expired)

Senator KIM CARR (Victoria) (14:21): Mr President, I ask a further supplementary question. Minister, is the coalition MP quoted in today's Australian Financial Review correct when he or she says, 'The Prime Minister has abandoned jobs at Holden because he folded to the Nats on GrainCorp, so he's trying to be hairy chested on Holden'?

Honourable senators interjecting—

The PRESIDENT: Order! When there is silence on both sides we will proceed.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:22): Again I say to the chamber that Senator Carr had the opportunity to address the issue of the car industry today. He has chosen to play cheap politics, probably a bit like the cheap politics he played in relation to the FBT: no consultation. The former industry minister actually lumbered the automotive industry with a tax that he did not even discuss with them—not one bit of conversation with them. That was going to destroy the automotive industry. It took the coalition to reverse it, it will take the coalition to remove the carbon tax, it will take the coalition to remove the mining tax and we will lift the cost impost off the automotive industry and manufacturing generally.

Manufacturing

Senator BUSHBY (Tasmania—Deputy Government Whip in the Senate) (14:23): My question is to the Minister representing the Minister for Industry, Senator Ronaldson. Can the minister outline the government's commitment towards a strong and viable manufacturing industry in Australia?

Honourable senators interjecting—

The PRESIDENT: When there is silence I will call the minister.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:23): I thank Senator Bushby for his long interest in Australian manufacturing and the role he plays in relation to the appropriate Senate committee. I just thought that the chamber might be interested to see manufacturing levels over the term of the former government. The manufacturing industry's share of GDP has fallen over recent years and it is now at 7.1 per cent, having fallen from 8.5 per cent in 2006-07. Manufacturers invested around $9.6 billion
in new capital equipment in 2012-13. This was 22 per cent below investment levels in 2006-07. The manufacturing gross operating profit was at its lowest recorded level in 2012-13, at 7.5 per cent. By comparison, in 2006-07 the margin was 10.6 per cent. In August 2013 there were 921,400 people employed in manufacturing, 118,500 fewer than in August 2007. Manufacturing now accounts for eight per cent of total employment, compared with 9.9 per cent in 2007.

Senator Kim Carr: Tell us about the solution.

Senator Cameron: They haven't got a solution.

Senator Kim Carr: What is the solution? None.

Senator RONALDSON: I will take the interjection from Senator Carr. It was Senator Carr who oversaw this reduction in employment. It was Senator Carr who oversaw the percentage drop in GDP. So the in-and-out former industry minister—in with Prime Minister Rudd, out with Prime Minister Gillard and back in again with Prime Minister Rudd—is the person—(Time expired)

Senator BUSHBY (Tasmania—Deputy Government Whip in the Senate) (14:25): Mr President, I have a supplementary question. What impact did the introduction of the carbon tax have on Australia's manufacturing industry?

Honourable senators interjecting—

The PRESIDENT: Order! No, Senator Ronaldson, you do not have the call. You are entitled to be heard in silence. Senator Ronaldson is entitled to be heard in silence.

Senator Cameron interjecting—

The PRESIDENT: Order on my left! Senator Cameron!

Senator Kim Carr: Here's your chance. Where's the plan?

Senator Ryan: You love five-year plans, don't you, Kim?

Senator Kim Carr: Come on, where is it?

The PRESIDENT: Order! Senator Ronaldson, resume your seat. Senator Carr, I remind you that interjections are disorderly. Constant interjection is completely disorderly.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:27): Old Braveheart over here did not even ask the first question of the day; there was a political question first. So his interjections, quite frankly, we will treat with the contempt they deserve. Clearly the carbon tax has been one of those significant inhibitors for the Australian automotive industry, and various reports put the additional cost at $400 to $500 on each motor vehicle produced in this country, over and above those that are imported. Of course, the great job destroyers of the last six years have the opportunity before Christmas to start taking some of those cost imposts off the Australian automotive industry and manufacturing generally. The big question is—(Time expired)

Senator BUSHBY (Tasmania—Deputy Government Whip in the Senate) (14:28): Mr President, I ask a further supplementary question. Is the minister aware of actions which are making it more difficult for Australian manufacturers to face the future with confidence?
Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:28): As I was saying, those opposite have the opportunity to do something for Australian manufacturers by Christmas of this year. Ultimately it is in the hands of the Australian Labor Party whether they put competitiveness back into Australian manufacturing. Ultimately it is in the hands of the Australian Labor Party as to whether they take the carbon tax impost off the automotive and general industry. It is in the hands of the Australian Labor Party as to whether the mining tax is removed. All we have seen since the last election is carping and the politics of envy from those on the other side, who quite frankly are jealous of those who want to get in and make a difference. There are those who are getting on with it and those who are reflecting on very, very bad past glories.

Uranium Mining

Senator LUDLAM (Western Australia) (14:29): My question is to the Minister representing the Minister for the Environment, Senator Cormann. I refer to the spillage over the weekend of a million litres of strongly acidic radioactive sludge on the Ranger project area in Kakadu National Park. I ask whether the minister will concur with the demand of the traditional owners, the Mirarr people, through the Gundjeihmi Aboriginal Corporation, also environmental and public health groups, for no resumption of operations until there has been a full and independent audit of the Ranger mine site to assess its facilities and particularly whether there are any other of these leach tanks in similar condition. Minister, I understand that the environment minister has called for a clean-up and an investigation. My question to you goes directly to the independence of that audit and whether the company will be prevented from restarting operations until that is concluded.

Senator CORMANN (Western Australia—Minister for Finance) (14:30): I thank Senator Ludlam for the question. I can advise the chamber that, at approximately 1 am on 7 December 2013, leach tank No. 1 at the Energy Resources of Australia Ranger uranium mine, containing ground uranium ore, water and acid, failed, spilling into the plant area. The Australian government has ordered a thorough audit of the incident, and the Minister for the Environment has ordered an immediate investigation and immediate clean-up of the site. The Office of the Supervising Scientist was ordered to attend the site to conduct an inspection, and this occurred on Saturday. The advice provided to us is that there has been no threat to Kakadu National Park. The minister will consider the findings of the investigation, which will be released publicly when finished.

Senator Ludlam: Mr President, I rise on a point of order. It relates to relevance. I asked about the independence of the audits and the investigation that is underway, and the minister appears to be breezing along without any regard to my question. No-one has confidence in the existing regulators. Please tell us if there will be an independent audit or not.

The PRESIDENT: There is no point of order at this stage. The minister has one minute and eight seconds remaining.

Senator CORMANN: I would point out to Senator Ludlam that the Supervising Scientist is an independent statutory body, and so I was actually directly answering his question, just providing appropriate context around the answer given the public interest in this matter. So I will continue. The spill was contained within the plant area and there is no threat to the surrounding environment or human health outside of the immediate area. This was confirmed
by the Supervising Scientist staff on site on Saturday, 7 December, and by the Acting
Supervising Scientist himself on Sunday morning, 8 December. ERA have further contained
the material around the plant area with earthen bunds so as to limit its spread in the event of
rain. A small amount of material made it through the stormwater system to retention point 2.
Chemistry results indicate no change in retention point 2 composition at this point in time.
The material in the leach tank consists of ground uranium ore, water and acid at a pH of
approximately 2. The material is not a significant radiological hazard and is similar to that—
(Time expired)

Senator LUDLAM (Western Australia) (14:32): Mr President, I ask a supplementary
question. I thank the minister for his answer. My supplementary question is: will the minister
confirm that the proposal by ERA and its parent company, Rio Tinto, for underground mining
at Ranger 3 Deeps will be rejected given the demonstrable failure of ERA to maintain its
mining infrastructure at Ranger?

Senator CORMANN (Western Australia—Minister for Finance) (14:33): I will need to
seek advice from Minister Hunt before being able to provide an answer to that question,
which I undertake to do as soon as possible.

Senator LUDLAM (Western Australia) (14:33): Mr President, I ask a further
supplementary question. I ask whether the minister, who ran out of time when he was
answering my first question, would not mind tabling the balance of his answer if he thinks
that is appropriate. My final supplementary: would the environment minister confirm that the
weekend's events at Ranger demonstrate that the uranium industry poses unique and national
challenges and that therefore, in the national interest, it must be regulated, assessed and
monitored by the federal government and not be handed back to the states and territories in a
process of deregulation or outsourcing of the environment minister's responsibilities?

Senator CORMANN (Western Australia—Minister for Finance) (14:34): What I would
say to Senator Ludlam is that these issues are actually properly regulated and there is no
proposition to deregulate but rather to simplify the administration of the regulations. Of
course, our one-stop shop proposals, which are part of our plans to build a stronger economy
and create more jobs, will help to administer the regulations, which remain the same, in a
more efficient way.

Mining

Senator EGGLESTON (Western Australia) (14:34): My question is to the Assistant
Treasurer, Senator Sinodinos. Can the minister outline the impact that the mining tax has had
on the Australian resources sector?

Senator SINODINOS (New South Wales—Assistant Treasurer) (14:35): I thank Senator
Eggleston for his question.

Senator Jacinta Collins: If not his pronunciation!

Senator SINODINOS: I sometimes still struggle with 'Sinodinos' as well! Mr President,
the mining tax was a poorly designed tax which burdened the industry with excessive
compliance costs, making an investment in Australia's minerals sector less attractive globally.
It was a poorly designed tax on Australian mining companies that discouraged investment by
imposing higher taxation on ventures that involved risk taking. It was meant to be a resource
rent tax, which means it was meant to extract profits without affecting production, but in fact
the way it was originally designed meant it was imposing higher tax on ventures that involve risk taking. The MRRT damaged international investor confidence in Australia, and in particular the energy and resources sector, by making the sector less competitive internationally. The AMEC, the Association of Mining and Exploration Companies, stated:

Since the announcement of the RSPT—

the original resource super profits tax—

and MRRT in 2010, Australia’s reputation has been tarnished and industry confidence has floundered.

The repeal will go a long way to restoring confidence and much needed investment back into the mining industry.

The tax added a new administrative layer of complexity. It imposed a significant compliance burden on miners, even for the hundreds of companies that would never have a tax liability.

As AMEC recently told the Senate Economics Legislation Committee:

… minimum total set-up costs in the first year of smaller iron ore and coal miners and junior exploration companies, excluding large miners, was estimated to be over $20 million and ongoing administration and compliance costs in excess of $2 million.

The managing director of Atlas Iron said in October last year:

We have spent the best part of $2m in compliance to find that we are not paying the tax …

The mining tax has already cost over $50 million in administration and yet only raised $400 million. The repeal of this tax will provide a boost for the mining industry. *(Time expired)*

**Senator EGGLESTON** (Western Australia) (14:38): Mr President, I have a supplementary question for the minister. Can the minister tell the Senate whether the mining tax has been effective in raising revenue?

**Senator SINODINOS** (New South Wales—Assistant Treasurer) (14:38): I can report to the Senate that your suspicion is indeed right, Senator Eggleston. The mining tax has not been very effective in raising revenue. It was originally claimed that it would raise $49.5 billion when it was the resources super profits tax, which became $26.5 billion just two months later on the eve of the 2010 election as the Minerals Resource Rent Tax. The forecast of revenue has been volatile. In PEFO 2010, the forecast was $26.5 billion over five years. The PEFO released prior to the last election painted a very different picture, with just $4.6 billion over the same five-year period. To date, in net terms it has raised $400 million. The repeal of the tax will actually improve the budget bottom line by $13.4 billion over the forward estimates on an underlying cash basis or $15.1 billion over the forward estimates on a fiscal basis.

**Senator EGGLESTON** (Western Australia) (14:38): Mr President, I ask a further supplementary question. Can the minister confirm to the Senate that the government remains of the view that it is bad policy to spend the expected proceeds of taxes before they are actually received?

**Senator SINODINOS** (New South Wales—Assistant Treasurer) (14:38): I agree with the implication of Senator Eggleston’s question, that you should not spend money you are not going to get or bank money and start to spend it before you have received it. Getting rid of the Minerals Resource Rent Tax will actually improve the budget bottom line by $13.4 billion over the forward estimates on an underlying cash basis. It will be the first tax in Australian history which actually saves money by its abolition. Labor has tried to claim that some of its programs were not linked to the mining tax. In relation to the schoolkids bonus, that is far
from true. The now Leader of the Opposition in the Senate linked the schoolkids bonus to the mining tax and said:

I think it's about making sure we use the benefits of the boom wisely. And I think the Government's approach with the mining tax and making sure the benefits of that flow through to families, particularly low and middle income families through the School Kids Bonus, where people get assistance for kids' education costs does that.

Labor also misled— (Time expired)

Automotive Industry

Senator GALLACHER (South Australia) (14:39): My question is to the Minister for Finance, Senator Cormann. I refer to the minister's responsibility for budget policy advice and processes and review of government programs. Is the minister aware that for an average of $300 million per annum the government can save the entire auto industry? Has the government given up all hope of attracting over a billion dollars in new investment from General Motors Holden? Is the government aware that it can secure this investment for much less than $150 million per annum post-2017?

Senator CORMANN (Western Australia—Minister for Finance) (14:40): I thank the senator for his question. I am aware of reports in the media this morning where Senator Carr was quoted as saying that for less than $150 million a year he knew that we could save the car industry. If he knew that, why didn't he sign the deal? If he had that deal in front of him, why didn't he sign it? We know that, under Labor, Mitsubishi left Australia. Under Labor, Ford left Australia. And, of course, under Labor, the carbon tax and the fringe benefits tax came in. All of the chaos, dysfunction and uncertainty that Labor imposed on industry across the board has caused significant problems. We are dealing with the problems that we inherited from the Labor Party in a calm and methodical fashion. There is all of this background briefing by Senator Carr after the event—'If only we had another $150 million, we could have sorted it all out.' If it was so easy, why didn't you do it?

Opposition senators interjecting—

The PRESIDENT: Order! I am waiting to call Senator Gallacher. On my left.

Senator GALLACHER (South Australia) (14:41): Mr President, I ask a supplementary question. I note that senior government ministers have tried to shift the blame to Holden. How can the company be expected to make a billion-dollar investment without knowing where this government stands?

Senator CORMANN (Western Australia—Minister for Finance) (14:42): I refer to the Prime Minister's comments last Friday that it is time for Holden to clarify its intentions, because the Holden workers and the Holden suppliers deserve to know what Holden's intentions are. Of course the coalition is committed to a strong and viable car industry which can stand on its own two feet, but we need to know what Holden's intentions are; we deserve to know. More importantly, the workers and suppliers of Holden deserve to know what its intentions are.

Senator GALLACHER (South Australia) (14:42): Mr President, I ask a further supplementary question. Is Senator Cormann one of the senior ministers or is it just the Treasurer leaking against Minister Macfarlane?

Opposition senators interjecting—
The PRESIDENT: Order!

Senator CORMANN (Western Australia—Minister for Finance) (14:43): That is a ridiculously juvenile question. I have just put my views on the record.

Opposition senators interjecting—

The PRESIDENT: Order! When there is silence, I will give the senator the call.

**Carbon Pricing**

Senator McKENZIE (Victoria—Nationals Whip in the Senate) (14:43): My question is to the Minister representing the Minister for the Environment and the Minister representing the Minister for Trade and Investment, Senator Cormann. Can the minister inform the Senate about the impact of the carbon tax on globally trade-exposed industries in highly competitive markets, in particular the impact on agricultural businesses?

Senator CORMANN (Western Australia—Minister for Finance) (14:44): I thank Senator McKenzie for that question and for her strong commitment to the sustainability and competitiveness of agricultural businesses. Every day that Labor obstructs the abolition of the carbon tax is another day they stand for higher electricity prices. Every day Labor stands in the way of the abolition of the carbon tax they stand in the way of bringing down the cost of doing business in Australia and they stand in the way of improving our international competitiveness; improving international competitiveness, of course, for industries like the car industry or the agricultural industry indeed. Labor knows that the carbon tax pushes up the cost of doing business because that is what they designed it to do. And for businesses operating in highly competitive markets there is often limited capacity for them to pass on increased costs which, of course, undermines their viability and puts jobs at risk.

I refer to comments made by the National Farmers Federation, which pointed out that for an average-sized farm, farmers are facing additional costs of up to $10,000 a year. I quote from evidence:

… agriculture remains a heavily affected sector due to the flow on costs allocated to electricity and transport, and by the pass through costs from agricultural processors.

Our farmers:

… were not only competing against heavily subsidised farmers from around the world, but also farmers in overseas countries without a carbon tax.

The National Irrigators' Council said last week:

When in Government the Labor Party claimed ‘electricity prices are too high by global standards’. We know. We are the ones paying the bills which have doubled.

The prices we receive for our products have certainly not doubled during that period.

… … …

Farmers are price takers who operate on low margins. A small increase in fixed costs can have a drastic impact on their profitability.

Labor's carbon tax operates as a reverse tariff and it should go. (Time expired)

Senator McKENZIE (Victoria—Nationals Whip in the Senate) (14:46): Mr President, I thank the minister for his comprehensive response and I ask a supplementary question: what policy options have been put to government to address the impact of the carbon tax on the international competitiveness of agricultural businesses?
Senator CORMANN (Western Australia—Minister for Finance) (14:46): The best policy option is the option that has been supported by the Australian people: to scrap the carbon tax altogether. It is time that the Labor Party got used to the idea that there was an election and that they lost, and that the Australian people voted to scrap the carbon tax.

Of course, we know that Senator Louise Pratt, the shadow parliamentary secretary for climate change—

Senator Pratt: We know that you support the ETS!

The PRESIDENT: Order! That is disorderly!

Senator Wong: Rule him out, Mr President!

Senator CORMANN: campaigned in Western Australia and promised to terminate the carbon tax. No—

The PRESIDENT: Order! That is disorderly!

Senator CORMANN: But we do have another proposal by Mr Paul Howes, the National Secretary of the Australian Workers Union. He is the guy who once said that if one job were put at risk by the carbon tax he would oppose it. But, of course, many jobs have been put at risk by the carbon tax and he is not doing anything about it. But this was his latest proposal: instead of supporting our policy to axe the carbon tax he says that we need to axe ma and pa farming. Ma and pa farming! That is what he said. So when businesses struggle under a Labor tax all they want to do is social engineering instead of scrapping the tax, which they promised they would do. (Time expired)

Senator McKenzie (Victoria—Nationals Whip in the Senate) (14:47): Mr President, I ask a further supplementary question, and I do thank the minister for reminding the chamber of Paul Howes's comments. How will the coalition's Direct Action policy deliver better outcomes when dealing with the challenges related to climate change?

Senator CORMANN: Labor's carbon tax just shifts emissions to other parts of the world, where the emissions will be higher for the same amount of economic output whereas what we are doing through our emissions reduction fund is reducing emissions in Australia in a way that actually achieves a net reduction in global emissions. That is why our policy is environmentally superior.

It is also superior economically because it does not disadvantage Australian businesses, and it seeks to leverage the capacity, in particular, of the agricultural industry to help us in achieving emissions reductions. So our policy, clearly, all the way round, is a superior policy. I would just add here that the agricultural and fishing industries in particular have helped us achieve emissions reduction of about 55 per cent over the past decade also. This is our policy, to achieve emissions reduction in Australia in a way that achieves action on genuine emissions reduction in the world. (Time expired)

Employment

Senator Singh (Tasmania) (14:49): My question is to the Minister representing the Prime Minister, Senator Eric Abetz. Can the minister confirm that the Department of Human Services told ICT staff in Hobart on 5 December that it intends to transfer 56 ICT positions from Hobart to Adelaide, Brisbane and Canberra? How is this loss of jobs consistent with
assurances the department gave staff in April 2013 that there were no plans to ‘move existing staff from, or close the ICT functions in Hobart’?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:49): The scenario to which the honourable senator refers is unfortunately just one of the many examples of the 14,500 job cuts implicit in the last Labor budget, for which the honourable senator voted.

These are part of the cost-saving measures that are regrettably required as a result of the Australian Labor Party making savings but not telling the Australian people about them and the consequences. So part of the budgeting that the Labor Party undertook and took to the last election included downsizing and amalgamating groups of individuals to the tune of 14½ thousand people.

And, of course, make no mistake: that total of 14½ thousand people—and I do accept, Mr President, that each one of those 14½ thousand people is a person and is a breadwinner with aspirations; chances are with mortgages and with loans that they seek to pay off—that Labor said needed to be removed from the Australian Public Service unfortunately has that consequence. And part of that consequence is the regrettable loss of jobs in our home city of Hobart.

Am I happy about it? No. But Senator Singh, you and the Labor Party were the architects. They were the architects, Mr President, and this was in the pipeline courtesy of the policies that Senator Singh and others voted for.

Senator Carol Brown: You should read your own Tasmania package!

Senator Cameron: If you're not happy then do something about it!

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

Senator SINGH (Tasmania) (14:51): Mr President, I ask a supplementary question. I refer the minister to the Prime Minister's statement in Launceston on 8 August when he told Tasmanians:

... we want to look at boosting the Commonwealth presence in regional areas, not reducing the Commonwealth presence in regional areas.

Isn't the decision to transfer 56 jobs from Hobart yet another example of the government saying one thing before the election and doing the opposite now in government?

Opposition senators interjecting—

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

Honourable senators interjecting—

The PRESIDENT: Order! I remind honourable senators at the other end of the chamber: debating at this time is disorderly.

Senator Carol Brown interjecting—

Senator Colbeck interjecting—

The PRESIDENT: Senators Brown and Colbeck! The minister.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:52): The Prime
Minister did put to the Tasmanian people a very comprehensive plan in relation to Tasmania's economic future. That plan included many things, such as new jobs at Cadbury's, new jobs in the dairy sector, new jobs in construction on the Midland Highway and Hobart Airport, and so the list goes on. What we did not know, what the Australian people did not know at the time, was that Labor had factored in the cut of 14½ thousand Public Service jobs. That is the Labor legacy and we are seeking to deal with that.

Opposition senators interjecting—

The PRESIDENT: Senator Abetz, just resume your seat; you are entitled to be heard in silence. Order!

Senator ABETZ: We are seeking to deal with this Labor legacy. In relation to the specific Human Services call centre to which the senator refers, the government is in active discussions with the CPSU on that very matter.

Senator SINGH (Tasmania) (14:54): Mr President, I have a further supplementary question. I am pleased that the senator refers to the coalition's pre-election economic growth plan, because I also refer to it. For Tasmania it said a coalition government would provide scope for 'Commonwealth agencies or functions to be relocated in whole or part from Canberra to Tasmania'. Doesn't the decision to transfer jobs from Hobart to Canberra mean that the coalition's Economic Growth Plan for Tasmania isn't worth the paper it's written on?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:54): The affected outrage from Senator Singh might have some credibility but for the fact that she was kicked out by the people of Denison at the last state election because of the job-destroying policies of the Labor Party in that state. Now she is here voting for policies to get rid of Public Service jobs, not by 50s but by the thousands—14½ thousand—and then she claims a concern for job opportunities in Tasmania. Tasmania, as a result of Labor legacy issues—both Canberra and Hobart—has the highest unemployment rate in the country. It is in recession because of Labor-Greens policies from Canberra and Hobart. If you want to do something for job opportunities in Tasmania, vote to remove the carbon tax, vote to remove the mining tax, to ensure that the cost of living can be enhanced. (Time expired)

Aged Care

Senator RUSTON (South Australia) (14:55): My question is to the Assistant Minister for Social Services, Senator Fifield. Can the minister outline to the Senate the coalition's plans to reduce the administrative burden on aged-care providers and how this reduction will allow aged-care workers to focus less on administrative tasks and more on providing high-quality care for older Australians?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:56): I acknowledge Senator Ruston's interest in social policy. It is indeed a priority for this government to cut red tape and to allow those who work in aged care to focus on doing what they do best, and that is delivering high-quality care for older Australians. When aged-care staff are reported to be spending up to a third of their time on paperwork it is obvious there is too much red tape. I am pleased to advise that the government has scrapped the previous government's requirements for providers to follow a
prescriptive process in setting prices and the need to document and certify this process in great detail.

The previous government's aged-care accommodation pricing guidelines were confusing, cumbersome and prescriptive. I will give you a couple of examples of how complicated these would have been for providers. The first example:

In a group of rooms where some, but not all rooms, have five lights and all of the rooms have more lights, if the number of lights does not affect the method to determine the maximum amount of accommodation payment, then the description of rooms in the group need not mention the number of lights.

Got it? Clear? Next example:

In a group of rooms, the floors are covered with different coloured carpets and the carpeted rooms are valued above another group of rooms with vinyl floors, the same maximum amount of accommodation payment will be set for each and every room in the group. The description of the group may state that the rooms having "carpeted floors" and need not specify that the rooms have "red carpet or blue carpet". Alternatively, if the carpets did not affect the method for setting the accommodation payment for the rooms in the group, the provider may choose to omit carpet from the description.

It beggars belief that the previous government thought that level of detail would actually provide any protections for consumers or would actually inform consumers. All it would do would be to cause unnecessary administrative burden for providers.

Senator RUSTON (South Australia) (14:58): Mr President, I thank the minister for his response and I ask a supplementary question. Apart from the specific examples of the crazy administrative burden that has been placed on these providers, could the minister please provide a broader explanation of the approach the government is taking to relieve the administrative burden on aged-care providers and how it differs from the previous administration’s approach?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:58): The government's focus is on easing the red tape burden of the aged-care sector, as I say, to allow them to do what they do best. The previous government paid little regard to the regulatory impact—

Opposition senators interjecting—

The PRESIDENT: Order! Senator Fifield, just resume your seat. When there is silence we will proceed. Minister, continue.

Senator FIFIELD: The previous government paid no regard to the regulatory impacts of the changes that they put in place. On this side of the chamber we are committed to writing clear pricing and accommodation information for consumers.

We want to make sure consumers are well informed.

Opposition senators interjecting—

The PRESIDENT: Order! Senator Fifield, resume your seat. Continue.

Senator FIFIELD: That detail will be on the My Aged Care website, but what we will ensure is that quality and safety are never compromised. It is unfortunate that Senator Polley in Senate estimates equated red tape with safety and red tape with quality. Red tape does not equal safety; red tape does not equal quality.
Opposition senators interjecting—

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

Senator RUSTON (South Australia) (15:00): Mr President, I have a further supplementary question. Could the senator please provide further advice to the Senate how the changes to these red-tape reduction measures have been received by the aged-care sector and, particularly, does he have any specific examples of aged-care providers who have already responded to him on this matter?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:00): Thank you, Senator Ruston. I can report that this change has been well received. That aged-care peak body, Leading Age Services Australia, have called these reforms a ‘win for our sector’ and went on to say it was:

… direct recognition by the new government of the need to eliminate excessive red tape which burdens our providers.

Opposition senators interjecting—

The PRESIDENT: Order! Order! Senator Fifield, continue.

Senator FIFIELD: Aged and Community Services Australia also welcomed the announcement, stating that the changes will ‘free-up time to focus on the care of the residents’. You will be pleased to know, Mr President, that as part of our five-year Healthy Life, Better Ageing Agreement, which we will be negotiating with the sector, we will have as a focus further reduction of red tape in the aged-care sector. We want people who work in aged care, the providers, to focus on what matters and that is providing good-quality care. (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Automotive Industry

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:02): I move:

That the Senate take note of the answers given by the Minister for Employment (Senator Abetz) and the Minister for Veterans’ Affairs (Senator Ronaldson) to questions without notice asked by Senators Wong, Carr and Singh today relating to the automotive industry and the transfer of Department of Human Services positions from Hobart, Tasmania.

Today, Mr Deputy President, the government had an opportunity to demonstrate that they are serious about supporting jobs, that they are serious about supporting Australia’s car industry. We saw today not only ministers refusing to support jobs in South Australia and Victoria, and of course around the country particularly in the supply chain, but also the extraordinary spectacle of government senators from South Australia not asking questions, not advocating for the car industry, choosing instead to ask questions about other matters because, frankly, they have given up inside the government when it comes to South Australian jobs in the auto sector. That is what they are given up on.

There are a lot of slogans from the other side. They talk about job-destroying, well I will tell you what is job-destroying. What is job-destroying is the cheer squad for closure. Ministers on that side of the chamber are cheering on the closure of Holden, unbelievably trying to pressure General Motors through the media to make a decision to close their
Australian operations. This is a government that said they were open for business. Do know what they are open for? There are open for bullying a company and trying to get them to close down because it suits their political interests.

The Leader of the Government in the Senate professed complete innocence—he somehow has not seen this. Let us recap what we have seen. In an extraordinary display not only of a lack of discipline in cabinet but also of economic recklessness, we have senior ministers backgrounding the media, trying to get jobs destroyed and trying to get Holden to close. I think this story broke on Thursday. It was reported on the ABC on television late Thursday that there had been senior ministers who had advised, or had backgrounded, that Holden had made a decision to pull out of Australia. That report was then updated again the following day. It said:

Holden has made the decision to pull out of Australia as early as 2016, according to senior Government ministers.

Not according to GMH, not according to the company, but according to some senior government ministers who think it is a good idea as ministers of the Crown to background reputable journalists that a company has decided to close. You are not in opposition; you are ministers of the Crown. It is completely inappropriate and utterly irresponsible and economically reckless to be playing these sorts of political games with people's jobs and the Australian economy through backgrounding of media.

This went on and on. In fact it led on Friday to Mr Macfarlane saying that the senior government ministers should be named. What was interesting is that they have not told people who they are—and I will come to that shortly. This continued on Friday and again on the weekend with ministers giving background briefings. We heard today, as reported in the Sydney Morning Herald:

Ministers continue to give anonymous briefings to journalists to say Holden has decided to leave.

If the government does not believe that these reports are correct, if the government does not believe that the Sydney Morning Herald, the ABC, the Australian and various other news outlets are reporting the truth, let them come in here and say that. Let them say that in question time. But they did not today. They chose not to.

Perhaps one of the most interesting points was the fact that Senator Abetz, the Leader of the Government in the Senate, at no point has denied that senior economic ministers, including the Treasurer, have been part of the cheer squad for closing Holden. He has not denied that in here and he has not denied it once. Even more interestingly, we asked a direct question of the Minister for Finance, whether he was one of the people involved in backgrounding the media and he ducked the answer. He refused to say, 'I did not.' I think that Australians did not elect this government in order to see senior economic ministers championing the destruction of Australian jobs. They did not elect this government to destroy Australian jobs, they did not elect this government to background the media anonymously.

(Time expired)

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture) (15:07): I recall on the members opposite on a number of occasions advising the then opposition not to write their questions based on what was written in their newspapers, and it is obvious that they have forgotten their own advice.
Senator Wong is right, the Australian people did not elect a government to endanger Australian jobs—they got rid of a government that was endangering Australian jobs, particularly in the manufacturing sector. Over the term of the previous government, the manufacturing sector—including car manufacturing—spat out something in the order of 135,000-140,000 jobs. So much for the opposition's record on manufacturing and car manufacturing. In fact, under the government's watch, we saw Mitsubishi close its operations and Ford announced that it was going to close its operations. The former minister, Senator Carr, is not in the chamber to defend his record, which is quite surprising.

Senator Jacinta Collins interjecting—

The DEPUTY PRESIDENT: Order! Senator Colbeck, you have the call.

Senator COLBECK: If he is so passionate about it, Senator, he ought to be here. He is making all the racket. If he is so passionate about it he ought to line up—

Senator Jacinta Collins: You are being a hypocrite.

Senator COLBECK: The senator might like to withdraw that comment across the chamber.

Senator Jacinta Collins: Well, you are!

Senator COLBECK: I do not appreciate being called a hypocrite, Mr Deputy President.

Senator Jacinta Collins: No, I said you were being hypocritical.

Senator COLBECK: No, you did not.

The DEPUTY PRESIDENT: Order! Senator Colbeck, just resume your seat for a moment. Senator Collins, if there was any unparliamentary debate across the chamber—and I might add it is disorderly—it would be more simple if you did withdraw. I did not hear the comment.

Senator Farrell interjecting—

The DEPUTY PRESIDENT: Order, Senator Farrell. I am just asking Senator Collins if she considers that a course of action.

Senator Farrell: I rise on a point of order. Mr Deputy President, if you did not hear it can hardly be unparliamentary.

The DEPUTY PRESIDENT: Thank you, Senator Farrell. That is why I was asking the senator for her consideration.

Senator Jacinta Collins: In the light of allowing proceedings to continue, I am happy to indicate that I had no intention to make any unparliamentary remark and I withdraw.

Senator COLBECK: I acknowledge the senator's withdrawal and I thank her for that. If you look at the Labor Party's record in respect of the car industry when in government—

Senator Farrell: It was terrific.

Senator COLBECK: Horrific. I think you have got a pronunciation problem, Senator Farrell—it was horrific. Look at, for example, the cash for clunkers scheme. If you want to call that a terrific policy, Senator Farrell, be my guest. Cash for clunkers did not even see the light of day. The money for that program was withdrawn before the scheme even started—it was that bad. In fact, there was an edict issued from the ministry that the term 'cash for clunkers', which was being used in the ministry, should never be uttered again. Talk about a
classic policy that was so bad that it was withdrawn before the government even started expending money on it.

Give us a break. The coalition's policy on the car industry has been in place and well-known by the car industry for a considerable period of time. It has been clearly enunciated over recent years. There has been no change to our policy. Yet we saw the green car fund. How many times did the government go back to the well of the green car fund to withdraw funds? Somewhere in the order of $1.2 billion, from recollection, withdrawn from the green car fund by the Labor Party when in government over the last three years—that is hardly consistent policy. How is industry supposed to make decisions based on that sort of policy?

So we had the green car fund that came and went and was consistently tapped from the well by the former government, the cash for clunkers scheme and then, in the lead up to the election, we had the fringe benefits tax changes that cost the car industry $1.8 billion. The opposition has the nerve to come here and lecture the government on consistency of policy and yet, after taking billions of dollars out of the car industry themselves, they are saying that they were going to save it.

Then, of course, we come to the carbon tax—$400 for every car to be manufactured in this country. The opposition claims that the government is not consistent in policy, and yet our policy has been on the table for a considerable period of time.

Senator Jacinta Collins: Have an inquiry.

Senator COLBECK: Our policy in respect of the inquiry and in respect of funding has been on the table for a considerable period of time, and yet the previous government came and went with money. I cannot help but repeat the cash for clunkers—it did not even see the light of day. How could you have any credibility as a government? It is obvious why the Australian people tossed them out. (Time expired)

Senator FARRELL (South Australia) (15:13): On 7 September, the Australian people elected the Abbott government. I heard Tony Abbott on that night—

Senator Abetz: The Prime Minister.

Senator FARRELL: I heard the Prime Minister, Tony Abbott, say that Australia was open for business. I thought that meant all of Australia was open for business, but what we find out now is that that does not include South Australia—and, in particular, it does not include that terrific Australian company Holden. What we have seen is that since the global financial crisis and the troubles that many parts of the world had—in particular the American manufacturing and car manufacturing sector—there has been a whole lot of action.

Senator Edwards interjecting—

The DEPUTY PRESIDENT: Order!

Senator FARRELL: Senator Edwards, I would love you to interject like this on those people on your own side, like Christopher Pyne. Where is Christopher Pyne on the issue of Holden?

Honourable senators interjecting—

The DEPUTY PRESIDENT: Order! Senators on both sides, cease interjecting. Senator Farrell, address your remarks to the chair, not directly to senators across the chamber.
Senator FARRELL: What I would like to see from Senator Edwards is him being as forceful and articulate—yes, it was a hard word to get out—with Mr Pyne as he is here today interjecting in this debate.

We have seen lots of people in Australia come to the defence of Holden. We have seen the manufacturing workers take significant cuts in wages and conditions to ensure that Holden survives. We have seen Minister Macfarlane go out on the ledge to say he wants to see Holden saved in this country. Where is Minister Pyne? Why isn't Senator Edwards—

*Government senators interjecting—*

**The DEPUTY PRESIDENT:** Order!

Senator FARRELL: If you yell loud enough, Senator Edwards, he can hear you from over there. I even understand that in circles in the Liberal Party there is a new word for spineless and it is 'Pyneless'. I do not know—

**The DEPUTY PRESIDENT:** Order! Senator Farrell, just be very careful about reflecting on members of another place.

Senator FARRELL: What I want to see and what all South Australians want to see is those senators on the other side from South Australia, who claim to have the interests of South Australia at heart, starting to put pressure on Minister Pyne. We know pressure works. I can tell you this, reading from a story by Paul Kelly. Do not leave, Senator Edwards, please. Stay and listen to this. This is what Paul Kelly, a very authoritative journalist, had to say about Christopher Pyne last week:

Christopher Pyne was personally given a letter by Tony Abbott that embodied the ERC's deliberations. He was given a tough job but he mishandled it, causing deep agitation within the PM's office.

Christopher Pyne got done over twice over the Gonski reforms: once by cabinet, because he was instructed to find the savings, and once by the Prime Minister, when he was told that he had to reverse those decisions.

Senator Kroger: Mr Deputy President, I rise on a point of order. We have been fairly accommodating, but nowhere in the ministers' answers did I hear anything in relation to the Gonski education reforms. I think the senator may be straying a little further than the auto industry.

Senator Jacinta Collins: Mr Deputy President—

**The DEPUTY PRESIDENT:** Senator Collins, I can rule fairly simply in your favour on this. There is no point of order, but I will remind Senator Farrell of the topic before the chair.

Senator FARRELL: I was only making the point about Gonski because it is an indication that, given sufficient pressure, Minister Pyne will cave in. What we need from the South Australian MPs, both the senators and those in the other house, is for them to put pressure on Minister Pyne. We have only one representative from South Australia in the federal cabinet. We need to put the pressure on him to ensure that he backs up Minister Macfarlane. Minister Macfarlane wants to save this company and it is not just about the 1,700 workers at Holden. It is not just about the tens of thousands of people who rely on and supply this company. It is not just about the benefit to the rest of South Australia. It is about the benefit to the whole of this country. We have to save Holden. We have to continue to make cars in this country—

*(Time expired)*
Senator SMITH (Western Australia) (15:19): If you are a South Australian, you can find no comfort whatsoever in the Labor Party opposition's defence of the Australian car industry or, by extension, the workers in South Australia. Let us be very clear. The effort by the Australian Labor Party to talk about the car industry is really an effort to disguise their carbon tax position. We heard from Senator Colbeck that the carbon tax imposes a $400 production cost on Australian cars. The carbon tax does not discriminate; it applies everywhere across the country, so it is just as important for South Australians to eliminate the carbon tax as it is for Western Australians in my home state. So let us be very clear. The Labor Party's effort to talk about cars is really an effort to hide from the carbon tax.

Why would the Labor Party today want to hide from the carbon tax? Let us just think about what the Labor Party said recently about its carbon tax position. Wayne Swan, on 15 August 2010, said:

No it's not possible that we're bringing in the carbon tax, that is a hysterically inaccurate claim being made by the Coalition.

What did we see under the previous, Labor government? A carbon tax. What did former Prime Minister Julia Gillard say? She said, 'There will be no carbon tax under a government I lead.' Just in case you thought that that was a historical position, let us look at what the Labor Party was saying in this month of this year about the carbon tax. Let us go to the South Australian House of Representatives member Mr Butler:

It is all well and good to say that you want to terminate the carbon tax, the relatively high price on carbon immediately. On that we agree.

Who said that? The South Australian opposition spokesman Mark Butler. Let us look at what the House of Representatives member Richard Marles said—oh, there is silence on the opposition side. Let me speak clearly so you can all hear. Mr Marles said:

We do need to acknowledge the fact that Tony Abbott won the election and we lost, and we need to face that reality and questions of mandate are issues that we need to consider and where I completely agree with Nick Champion is that we do need to be choosing our battles very carefully when we are in opposition.

What did Nick Champion say, you ask me?

Senator Bilyk: No, I didn't.

Senator SMITH: Thank you very much. Nick Champion said:

I think we should abstain in the Senate, allow the Abbott Government to implement its policies in their entirety in terms of carbon, that is Direct Action and the repeal of the carbon price and that would basically make him responsible for climate policy in Australia.

That is absolutely correct. By making him responsible for climate policy, we will reduce the costs on Australian manufacturers. You would think that was simple.

Let me be clear. The Australian government has a position. If you go to the internet, you can see it as well. On 30 October it was made very, very clear. The media statement reads:

The Coalition Government has been clear since day one. We will take a careful and methodical approach to considering the future of the Australian automotive industry, and that response will be based on the Productivity Commission review of the sector.

The media statement goes on:
The only way to give this industry and its future the detailed consideration it deserves is to put the politics aside. This is still my—that is, Mr Macfarlane's—intention. It's up to Premier Weatherill—the South Australian premier—to decide if it's his intention also.

There is no mistaking that government senators from South Australia support the Australian car industry and support the car industry in their own state.

If I had more time, I would share what happened under the previous government when it came to the Australian car industry. Let me be quick. Vehicle production in Australia was over 335,000 units a year. When Labor left office, it was down to 221,000. There were 200 businesses in the automotive supply chain; now there are fewer than 150. That is a 25 per cent reduction.

Let's be clear again. What did Labor cut? They cut the Green Car Innovation Fund twice, by $200 million each time. Then they abandoned it altogether, reducing support to the automotive industry by a further $800 million. (Time expired)

Senator JACINTA COLLINS (Victoria) (15:24): On the same matter, Senator Smith has been very entertaining, but, as the debate and discussion in question time today highlighted, climate change as an issue will not shield the Abbott government for long. They continue to parade question after question to try to place attention elsewhere, but there are serious issues of the day that need to be addressed. One of them this week most certainly—due to the behaviour, it seems, of their own senior ministers—is the automotive industry. It is a very important issue for Australian manufacturing and, indeed, the workers in that sector as well.

What is clear from today's discussion also is that the government are not serious about jobs in the automotive industry and have no plan. They have no plan other than a Productivity Commission report and a cut of $500 million in industry assistance. Why do they have no plan? Apart from the general laziness of their opposition years and, as we saw over the weekend, inquiry after inquiry now, they have no serious commitment to manufacturing in Australia.

Let's look at some of the context around the importance of the automotive industry. The Australian automotive industry is central to our capacity as a manufacturing nation—50,000 direct jobs, over half of them in Victoria, depend on it and another 200,000 jobs depend on it indirectly. But it is not only the issue of those direct and indirect jobs. Governments around the world support their automotive industries because of the jobs they provide and the broader manufacturing capabilities they nurture. Thirteen countries only in the world have the capacity to design and manufacture motor vehicles, and Australia's is also the most open and competitive market in the world. But, if we want to preserve an important industry that helps us protect a broader manufacturing base, our industry needs to be able to compete, with international investment. Long-term certainty is needed to attract that investment. Long-term certainty requires mature governance.

This is where Senator Wong should have perhaps added Senator Cormann's question time responses to this take note debate, because he first said—and then Senator Smith repeated it—
this line about being 'calm and considered'. The question of today in the Fin Review was, 'Where, pray, did "calm and considered" go?'

Senator Smith: It was 'careful and methodical'.

Senator JACINTA COLLINS: Sorry, Senator Smith. I should have said you used the word 'methodical'. That is the other one in the script. We have 'methodical', 'careful', 'cautious', 'responsible', 'There will be no surprises', 'The adults are in control' and 'Labor is being juvenile'. I think I have about trotted out the whole lot of phrases that this new government is putting forward rather than consistent policy. It is consistency that we as a nation need, just as much as children need consistency. That is what we are not seeing from this government.

Senator Farrell raised the Gonski issue. It was very relevant to the discussion today, for the same reason the Fin Review picked it up this morning. It is one of four key areas where this government is struggling to show discipline and consistency. Gonski is a big one. For Mr Pyne, Gonski demonstrated again the laziness of opposition that this government chose to exercise in years past. He did not understand the importance of school education. He did not understand the Gonski model. He did not properly inform his colleagues in cabinet. So what did we see? Flip-flop, flip-flop, flip-flop—as we are now seeing in this government's approach to industry policy.

Industry policy is very important to Australia's future. But we see inconsistent positions around GrainCorp, Qantas and now Holden. What is even worse about what we see with respect to Holden is that it appears that we have senior ministers in this government trying to drive Holden out. This is ideological recklessness of the greatest degree. (Time expired)

Question agreed to.

Uranium Mining

Senator LUDLAM (Western Australia) (15:30): I move:

That the Senate take note of the answer given by the Minister for Finance (Senator Cormann) to a question without notice asked by Senator Ludlam today relating to an incident at the Ranger uranium mine in the Northern Territory.

The Ranger uranium mine is, of course, a mineral lease that is surrounded by Kakadu National Park. Kakadu is the jewel in the crown of Australia's conservation estate. It is one of our most important national parks. It is one of the most important World Heritage areas in the world—listed originally for its cultural and its environmental values—and it has a dirty great uranium mine operating right in the middle of it.

Not so long ago, all sides of this chamber and former environment minister Tony Burke, from my recollection, lined up to congratulate the traditional owners of the Koongarra mineral lease for re-incorporating the Koongarra mineral lease into Kakadu National Park, from which it should never have been excised. Senators are no doubt also aware that the other uranium lease in Kakadu National Park is at Jabiluka, which we know that Rio Tinto has its eyes on.

But at this clapped-out facility over the weekend—as Senator Cormann indicated not so long ago, during question time—up to 1.4 million litres of strongly acidic radioactive sludge spilled overnight from a burst tank into the mine site. The minister representing the environment minister today continued to play down those events. I would construe this as the worst radioactivity disaster in Australian history. That may sound a little over the top; I am
more than happy for senators on any side of the chamber to stand up and tell me which was worse. If you except the deliberate atomic bombing of Australian and British service personnel and the Aboriginal people of the region after the Second World War, it is hard to come up with a worse example of a radioactive spill or contamination event in Australian history.

This is one of the best, if not the best, regulated uranium mine anywhere in the world. I cannot think of a uranium mine anywhere else in the world that has its own statutory regulator—its own Commonwealth authority—set up explicitly to maintain the mine and make sure not only that the impacts on Kakadu and on the people who have lived in that area for tens of thousands of years are minimised but that there are no impacts at all. Quite clearly not only has the operator of that mine failed catastrophically over the weekend but also so has the regulator.

This is the most recent—but I would say it is the most serious—of a string of leaks, spills, disasters, near misses and mishaps that have occurred at the Ranger project area over a period of 33 years. The record of more than 150 spills, leaks and licence breaches is well documented. Some years ago I revealed through Senate estimates with the supervising scientist that water with uranium concentrations of nearly 5½ thousand times background were leaching beneath the tailings dam at Ranger. A few weeks ago a contaminated vehicle was somehow allowed out of the restricted area of the site. In 2004, plant workers drank and showered in uranium process water containing 400 times the legal uranium concentration. I share the deep concerns of the traditional owners of the area, who quite agree with the Senate committee into the uranium industry in Australia which found that it has never been properly followed up and found a persistent pattern of underperformance and noncompliance. It is very, very lucky, and the company is extremely fortunate, that someone was not killed or seriously injured on that site on the weekend, as a key part of their process plant exploded, showering the surrounding area with acid, with a pH of one or two, that was laced with uranium and other chemicals.

Today, I put in a 29-part question on notice to try to get to the bottom of the incident, to find out how the operators and the regulation could fail so badly. This is not the only leach tank of its kind at the plant. I have been unable to ascertain over the last few days how many there are. There are somewhere between another three and six of these leach tanks. It is essential that the company identify immediately whether others are in a similar condition and also pose a threat of catastrophic failure.

If this can happen at this mine, which is supposedly one of the best regulated uranium mines in the world, it can happen anywhere. This is an industry that we do not need in Western Australia, we do not need in South Australia and we certainly do not need in Queensland or in New South Wales, where it is trying to get its teeth into state regulators. The last thing we need is for the environment minister to be outsourcing his responsibilities to the states and territories. This is an industry that needs further, much stricter, regulation while we establish how long it is going to take to phase it out. From the point of view of the Australian Greens, the sooner it is, the better.

Question agreed to.
CONDOLENCES

Mandela, Mr Rolihlahla (Nelson) Dalibhunga, AC

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (15:35): by leave—I move:

That the Senate records its deep regret at the death on 5 December 2013 of Nelson Rolihlahla Mandela AC, former President of the Republic of South Africa, places on record its acknowledgement of his role in the development of the modern South African nation and tenders its profound sympathy to his family in their bereavement.

As the people of South Africa hold a day of prayer to give thanks for the life of His Excellency Nelson Mandela, so this parliament and Senate rightly pause as well to pay tribute and give thanks for the life of a great man. As the South African people express sorrow on his passing and at the same time give thanks for his contribution to their country, we in Australia do the same not only for his leadership in South Africa but also in the world. Whilst a great ocean separates our two nations, it is the same water that laps both our shores. So it is with the sentiments that saw bipartisan support in Australia against the scourge of apartheid in solidarity with the aspirations of the people of South Africa.

Australian prime ministers of all persuasions sought to do their bit to achieve that which Mandela so masterfully achieved. On my side of politics I note the contributions—and I also note that prime ministers on the other side did similar things—of the Rt. Hon. Malcolm Fraser and the Hon. John Howard, whose governments saw the granting of an honorary Companion of the Order of Australia to His Excellency Mr Mandela in 1999. This was something in which I was delighted to play a very small part. It was a former law professor of mine from the University of Tasmania, Professor Norman Dunbar, who suggested that we should write to then Minister Downer with that suggestion, and that correspondence was written a year before the honour was granted. The citation read:

For service to Australian–South African relations and his outstanding leadership to bring multiracial democracy to South Africa.

His walk to freedom was long, it was windy, it was full of obstructions—all of which were overcome by his resilience, his commitment and his belief in the equality of all races.

To me the greatest virtue, amongst many, of the man was his embrace of reconciliation over retribution. Another virtue, a close second, was his humility. Acknowledging his own human frailties, he fought against hagiography. He never wanted to be an icon or a saint. In his own words, he was ‘just a sinner who kept on trying’, which of course places him in the great biblical pantheon of the likes of Judah and King David. His willingness to reach out and acknowledge that the future of which he dreamed could be achieved without violence, without anger, without retribution was revolutionary in itself. It is because of these qualities that Nelson Mandela has rightly been described as the most significant figure of the century.

No individual life more fully embodied the grand themes and great struggles of the 20th century than that of Nelson Mandela. The story of the 20th century was that of the rise of oppressive ideologies and systems of government, the heroic struggle against oppression by millions of people throughout the world and the ultimate triumph of the ideals of liberal democracy and political equality. Nelson Mandela personified that triumph. The measure of
Nelson Mandela's greatness was in the way he led his own political movement towards the path of inclusiveness and reconciliation following his release. Whilst others may have sought retribution, Mandela championed tolerance and forgiveness. In 1990, soon after his release, he famously told those who would seek to perpetuate conflict in South Africa to 'take your guns, your knives, and your pangas, and throw them into the sea!'

Nelson Mandela's influence will endure well beyond South Africa, as the values he lived are universal human virtues to which we can all aspire: courage, perseverance, humility and forgiveness. In his statement opening the defence case at the Rivonia Trial, he said:

During my lifetime I have dedicated myself to this struggle of the African people. I have fought against white domination, and I have fought against black domination. I have cherished the ideal of a democratic and free society in which all persons will live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to see realised. But, my lord, if needs be it is an ideal for which I am prepared to die.

He was granted the great privilege of going to his maker seeing his hope fulfilled and his hope realised—something which neither Moses nor Martin Luther King Jr was granted. Generations of South Africans will forever be indebted to him, and generations worldwide will glean inspiration from his example forever.

On behalf of the Australian government and the Australian people, I extend our nation's sympathy to the immediate family of His Excellency Nelson Mandela and also to his South African national family on his passing but invite them to celebrate his long life and his revered place in history, which will stand over the centuries.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:42): I rise on behalf of the Australian Labor Party to support the condolence motion moved by Senator Abetz. Mr Mandela himself remarked once that the names of only a very few people are remembered beyond their lives. Today, in this Senate, we rise to respect a man who is one of them—one of the few whose name, acts and words will be remembered beyond his life.

At this time, when a multiracial democratic South Africa has become something of the norm, it is useful to recall through the sweep of Nelson Mandela's life not only the extent of the struggle that he and his colleagues engaged in but also just how controversial at times the issue of Australia's relationship to South Africa and the apartheid regime was. Today, in preparation for this condolence debate, I read some of the contributions from former leaders, and Senator Abetz has mentioned some of them. I mention today the contributions of past Labor leaders and, in particular, make reference to the work of former Prime Minister Hawke. His contribution to the House of Representatives, I think in 1986, is a reminder of just how controversial the work of people who opposed apartheid and the work of those who wanted greater action in relation to South Africa was at that time. The then Prime Minister made this point about sanctions:

... concrete measures are the only way to fulfil our moral obligation as liberal democracies serious about the values of individual liberty and democratic rights. Apartheid is universally deplored but repugnance alone is not sufficient for its elimination. Vocal opposition without tangible measures is hollow.

He went on to say:

Make no mistake, change will come about one day in South Africa and it is a question of vital importance how it comes.
So this nation, through individuals and parties on both sides of the political divide, played a role in contributing to a democratic South Africa, and it is, I think, appropriate today to recall that, because it is important that we recall that nations such as ours have that obligation in the international order.

There are many things that we can say and that will be said today and beyond about Nelson Mandela. I want to start with a quote that I recalled which I think spoke so succinctly of his values. In Long Walk to Freedom, he wrote:

No one is born hating another person because of the colour of his skin, or his background, or his religion. People must learn to hate, and if they can learn to hate, they can be taught to love, for love comes more naturally to the human heart than its opposite.

Such wonderful words, such fine words—words which really exemplify the greatness of this man. He was great for many reasons. He was great for his courage and for his ability to bring his people together. He was great for his persistence and tenacity in the long years of struggle against apartheid. But, to me, one of the greatest examples of the measure of this man was the way he approached the task of building a democratic South Africa, and that, as my colleague Senator Abetz said, was that he spoke to his people and said, 'Put away your swords.' We in this place, in a very, very small way, understand at times populist politics. We understand that the people who elect us often want us to do and say certain things. I would ask, with that very small understanding that we have as people who have the privilege of being elected to this place in a peaceful, democratic Australia: imagine saying, as a leader, to the families, to the parents and grandparents, of those who had lost their lives in the struggle against apartheid, 'Vengeance is not the path we shall take. We will take a path that is about reconciliation and peace.' I think that path that Nelson Mandela took is one of the most extraordinary examples of ethical leadership, of human leadership, of leadership of humanity, that we have been privileged to see—because it is an enormously hard thing in our personal lives to step away from the desire for retribution; it is an even more extraordinary thing as the leader of a nation to encourage so many to do the same thing and to take the same step.

All of us in this place have our stories about our engagement with the anti-apartheid movement—and I hope many senators will take the opportunity to make a contribution with respect to Mr Mandela tomorrow night—but I wanted to make a couple of comments about key moments. I am sure all of us will recall the day he was released, all those of us who are old enough to remember—and I suspect we all are. I recall as a young activist and as someone for whom racism had had such a personal bent being enormously moved by the story of Nelson Mandela and the many other activists, including fallen activists, in South Africa. I recall, as I am sure many here can recall, going to various events, joining various movements, in support of and in solidarity with the ANC. Australia has a long history of that, and there would be people in this place who would be able to speak in great personal detail about some of the actions which were taken in the seventies and the early eighties. But I will never forget sitting and waiting for the footage of him walking out. I will never forget that, because it was such a triumph of not only the human spirit; it was a triumph of good and peace and solidarity over division and hatred and prejudice. It was a triumph of the international community, over time, working with those who struggled in South Africa to deliver an outcome where the very regime which sought to imprison this man had to release him—one of the most extraordinary moments, I think, of the last century, and it happened in most part because of the man whom we honour today.
I think Senator Abetz was right when he said that, in many ways, Nelson Mandela was the greatest figure of the last century. The measure of the man is not only in his actions, not only in the history books, but also, I think, in the words to which we will continue to return in years to come. We all know of such words, like Martin Luther King's 'I have a dream' speech and many of the statements by Gandhi and others, that we return to at times as people interested in democracy and as members of the family of humanity. I believe that Nelson Mandela will be remembered for so much, but, most importantly, he will be remembered through our returning to the things that he said because they provide such wisdom and cast such light even on today. I close with one of those quotes:

What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead. On behalf of the Australian Labor Party, I join with others in the Senate chamber in expressing our profound sympathy to Mr Mandela's family and friends and, of course, to the South African nation.

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:52): I rise today to support the motion and, with others in the Senate, to celebrate the life and pay tribute to the achievements of Nelson Mandela. He was a great leader, a freedom fighter and, of course, the President. The days since his death have shown how many people around the world have been inspired by his courage, by his commitment and by his personal sacrifice. His achievements are a testament to the power of resistance and grassroots engagement. As Aung San Suu Kyi has said:

He was a great human being who raised the standard of humanity. He stood for human rights and equality and he made us all understand that we can change the world.

As Senator Wong has just quoted:

What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.

Those words are the best way to sum up his life because he did make such a difference to the lives not only of people in South Africa but also of people throughout the world. He dedicated his life to ending the dispossession of black South Africans under apartheid.

We cannot truly reflect on his life without also confronting the history of apartheid in South Africa. When Nelson Mandela first joined the African National Congress in the 1940s, the organisation was regarded as a terrorist group, a label it would struggle against for decades. When the ANC was outlawed in the 1960s, he travelled throughout Europe and Africa to build support for the anti-apartheid movement. Shamefully, Mandela received little in the way of institutional support. When he returned to South Africa, he and other senior ANC figures were charged with sabotage in an effort to marginalise the anti-apartheid movement. At the 1964 trial, which found him guilty, he made a strong statement describing his vision for democracy in South Africa, and it was the statement from which Senator Abetz quoted earlier. He said at that time:

I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to see realised. But, my lord, if needs be it is an ideal for which I am prepared to die.

People do not understand the context of those words. He was facing the death sentence when he stood up and said that. His lawyers told him not to, that it was too great a risk to stand up
and say what he was fighting for, but he was prepared, as he said, to face the death sentence were that to occur. As happened, he was sentenced to life imprisonment and for 27 years he spent the best part of his life in prison, smashing rocks for a long part of that time. He was allowed a visitor once every six months. It is very hard for any of us to imagine for a moment what it would be like to live through that. We have to pay tribute to the Red Cross because during that time they visited consistently, as indeed they do for prisoners all over the world. Nelson Mandela said he always knew when they were coming because he was allowed out, not to work that day but to meet with them, and that they gave him some comfort and joy through that time.

Those words, which he spoke in the trial, were his last public words until he was released from prison on 11 February 1990. Like Senator Wong, I remember that day very well and watching on television when he first walked across what appeared, as I recall, to be a bridge. The reports of the day said that he was met with joy, with exhilaration and with apprehension. The apprehension goes to the very fact that how he responded at that time has determined the fate of South Africa. As Archbishop Desmond Tutu said:

Can you imagine what would have happened to us had Mandela emerged from prison in 1990 bristling with resentment at the gross miscarriage of justice that had occurred in the Rivonia Trial? Can you imagine where South Africa would be today had he been consumed by a lust for revenge, to want to pay back for all the humiliations and all the agony that he and his people had suffered at the hands of their white oppressors?

Instead, the world was amazed, indeed awed, by the unexpectedly peaceful transition of 1994, followed not by ... a revenge and retribution but by the wonder of forgiveness and reconciliation epitomized in the processes of the Truth and Reconciliation Commission.

Desmond Tutu also said that Nelson Mandela was 'the undisputed icon of forgiveness and reconciliation. We thought enemies could become friends as we followed Madiba on the path of forgiveness and reconciliation.' That was an absolutely extraordinary thing that he was able to achieve. During the time he was in prison, work was going on around the world seeking an end to apartheid.

We in Australia can be quite proud of the actions taken by Prime Minister Fraser and by Prime Minister Hawke and I pay tribute to Bob Hawke's efforts with respect to his idea of divestment. It was Bob Hawke who came up with the idea of going to the world's bankers, which were essentially holding up the South African economy, and getting them to actually act against apartheid and, in fact, one of the finance ministers in South Africa at that time said that that divestment campaign was the dagger that finally immobilised apartheid. So that is really a very significant contribution and when Nelson Mandela came to Australia, after he was released in 1990, he made that point while he was here, that one of the reasons he came was the role that Australians, and Bob Hawke in particular, had played in bringing an end to the apartheid regime.

But it is also worth remembering—as at the end of a long life people now stand and pay tribute to Nelson Mandela—how hard it was for him during those years and for the people who supported him and also the number of people who died in the struggle. It was a very strong and horrific struggle against the forces who were trying to bring an end to the apartheid regime. You only have to look at the response in the United Kingdom, where you had the youth wing of the Conservative Party bringing out their infamous Hang Mandela poster and
you had Margaret Thatcher at the time saying that Mandela and his supporters were 'living in cloud cuckoo land' for believing that he might lead South Africa someday. Ronald Reagan also fought against the international divestment effort and it is interesting that Nelson Mandela's name remained on the terrorist list, in terms of the Americans, and was not removed until 2005. So, looking back on his life, I note he certainly had every temptation to behave differently than he did in terms of forgiving his enemies and calling for truth and reconciliation and for a moving-on in South Africa.

As for my own experience, I never had the honour of meeting Nelson Mandela but I did have the enormous privilege of sitting in a room when Nelson Mandela addressed the World Parks Congress in 2004. He stood up there and said:

A sustainable future for humankind depends on a caring partnership with nature as much as anything else.

He made a very strong statement about his connections with the natural world. In that same speech he went on to talk about the importance of youth and he said:

Without the involvement of the youth, the future cannot be secured.

I am hoping that now, with his death and the enormous outpouring of love for him in South Africa and around the world, young South Africans will be inspired by his message of peace and reconciliation and forgiveness and will go on in the same manner in which he led them.

He also said this statement, made outside the Australian Education Union offices, where he talked about education as 'being the most powerful weapon you can use to change the world’—and I know that is something that Nelson Mandela often talked about in South Africa with young South Africans. So, on behalf of the Australian Greens, I certainly want to convey our condolences and very best wishes and thoughts to Mr Mandela's family and to the people of South Africa but also to people around the world who are oppressed, to whom we say: never give up and be inspired by the life, courage and optimism of Nelson Mandela.

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (16:03): I rise to support the motion. There have been a great many things said about someone who was truly great—a great leader and a great activist; a legend. The danger is, however, that we and history lose sight of the fact that Mr Mandela, as he was born, was an ordinary man who through his efforts did extraordinary things. In his humble way, he once stated:

I was not a Messiah, but an ordinary man who had become a leader because of extraordinary circumstances.

Whilst I agree that the circumstances were indeed extraordinary, it was Mr Mandela's choices as an ordinary man that really made him anything but ordinary. That is the legacy that he leaves behind: believing in something and continuing to pursue those beliefs, even at an extraordinary cost to himself—and that is what made him great.

It was an ordinary man who suffered in prison on Robben Island, who must have had moments of doubt, who must have been wondering whether it was all worthwhile during what could only have been described as a lonely and desolate time in his life. As the years dragged on, he refused offers of release because they were subject to conditions that he could not accept. No doubt, like ordinary men, he would have questioned his position and whether the
overall goals were worth the loss of life and uncertainty that characterised South Africa at that stage.

Born in 1918 in the Transkei region, Mr Mandela's early years were spent herding cattle. At the age of nine he moved to his uncle's home but he moved away because he did not want the destiny that others had mapped out for him and he chose an education. He was the first member of his family to go to school, and one of his teachers gave him the name, Nelson. Mr Mandela, against this background, went on to study law, qualifying in 1942. In 1944 he became part of the active resistance to apartheid after the National Party, which was dominated by white, Afrikaans-speaking South Africans, came to power in 1948. His views were seen, however, as treasonable.

It should not be forgotten that Mr Mandela committed his presidency to pursuing national reconciliation, delivering a new constitution among wider legal and social reforms. Importantly, he established the Truth and Reconciliation Commission, which spent two years hearing the stories of those who were persecuted under the former regime and amazed the world by offering amnesties and forgiveness to those of their persecutors. As a president, Mr Mandela also had his detractors. His attempts to engage the white South African population put a number of his ANC supporters and friends offside. Mr Mandela responded to not pleasing everyone all of the time by saying, 'It helps to make you human.'

I will finish by repeating that great slogan used by Mr Mandela himself: 'The common ground is greater and more enduring than the differences that divide.' As our nation moves towards true reconciliation with our Indigenous peoples, let us never forget the truly great examples he set as an ordinary man, in the face of adversity and difficulty that would have broken many other ordinary men. Rest in peace, 'Madiba.' You have fought a great battle on so many levels and humanity will continue to pay tribute to you into eternity.

Question agreed to, honourable senators standing in their places.

PETITIONS

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

Wireless Audio

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

The petition of the undersigned shows: Wireless audio products (radio microphones, communications systems and in ear monitoring systems) currently operate in the same piece of the radio spectrum as analogue TV broadcasting (the 520-820MHz frequency band). Under a "class license" they operate in the gaps or "white space" between the comparatively widely spaced TV stations. A portion of this spectrum (694MHz to 820MHz) either has or will be auctioned and made available for the use of mobile digital devices following the switch from analogue to digital TV at the end of 2013. The sale and re-use of this spectrum is known as the "digital dividend". As part of this process, around 150,000 wireless audio units will be required to vacate the 694MHz to 820MHz band in order to provide "clean and unhindered" use for the new users of the spectrum. Users of wireless audio products (including schools, churches, fitness/aerobics instructors, musicians, the conventions and meetings industry and community groups) mostly operate their devices in a "plug and play" mode — few will know what frequencies they are using. Currently there is no comprehensive communications and education plan to inform these users of the coming changes and the need to alter the way they use their equipment. Similarly, many of these groups, even if they are made aware of the need to change, may not have the financial resources to replace their existing (fully functional) devices. In the absence of a genuine
commitment from the Government and the Australian Communications and Media Authority to develop a comprehensive, well-resourced transition plan: Most users will continue to use their existing equipment. They will likely be unaware of the need to shift to a different spectrum. Those who are aware will be unable to do so due to financial constraints or will be unconvinced of the reasons to move. Up to 150,000 individuals and organisations will in effect become criminals as they breach the 1992 Radiocommunications Act either knowingly or unknowingly. Included in this new class of criminals will be priests, school principals, fitness instructors, tourism operators, sporting club volunteers, musicians and many others. If action is not taken urgently, the digital dividend process is at risk of becoming a significant public policy failure.

Your petitioners ask that the Senate:

Does everything in its power to ensure that the Government and the Minister for Broadband, Communications and the Digital Economy, urgently develops a comprehensive, well-resourced transition plan that includes communications, education and compensation for those wireless audio users impacted by the spectrum change.

by Senator Ludlam (from 3,067 citizens).

Gambling

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

The petition of the undersigned shows:

Gambling advertisements and odds are blight on Australian sport and they risk creating another generation of problem gamblers. Sports broadcasts are among the most watched by Australian children who are now being exposed to a constant barrage of gambling advertisements.

Experts say that the average child sports fan can now name 2 or 3 sports betting companies.

Your petitioners ask that the Senate:

Legislate to ban the promotion of gambling services by sports commentators; to ban the broadcast of wagering odds during a sports broadcast, including in paid advertisements; and to close the loophole allowing the advertising of gambling services in children’s viewing hours during a sports broadcast.

by Senator Madigan (from 27 citizens).

Petitions received.

NOTICES

Presentation

Senator Fifield: To move:

That—

(a) if by 8 pm on Thursday, 12 December 2013, the following bills have not been finally considered:

Clean Energy Finance Corporation (Abolition) Bill 2013
Climate Change Authority (Abolition) Bill 2013
Clean Energy Legislation (Carbon Tax Repeal) Bill 2013
Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment (Carbon Tax Repeal) Bill 2013
Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment (Carbon Tax Repeal) Bill 2013
True-up Shortfall Levy (General) (Carbon Tax Repeal) Bill 2013
True-up Shortfall Levy (Excise) (Carbon Tax Repeal) Bill 2013
Customs Tariff Amendment (Carbon Tax Repeal) Bill 2013
Excise Tariff Amendment (Carbon Tax Repeal) Bill 2013
Clean Energy (Income Tax Rates and Other Amendments) Bill 2013
Minerals Resource Rent Tax Repeal and Other Measures Bill 2013
Social Services and Other Legislation Amendment Bill 2013
Higher Education Support Amendment (Savings and Other Measures) Bill 2013,
the Senate shall not adjourn, the routine of business from not later than 8 pm shall be government
business only, and the Senate shall continue to sit until it has finally considered these bills, or a motion
for the adjournment is moved by a minister, whichever is the earlier; and
(b) divisions may take place after 4.30 pm.

Senator Siewert: To move:
That the Senate—
(a) acknowledges:
   (i) the need for flexible dialysis services in the Central Desert that allow patients to receive treatment
   in their home community rather than being forced to travel thousands of kilometres,
   (ii) the work of Western Desert Dialysis (Alice Springs, Northern Territory), an innovative renal
   service provider and recipient of the Excellence in Accessible Communities Award at the 2013 National
   Disability Awards, and
   (iii) the ongoing dispute with the Northern Territory, and the South Australian and Western
   Australian governments about who is responsible for funding the operational costs of delivering renal
   services ‘on country’ for remote Aboriginal communities; and
(b) calls on the Government to:
   (i) ensure that the $10 million earmarked for renal services is spent on improving central desert
   infrastructure,
   (ii) work with communities to develop alternative models of service delivery, such as those proposed
   by communities like Kiwirrkurra and Warburton, who are prepared to contribute funding from their
   own community to run services, and
   (iii) renew its efforts to negotiate with states and territories and resolve the impasse over patient
   funding as a matter of urgency.

Senator Waters: To move:
That the Senate—
(a) notes:
   (i) that Queensland’s Wet Tropics rainforest, which includes the iconic Daintree Rainforest, was first
   added to the World Heritage List 25 years ago,
   (ii) that the Wet Tropics have been recently named by the International Union for Conservation of
   Nature as one of the top three most irreplaceable biodiversity areas on earth (of more than 100 000
   protected areas worldwide), and
   (iii) funding of the Wet Tropics management has been declining in real terms over the past decade,
   important positions on the board of the Wet Tropics Management Authority (WTMA) remain empty,
   and the WTMA has not yet received its base funding from the Commonwealth Government for the
   2013-14 financial year; and
Monday, 9 December 2013

(b) calls on the Government to urgently progress the appointment of WTMA board members, and to
deliver to WTMA the base funding needed to safeguard these outstanding biodiversity values.

Senator Milne: To move:

That—

(a) the following matter be referred to the Environment and Communications References Committee for
inquiry and report by 24 March 2014:

An inquiry into the Abbott Government’s Direct Action Plan and the Abbott Government’s failure to
systematically address climate change, including:

(i) whether the Direct Action Plan has the capacity to deliver greenhouse gas emissions reductions
consistent with Australia’s fair share of the estimated global emissions budget that would constrain
global warming to Australia’s agreed goal of less than 2 degrees,

(ii) whether the Direct Action Plan has the capacity to reduce greenhouse gas emissions adequately
and cost effectively,

(iii) the effect of technical issues that arise for measuring abatement under the Direct Action Plan,
including additionality and establishing emissions baselines for emitting entities and long-term
monitoring and reporting arrangements,

(iv) the impact of the absence of policy certainty derived from the Direct Action Plan to encourage
long-term business investment in the clean, low carbon economy,

(v) the impact of the abolition of the Clean Energy Finance Corporation on the availability of capital
for clean technology and industry investment,

(vi) the repeal of the Clean Energy Package and the Direct Action Plan’s impact on, and interaction
with, the Carbon Farming Initiative,

(vii) the fiscal and economic impact of the Direct Action Plan,

(viii) the impact of repealing the Clean Energy Package on Australia’s ability to systemically address
climate change,

(ix) the impact of repealing the Clean Energy Package on Australia’s carbon pollution cap,

(x) the impact of repealing the Clean Energy Package on international efforts to reduce carbon
pollution,

(xi) the impact of abandoning linkage with the European Union on international cooperation to
reduce emissions,

(xii) the ability of the Government and the Australian people to receive expert independent advice on
an appropriate carbon pollution cap for Australia following the abolition of the Climate Change
Authority,

(xiii) the impact of cuts to funding for the Australian Renewable Energy Agency, and

(xiv) any other related matters; and

(b) in undertaking this inquiry the committee must have regard to the Climate Change Authority’s draft
2013.

Senator Lundy: To move:

That, noting paragraph (7) of the Senate order for departmental and agency contracts, the following
matter be referred to the Finance and Public Administration References Committee for inquiry and
report by 14 May 2014:

The operation of the Senate order for departmental and agency contracts, including:
(a) developments in the online reporting on contracts (including Austender) which may be relevant to enabling departments and agencies to meet the requirements of the order;
(b) the role of, and reporting by, the Auditor-General under the order; and
(c) any other related matters.

Senator Ludlam: To move:
That the following matter be referred to the Select Committee on Electronic Surveillance for inquiry and report by 10 June 2014:
The adequacy of the institutional, technical and legal framework governing the Australian Intelligence Community and related entities, with particular regard to:
(a) the right to privacy and data security;
(b) institutional accountability to the Parliament;
(c) international legal obligations and agreements; and
(d) other relevant related matters.

Senator Rhiannon: To move:
That the Senate—
(a) notes:
   (i) that the Coalition Government’s plan to rip $900 million out of Australian universities and increase student debt by $1.2 billion will not be legislated,
   (ii) the enormous contribution by organisations such as the National Union of Students and the National Tertiary Education Union in campaigning against these proposed cuts,
   (iii) that the former Labor Government commissioned two major reports into university funding, the Bradley Review of Australian Higher Education (2008) and the Lomax-Smith Higher Education Base Funding Review (2011),
   (iv) that both the Bradley and Lomax-Smith reviews found that Australian universities are chronically underfunded,
   (v) that the Bradley review found that Australia was the only Organisation for Economic Co-operation and Development country where the public contribution to higher education remained at the same level in 2005 as it had been in 1995,
   (vi) that the Bradley review proposed a 10 per cent increase in base funding of universities to maintain standards at their current level, and
   (vii) that the findings of these reviews are still relevant due to a lack of implementation by the former Government of their recommendations; and
(b) calls on the Government to commit to an immediate 10 per cent increase to base funding of universities.

Senator Conroy: To move:
That the Select Committee on the National Broadband Network be authorised to hold a public meeting during the sitting of the Senate on Wednesday, 11 December 2013, from 9.30 am.

Senator Carr: To move:
That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 21 February 2014:
A claim of public interest immunity raised over documents tabled by the Assistant Minister for Immigration and Border Protection (Senator Cash), on 4 December 2013, in response to an order for

CHAMBER
production of documents and other documents tabled by the same Minister in relation to other orders for production of documents concerning immigration policy, with particular reference to:
(a) the specific matters of public interest immunity being claimed by the Minister for Immigration and Border Protection and;
(b) the authority of the Senate to determine the application of claims of public interest immunity.

**Senators Wright and Rhiannon:** To move:
That the Senate—

(a) notes that:

(i) 10 December is Human Rights Day, proclaimed by the United Nations General Assembly in 1950,

(ii) on 15 November 2013 the Prime Minister (Mr Abbott) said, regarding reports of torture by Sri Lankan security forces, that ‘we accept that sometimes in difficult circumstances difficult things happen’, and

(iii) groups including Human Rights Watch, the Human Rights Law Centre, Amnesty International Australia, Australian Lawyers for Human Rights, and the Castan Centre for Human Rights Law, asked the Prime Minister to retract his comments in November;
(b) rejects the Prime Minister’s suggestion that there are circumstances where torture is justifiable; and
(c) calls on the Prime Minister to retract his comment excusing torture, and to affirm the Australian Government’s opposition to the use of torture in any circumstances.

**Senator Xenophon:** To move:
That the following bill be introduced: A Bill for an Act to amend the *Criminal Code Act 1995*, and for related purposes. *Criminal Code Amendment (Harming Australians) Bill 2013.*

**Senator Xenophon:** To move:
That the Civil Aviation Order 48.1 Instrument 2013, made under subregulations 5(1), 5.55(1) and 215(3), and regulation 210A of the Civil Aviation Regulations 1988, subregulation 11.068(1) of the Civil Aviation Safety Regulations 1998, section 4 and subsection 33(3) of the *Acts Interpretation Act 1901*, and paragraph 28BA(1)(b) and subsection 98(4A) of the *Civil Aviation Act 1988*, be disallowed.

Fifteen sitting days remain, including today, to resolve the motion or the instrument will be deemed to have been disallowed.

**Senator Xenophon:** To move:
That the Senate—

(1) That so much of standing orders be suspended as would prevent this resolution having effect.

(2) That the following bills be restored to the *Notice Paper* and that consideration of each of the bills be resumed at the stage reached in the last session of the Parliament:

- Anti-Money Laundering Amendment (Gaming Machine Venues) Bill 2012
- Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011
- Public Service Amendment (Payments in Special Circumstances) Bill 2011
- Foreign Acquisitions Amendment (Agricultural Land) Bill 2010.
**Senator Milne:** To move:

That the Senate—

(a) condemns the Abbott Government for actively considering modifying the boundaries of the Tasmanian Wilderness World Heritage Area to exclude high conservation value forests; and

(b) calls on the Abbott Government to rule out submitting a proposal to modify the boundaries to the area to the World Heritage Committee by February 2014 for the June meeting of the committee.

**COMMITTEES**

**Education and Employment Legislation Committee**

**Meeting**

**Senator Kroger** (Victoria—Chief Government Whip) (16:09): by leave—At the request of Senator McKenzie, I move:

That the Education and Employment Legislation Committee be authorised to hold a public meeting during the sitting of the Senate today, from 7.30 pm, to take evidence for the committee's inquiry into the provisions of Schedules 6 and 9 of the Social Services and Other Legislation Amendment Bill 2013.

Question agreed to.

**NOTICES**

**Postponement**

The following item of business was postponed:

General business notice of motion no. 55 standing in the name of Senator Lundy for today, relating to authorisation for the Select Committee on the National Broadband Network to meet during the sitting of the Senate, postponed till 10 December 2013.

**COMMITTEES**

**Community Affairs References Committee**

**Reference**

**Senator Siewert** (Western Australia—Australian Greens Whip) (16:10): by leave—I move:

That the following matters be referred to the Community Affairs References Committee for inquiry and report by 27 March 2014:

(a) the prevalence of different types of speech, language and communication disorders and swallowing difficulties in Australia;

(b) the incidence of these disorders by demographic group (paediatric, Aboriginal and Torres Islander people, people with disabilities and people from culturally and linguistically diverse communities);

(c) the availability and adequacy of speech pathology services provided by the Commonwealth, state and local governments across health, aged care, education, disability and correctional services;

(d) the provision and adequacy of private speech pathology services in Australia;

(e) evidence of the social and economic cost of failing to treat communication and swallowing disorders; and

(f) the projected demand for speech pathology services in Australia.

Question agreed to.
Community Affairs References Committee

Reference

Senator SMITH (Western Australia) (16:11): I move:

That the following matter be referred to the Community Affairs References Committee for inquiry and report by 30 September 2014:

Grandparents who take on the primary responsibility for raising their grandchildren when parents are unable or unwilling to do so, through a formal or informal care arrangement, including:

(a) the practical challenges facing grandparents raising their grandchildren, and their support needs;

(b) the role and contribution of grandparents raising their grandchildren, and how this should be recognised;

(c) other challenges that grandparents raising their grandchildren face in undertaking their role, including in circumstances complicated by family conflict, mental illness, substance abuse, homelessness, child abuse or neglect, or family violence;

(d) the barriers that grandparents raising their grandchildren face in acquiring legal recognition of their family arrangements, including Legal Aid entitlements for grandparents seeking to formalise their custodial arrangements through the Family Law Courts;

(e) the practical measures that can be implemented by the Commonwealth, state and territory governments and the community sector to better support grandparents raising their grandchildren, including key priorities for action;

(f) the specific needs of particular groups within the caring population, including Aboriginal and Torres Strait Islander grandparent carers, grandparents caring for grandchildren with disability, grandparents from culturally and linguistically diverse backgrounds, grandparents with mental health needs and grandparents with an informal care arrangement for their grandchildren; and

(g) other related matters.

Question agreed to.

MOTIONS

Wage Connect

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:11): I move:

That the Senate—

(a) acknowledges the success of the Wage Connect program in helping long-term unemployed back into the workforce;

(b) expresses concern that this program has been suspended due to a high level of demand for this service; and

(c) calls on the Government to re-commence the scheme and increase the number of places available through it, particularly for older workers who face significant discrimination in the labour market.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (16:12): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The program to which the motion refers will be paused for new applicants from 6 December. All current Wage Connect subsidy agreements will continue as usual. This is the second consecutive year the program has been paused mid-year. The
previous government should have fixed the design of the program but, like many other things, this government has been left to take action. The previous government’s mismanagement has let down job seekers and the employers who would have given them an opportunity. Job seekers will still be supported by Job Services Australia providers, and providers will still be able to use the Employment Pathway Fund to pay wage subsidies.

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:13): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator SIEWERT: While I do agree with the Assistant Minister for Social Services—in that the Labor Party also previously suspended this program—I do not agree with him that the government should also suspend it. We disagreed with the previous government suspending it. This is one of the programs that are actually working. It is having a significant impact on those long-term unemployed, particularly older workers who are subject to ageism and age discrimination. The number of older workers in long-term unemployment has gone up 28 per cent in three years.

Why suspend a program that is actually working? Our employment services in this country need significant improvement if we are actually going to help those long-term unemployed into work. It is not good enough for the government to say, ‘That lot did it, so now we are going to do it.’ They should take their own advice that they just tried to give, which was that the ALP should have done something about it. This government should do something about it and continue this program because it is genuinely helping. (Time expired)

Question agreed to.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (16:15): I move:

That the Senate calls on the Minister assisting the Minister for Immigration and Border Protection (Senator Cash) to:

(a) provide a statement to the Senate on the United Nations High Commission for Refugees report into the conditions in the Nauru and Manus Island detention centres by Wednesday, 11 December 2013; and

(b) explain to the Senate how the Government intends to respond and action the recommendations made by the reports respectively.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (16:15): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator CASH: The government will not be supporting this motion. The UNHCR report sought to criticise both Papua New Guinea and Nauru. The coalition believe that those criticisms were misdirected. The coalition commend the work of the government of PNG and Nauru in establishing offshore processing frameworks and we will continue to work cooperatively with those governments with respect to all aspects of offshore processing.

What PNG and Nauru inherited from the former Labor government was a bungled reimplementation of a policy that was undercapacity and underfunded. Significant increases in funding and capacity have been undertaken by the coalition government.
The UNHCR has a long history of being opposed to offshore processing. The coalition disagrees with that position. Offshore processing acts as a deterrent. It prevents people from getting on boats and risking their lives at sea. Over the last 12 weeks the coalition has been identifying and addressing infrastructure needs on Nauru and Manus Island. This process is ongoing.

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

The Senate divided. [16:21]

(The Deputy President—Senator Parry)

Ayes ...................... 10
Noes ...................... 48
Majority ................. 38

AYES

Di Natale, R
Hanson-Young, SC
Ludlam, S
Madigan, JJ
Milne, C
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Whish-Wilson, PS
Wright, PL

NOES

Bernardi, C
Birmingham, SJ
Boswell, RLD
Bushby, DC
Carr, KJ
Cash, MC
Colbeck, R
Dastyari, s
Edwards, S
Farrell, D
Faulkner, J
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Furner, ML
Gallacher, AM
Heffernan, W
Johnston, D
Kroger, H
Lines, S
Ludwig, JW
Lundy, KA
Macdonald, ID
Marshall, GM
Mason, B
McEwen, A (teller)
McKenzie, B
McLucas, J
Moore, CM
Nash, F
O'Neil, DM
Parry, S
Peris, N
Polley, H
Pratt, LC
Ronaldson, M
Ruston, A
Ryan, SM
Seselja, Z
Singh, LM
Sinodinos, A
Smith, D
Stephens, U
Sterle, G
Thorp, LE
Tillem, M
Urquhart, AE
Williams, JR

Question negatived.
The DEPUTY PRESIDENT (16:24): I advise senators that there could be a series of further divisions.

NOTICES

Withdrawal

Senator WHISH-WILSON (Tasmania) (16:24): I ask that general business notice of motion No. 22 standing in my name for today relating to the Trans-Pacific Partnership Plurilateral Free Trade Agreement be withdrawn.

MOTIONS

Kangaroo Island

Senator WRIGHT (South Australia) (16:24): I move:

That the Senate—

(a) notes the public comment period has started for Bight Petroleum’s referral (reference number 2013/6770) under the Environment Protection and Biodiversity Conservation Act 1999 (the Act), which sets out its intention to do seismic testing in Commonwealth waters, to the west of Kangaroo Island in South Australia;

(b) recognises the economic, ecological and social importance of the Kangaroo Island marine environment, first and foremost for the Kangaroo Island community, but also for South Australia as a whole; and

(c) calls on the Minister for the Environment to use his powers under the Act to decide against the proposed action.

The DEPUTY PRESIDENT: The question is that notice of motion No. 46 standing in the name of Senator Wright be agreed to.

The Senate divided. [16:26]

(The Deputy President—Senator Parry)

Ayes ...................... 9
Noes ...................... 44
Majority .................. 35

AYES

Di Natale, R
Ludlam, S
Rhiannon, L
Waters, LJ
Wright, PL

Hanson-Young, SC
Milne, C
Siewert, R (teller)
Whish-Wilson, PS

NOES

Bernardi, C
Boswell, RLD
Carr, KJ
Colbeck, R
Edwards, S
Faulkner, J
Fierravanti-Wells, C
Furner, ML
Kroger, H

Birmingham, SJ
Bushby, DC
Cash, MC
Dastyari, s
Farrell, D
Fawcett, DJ
Fifield, MP
Gallacher, AM
Lines, S
Question negatived.

Middle East

Senator MILNE (Tasmania—Leader of the Australian Greens) (16:29): I move:

That the Senate—
(a) notes that:
(i) Australia voted against United Nations (UN) resolution L18, which reaffirms ‘that the Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem, and in the occupied Syrian Golan are illegal and an obstacle to peace and economic and social development’, No. 7—9 December 2013
(ii) previously Australia had voted for this resolution for 15 out of the past 20 years, including under the former Liberal National Party Government,
(iii) Australia abstained in the vote on UN resolution L17, regarding the applicability of the Geneva conventions to the West Bank,
(iv) Australia has voted for similar resolutions at the UN in 16 of the past 20 years, and abstained in only four other years, and
(v) a Roy Morgan poll of November 2011 showed that 64 per cent of Australians polled, opposed the building of settlements on Occupied Palestinian Territories;
(b) calls on the Prime Minister, Mr Abbott, to ensure Australia in future supports UN resolutions that identify illegal Israeli settlements as a major roadblock to peace in the Middle East; and
(c) reaffirms its commitment to a two-state solution to the Israel-Palestine conflict.

Senator MOORE (Queensland) (16:29): I ask leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator MOORE: It has been a longstanding view of this side of the Senate that we do not support motions that deal with complex foreign affairs as a notice of motion. These issues demand more concern and more detail than going through this process, and therefore we are not supporting the motion.

Question negatived.
COMMITTEES
Parliamentary Joint Committee on Intelligence and Security

Senator LUDLAM (Western Australia) (16:30): I move:

That the Senate—

(a) notes that

(i) the Attorney General and the Prime Minister have made repeated reference to a regime of parliamentary oversight comprising the Parliamentary Joint Standing Committee on Intelligence and Security when commenting on recent scandals pertaining to the surveillance activities of Australia's security and intelligence agencies, and

(ii) the Joint Standing Committee on Intelligence and Security has not been re-established by the Government; and

(b) calls on the Government to immediately establish the Parliamentary Joint Standing Committee on Intelligence and Security.

I seek leave to make a brief statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator LUDLAM: Since this parliament was re-established there have been a wide variety of issues reported in the media and discussed in this place relating to surveillance, intelligence agencies, national security and those sorts of matters. Each time I rise to bring attention to these matters, government and opposition have reminded me that the principal oversight of these agencies and matters in Australia is provided through the Parliamentary Joint Committee on Intelligence and Security. That would be wonderful if such an entity existed, but I rise—and this is the purpose of this motion—to point out to the Senate that, as it stands, this committee has not yet been stood up. This government has been in power for more than three months, but this committee still does not exist. I thought it had actually disappeared off the website with some of Mr Abbott's speeches. It has been brought back; so should this committee. I commend this motion to the chamber.


The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: Senator Ludlam's motion is wrong because it is based on a false premise, and the government will not be supporting it. The Parliamentary Joint Committee on Intelligence and Security exists under statute per section 28(1) of the Intelligence Services Act 2001. Therefore, the joint committee has already been established. The government is consulting on its membership in accordance with the statutory requirements and will finalise this process shortly.

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

The Senate divided. [16:34]

(The Deputy President—Senator Parry)

Ayes .................10
Noes .................44
Majority ............34

CHAMBER
Question negatived.

Legal and Constitutional Affairs References Committee Reference

Senator MADIGAN (Victoria) (16:36): I move:

That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 25 March 2014:

The form of a referendum on an amendment to the Constitution confirming that all powers pertaining to making laws for marriage rest with the Commonwealth and that those powers may only be used to confirm marriage to be the union of a man and a woman to the exclusion of all others, voluntarily entered into for life, with particular reference to:

(a) what question should be put to the electors;
(b) any effect of the alteration on the Parliament's powers under section 51(xxi) of the Constitution;
(c) the level of state and territory support;
(d) the potential ramifications for states and territories if such an amendment was made; and
(e) any other matters that the committee considers may be relevant to a decision on whether to conduct a referendum, and the timing of any referendum.

Question negatived.

The DEPUTY PRESIDENT: I only hear one voice—I am sorry, Senator Madigan—so there cannot be a division. Senator Madigan, do you want your name recorded as voting for that motion?

Senator MADIGAN: Yes.

The DEPUTY PRESIDENT: It is so recorded.

Senator MOORE (Queensland) (16:37): by leave—Mr Deputy President, in that last vote the opposition were supporting Senator Madigan, and we did vote in favour of that motion.

The DEPUTY PRESIDENT: I know, but the numbers were against you because the Greens were voting with the government. There was no division called, and you supported Senator Madigan.

Senator Hanson-Young: Can I just clarify that the Labor Party just voted with Senator Madigan on that motion? That is what I would like clarification about.

The DEPUTY PRESIDENT: Yes.

Senator Hanson-Young: Wow!

The DEPUTY PRESIDENT: It was on the voices.

BILLS

Landholders' Right to Refuse (Gas and Coal) Bill 2013

First Reading

Senator WATERS (Queensland) (16:38): I move:

That the following bill be introduced: A Bill for an Act to provide Australian landholders the right to refuse the undertaking of gas and coal mining activities on their land without prior written authorisation, and for related purposes. Landholders' Right to Refuse (Gas and Coal) Bill 2013.

Question agreed to.

Senator WATERS: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator WATERS (Queensland) (16:39): I move:

That this bill be now read a second time.

I seek leave to table an explanatory memorandum relating to the bill.

Leave granted.

Senator WATERS: I table an explanatory memorandum and I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.
The speech read as follows—

The Landholders' Right to Refuse (Gas and Coal) Bill 2013 will provide landholders with the right to refuse gas and coal mining activities on food producing land.

The intent of this bill is to allow farmers to say no to gas and coal mining on their land. When Australia has so little good quality agricultural land, we must protect it from all other inconsistent land uses.

There is rightly considerable concern within our community about the impacts coal and gas mining activities are likely to have on Australia's food security. Queensland farmers in the Darling Downs, for example, rely on the aquifers of the Great Artesian Basin for their water source. Without detailed understanding of the connections between underground aquifers in the Great Artesian Basin, coal seam gas activities risk a drop in the groundwater table from dewatering of coal seams to allow gas extraction, or contamination of aquifers with hydraulic fracturing fluid or naturally occurring BTEX carcinogens mobilised by fracking. Farmers in the Liverpool Plains and up in the Galilee Basin equally have their livelihoods, and their ability to continue contributing to Australia's long term food security, threatened by the rapid expansion of water-intensive coal mining in their regions. And yet across Australia landholders have little to no right to rights under state laws to say no when these destructive industries seek to exploit coal and gas on their land. This is simply not right.

The surface and amenity impacts of coal and gas mining can have extensive impacts on farming operations, and pose significant risks to their surface and groundwater resources. Land farmed by families for generations are at risk of being lost by the myopic coal tunnel vision of current governments at both state and federal levels if the inadequate current regulation of these industries is not strengthened.

Farmers must be given the legal right to decide that they would prefer to be able to keep farming on their land, and for their children to have that option, rather than be forced to negotiate merely the price of entry with big coal and gas companies. Without the right to say no, this David and Goliath situation forced upon farming families across Australia is even more weighted in favor of big coal and gas.

This bill facilitates the right of landholders to decide whether or not they want coal and /or gas mining activities to take place on their land. It does this by requiring gas and coal corporations to secure the written authorisation of relevant landholders before they can enter their land. That written authorisation must contain an independent assessment of the current and future risks associated with the proposed mining activities on, or affecting, the land and any associated ground water systems. The landholders must also be informed that they should seek independent advice and that they may refuse to give written authorisation if they choose to.

If the corporation unlawfully enters the land, they commit an offence for which a significant penalty accrues daily. Landholders can also seek an injunction from the Federal Court to restrain the entry where relevant authorisations are not in place, and the corporation must pay the costs of that application irrespective of the outcome.

This bill applies to all land that has produced food at any time in the 10 years prior to the first proposed gas or coal activity on the land, from commercial primary production through to urban vegetable gardens. The bill applies to all persons with an ownership interest in the land, which is broadly defined to include all persons with a legal or equitable interest in or right to occupy the land. This would include native title holders or those with native title rights and interests. A corporation must obtain prior written authorisation from all persons with an ownership interest in the land before they may commence coal seam gas activities.

Importantly, this bill does not alter the ownership of the resources, which remain vested in the States. If the federal or state government decide that those resources are so needed, they may seek to compulsorily acquire the land, paying compensation on just terms or in accordance with state
acquisition of land statutes. Those existing laws are a sufficient safeguard against a landholder 'unreasonably' refusing access authorisation, so this bill does not seek to address that issue.

The bill will only apply to gas and coal activities which begin after the bill's commencement.

Given the enormous threat climate change poses to all that Australia holds dear – our land and water, our environment, health, livelihoods and food security – the Greens believe it's high time that the fossil fuel age be rapidly brought to a close. Unlike the old parties the Greens do not support ongoing encouragement of these destructive industries across our landscape. The case against the expansion of these climate destroying industries is only compounded by the localised impacts these industries have on our water resources, our communities, and fragile marine ecosystems impacted by ever increasing pressures from industrial ports. The Great Barrier Reef is at risk of being listed as World Heritage in Danger due to the rapid expansion of coal and gas ports along its coastline being facilitated by enormous dredging of fragile inner Reef regions, and dumping of dredge spoil within the Reef's waters. The Greens are working to reign in the many impacts of these destructive industries.

This Bill seeks to address one of these critical aspects by giving Australian landholders the right to say no to coal and gas mining on their land.

I commend this bill to the Senate.

Senator WATERS: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Migration Amendment (Visa Maximum Numbers Determinations) Bill 2013

First Reading

Senator HANSON-YOUNG (South Australia) (16:40): I move:

That the following bill be introduced:


Question agreed to.

Senator HANSON-YOUNG: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator HANSON-YOUNG (South Australia) (16:41): I move:

That this bill be now read a second time.

I seek leave to table an explanatory memorandum relating to the bill.

Leave granted.

Senator HANSON-YOUNG: I table an explanatory memorandum and seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

In a time when global asylum applications are at their highest in more than a decade this Government has decided to put a freeze on protection visa grants. The United Nations High Commission for Refugees (UNHCR) has reported that there are more refugees and more people who have been forcibly displaced today than there have been since 1994. Rather than shutting the door on vulnerable asylum
seekers, Australia should be offering sanctuary to those who have been determined to be in genuine need of protection.

The implications of this freeze are devastating. Refugees, including women and children who are being detained in immigration detention, some for more than four years, those who are currently living on bridging visas with the right to work and those who are subject to community detention will never be granted permanent protection in Australia. The freeze will condemn these refugees to a life of fear and uncertainty.

The directive from the government has come in response to the Senate disallowing the reintroduction of Temporary Protection Visas (TPVs). The Australian Greens oppose the use of temporary protection visas and believe that those who are determined to be in genuine need of protection should be granted permanent protection in our country.

We know that in 1999, when John Howard introduced TPVs, they had no deterrence impact on boat arrivals. In fact, they had the reverse effect, with more refugees arriving by boat in the two years following the introduction of TPVs than in the two years prior.

What is evident is that rather than deterring people from seeking asylum in Australia by boat, the introduction of TPVs changed the demographics of boat arrivals from single men to women and children. Because TPV holders were excluded from being able to bring their family members to join them, desperate families opted to travel together in search of safety in Australia. It was in this context that the SIEV X tragedy occurred, with the loss of 353 people including many women and children. By taking away family reunion, the Government creates a greater incentive for people smugglers services which in turn results in increased deaths at sea.

There are currently over 30,000 asylum seekers who will be affected by the Minister's decision to freeze protection visa grants. The freeze is retrospective and therefore the cap of 1650 Protection Visas issued for this financial year has already been reached, leaving those who have already been determined to be refugees in a state of limbo and prolonged uncertainty.

By definition, refugees are people who have fled war, torture and persecution. The very nature of TPVs leaves open the possibility of returning vulnerable refugees to the dangers they fled from. This constant state of uncertainty and long term separation from ones family causes increased stress and anxiety which leads to severe mental health conditions for those enduring the policy. This is the worst possible situation for those wishing to build a new and secure life in Australia.

Australia is a caring nation and we should uphold our reputation by offering permanent protection to refugees who we have been assessed to be in genuine need. Favouring ongoing punishment over protection should not be the Australian way. These people deserve the permanent protection of our borders not a life of uncertainty and oppression.

The Bill

Migration Amendment (Visa Maximum Numbers Determinations) Bill 2013 amends the Migration Act 1958 to allow Section 85 (Limit on Visas), to be disallowable.

Currently, under section 85 of the Migration Act 1958 (The Act), the Minister may determine the maximum number of visas that can be granted in a particular subclass in any specified program year. While all ministers have discretionary powers within their portfolios to make decisions without the need to put something before Parliament, any decision that would place indeterminate freeze on a person's livelihood, is hardly something that can be left to the Minister of the day. The Greens believe that the setting of visa limits should be accountable to the Parliament and therefore seek to amend the Act to allow instruments made under Section 85 of the Act to be disallowed.

The amendments proposed by this Bill seeks to override the determination made by the government on December 2nd that places a cap on the number of protection visas for the 2013-1014 financial year.
Conclusion
The amendments proposed by this Bill quite simply seek to ensure that decisions made by the Minister on visa limits are accountable to the Parliament, rather than at the discretion of the Minister.
I commend this Bill to the Senate.

Senator HANSON-YOUNG: I seek leave to continue my remarks later.
Leave granted; debate adjourned.

COMMITTEES
Foreign Affairs, Defence and Trade References Committee
Reference
Senator STEPHENS (New South Wales) (16:41): I move:
That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 20 March 2014:
Australia's overseas aid and development assistance program in light of the Government's $4.5 billion cut to international development assistance, with particular reference to:
(a) Australia's ability to deliver aid against stated policy objectives and international commitments;
(b) Australia's ability to maintain its international development priorities, including sectoral, regional, bilateral and multilateral international relationships;
(c) the integration of AusAID into the Department of Foreign Affairs and Trade and the freeze in international development assistance funding;
(d) any unintended consequences of these changes; and
(e) any other related matters.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (16:42): by leave—I move an amendment to business of the Senate notice of motion No. 3 moved by Senator Stephens:
Before paragraph (a), insert:
(aa) Australia's deteriorating budget situation caused by the former Labor Government's economic mismanagement;
I assume that will be supported by acclamation!

The DEPUTY PRESIDENT: The question is that the amendment moved by Senator Mason be agreed to.
Question negatived.

Senator MASON: I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator MASON: I thank my colleagues. Much as I often agree with Senator Stephens, I want to remind the Senate that over the final 15 months of the previous Labor government they removed $5.6 billion from the forward estimates of the aid budget. In contrast to Labor, our commitment to the aid program will be demonstrated by a reliable allocation of aid spending at around $5 billion per year. Finally, the coalition will ensure that the overseas
development assistance is spent efficiently and effectively by committing to strengthening performance measures and by consolidating the program in the Indo-Pacific region. I thank my colleagues.

Original question agreed to.

MOTIONS

Climate Change

Senator MILNE (Tasmania—Leader of the Australian Greens) (16:45): I move:
That the Senate—
(a) supports the Tasmanian Government's Climate Smart strategy which aims to achieve 100 per cent renewable production and a 35 per cent cut in emissions on 1990 levels by 2020; and
(b) condemns the Abbott Government's attempts to repeal the carbon price, which will remove up to $70 million per year from Hydro Tasmania and dividend payments to the Tasmanian budget.

The DEPUTY PRESIDENT: The question is that notice of motion No. 48, moved by Senator Milne, be agreed to.

The Senate divided. [16:49]

(The Deputy President—Senator Parry)

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

AYES
Bilyk, CL
Brown, CL
Cameron, DN
Carr, KJ
Dastyari, s
Di Natale, R
Farrell, D
Faulkner, J
Furner, ML
Gallacher, AM
Hanson-Young, SC
Lines, S
Ludlam, S
Ludwig, JW
Lundy, KA
McEwen, A (teller)
Milne, C
Moore, CM
O'Neill, DM
Peris, N
Polley, H
Pratt, LC
Rhiannon, L
Siewert, R
Singh, LM
Stephens, U
Sterle, G
Thorpe, LE
Tillem, M
Urquhart, AE
Waters, LJ
Whish-Wilson, PS
Wright, PL

NOES
Bernardi, C
Birmingham, SJ
Boswell, RLD
Boyd, SK
Brandis, GH
Bushby, DC
Cash, MC
Colbeck, R
Edwards, S
Eggleston, A
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Heffernan, W

CHAMBER
Senator Conroy did not vote, to compensate for the vacancy caused by the resignation of Senator Joyce

Question agreed to.

The DEPUTY PRESIDENT (16:51): Pursuant to order of the Senate agreed to on 5 December 2013, I shall now put the question on the motion moved by Senator Moore proposing a reference to the Education and Employment References Committee. The question is that the motion moved by Senator Moore be agreed to.

The Senate divided. [16:53]

(The Deputy President—Senator Parry)

Ayes .................. 33
Noes .................. 27
Majority .............. 6

AYES
Bilyk, CL
Cameron, DN
Dastyari, s
Farrell, D
Furner, ML
Hanson-Young, SC
Ludlam, S
Lundy, KA
Milne, C
O’Neill, DM
Polley, H
Rhiannon, L
Singh, LM
Sterle, G
Tillem, M
Waters, LJ
Wright, PL

Noes

Brown, CL
Carr, KJ
Di Natale, R
Faulkner, J
Gallacher, AM
Lines, S
Ludwig, JW
McEwen, A (teller)
Moore, CM
Peris, N
Pratt, LC
Siewert, R
Stephens, U
Thorp, LE
Urquhart, AE
Whish-Wilson, PS
Senator Conroy did not vote, to compensate for the vacancy caused by the resignation of Senator Joyce

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Automotive Industry

The DEPUTY PRESIDENT (16:55): A letter has been received from Senator Moore:

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

"The Coalition's failure to support investment and jobs in the automotive sector".

Is the proposal supported?

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

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

Senator KIM CARR (Victoria) (16:55): In moving this motion today I would like to express to the Senate my very deep concern about the welfare of up to 200,000 workers. I am very concerned about the 50,000 workers who are directly employed in the automotive industry and those who are dependent upon the automotive industry. The recent speculation that has been generated by senior ministers in the government about the future of General Motors Holden is nothing short of extraordinary. In the 20 or so years that I have been in this parliament I cannot recall a circumstance—certainly in my understanding of political history
in this country—where, in the first three months of a government's life, the government has had to dip into the money barrel to buy their way out of trouble—as is the case with schools—and where, in the situation regarding the automotive industry, senior members of the government are backgrounding against a cabinet colleague—the industry minister—in a deliberate and calculating way. In the first three months of a government this is truly a remarkable set of events.

As I understand the situation, the essence of this matter is the proposition that General Motors has already decided to cease manufacturing in Australia. That is the claim that has been made and repeatedly asserted. Both the industry minister and I can say to the chamber that, as far as I know, this is untrue. There has been no formal decision made by General Motors to depart from manufacturing in Australia. I can say that there is an attempt being made by sections of the government to establish an alibi for the failure of the government to meet its responsibilities to the future of the automotive industry.

These deep divisions inside the government over car industry assistance have been demonstrated through numerous media outlets, in particular the ABC. Yesterday, we saw on the ABC Eliza Borrello and Chris Uhlmann's story, which said that the brawling within the coalition was sparked in the early weeks of the new government. The story stated:

The ABC can now reveal an internal brawl was sparked in the early weeks of the new Government when, in an interview with News Corp, Mr Macfarlane flagged "arm wrestling" the Treasurer over more money for the industry.

The story went on to quote Mr Macfarlane as saying:

"I've won a few, I've lost a few. Let's have that arm wrestle, I'm happy to do it. I'm sure Joe (Hockey) will be clean," …

The report indicates that this statement by the industry minister:

… outraged cabinet colleagues who said he had turned the heat off Holden and back on the Government.

So here we have senior ministers backgrounding against the industry minister and outlining the strategy of the government to deal with what is an incredibly serious situation within this country—namely, a social and economic catastrophe which, in my view, could be so easily avoided.

What we do know is that there has been a cynical attempt by the government to try to avoid dealing with the policy of the automotive industry. There has been an enormous amount of energy paid to the politics of the industry but very little attention paid to the policy of the industry. I know from my direct experience and from the advice provided to me by the Department of Industry—the same officials that now advise the current minister—that $300 million per annum for the whole industry would be sufficient to keep it going. That was the basis of our new car plan for the 2020s. That was a plan developed in close consultation with the industry and, I say, direct consultation between the department and the industry throughout the months of June and July and announced by the former Prime Minister Kevin Rudd during the election campaign.

In that was a figure considerably less than $150 million for General Motors Holden which would be sufficient to secure the $1 billion investment needed for the new models—the new
generation Cruzes and the new generation Commodores as they come. Of course, what we have discovered in the report in *The Sydney Morning Herald* today is this quote:

A senior Liberal source with close links to the industry, said he understood the $300 million figure was correct, and would keep Holden, Toyota and more than 160 parts suppliers in Australia.

It is not me saying this; this is a senior Liberal source identified here. It goes on to say:

If the government wanted to secure the industry until 2025, it would need to restore the $500 million it cut from the assistance fund and commit to $300 million a year from 2016, the source said.

So what we have is a very clear understanding that the collapse of this industry is not inevitable and does not need to happen. But what you have is a group of ministers—a faction within the Liberal Party—seeking to prepare an alibi, a scapegoat, for the loss of this vital industry; for the loss, in Victoria's case, of what could be 33,000 jobs. And what, of course, we see in South Australia is devastation as a consequence of that.

What we have is the proposition where the Prime Minister himself says that he would like to talk about the two-finger salutes being given to Australians. We know that for the automotive industry that is exactly what was given last Friday when the Prime Minister said there would be no more money. Of course, that follows on from repeated statements by Mr Hockey and other members of the government. This is despite the fact that the Productivity Commission had been set up to make the claim that they would be evaluating the need for more money and that no assistance could be given to General Motors until the Productivity Commission had reported. No matter what you think about the Productivity Commission's predetermined attitude on this—and we have noticed that a number of Productivity commissioners have spoken out in the hearings, giving their personal views—what we do know is that clearly the Prime Minister has now pre-empted the Productivity Commission process and made a complete farce of that arrangement.

What we also know is that as far as this industry is concerned, this is a government that has walked away from its responsibilities. I notice many of the Liberal Party members from Victoria have been less than enthusiastic in their support for the automotive industry. I know the Victorian government is at its wits end, trying to get an understanding of what the federal government's real position is. I think it is very, very clear that they do not want to support the industry.

Premier Napthine is now, of course, at a loss to know how to respond. I know that in Victoria there is a great deal of attention paid by the Liberal Party to the opinions expressed in the *Herald-Sun*, which is a paper that is known to pay particular attention to the welfare of the Liberal Party. So it is interesting that I read in today's *Herald-Sun* editorial:

HOLDEN car workers will spend the weeks before Christmas worrying about losing their jobs as the economic argument about the car industry's future in Australia turns political.

It goes on to say:

This is not a test of who has the most testosterone. It is about the livelihood of many thousands of Australians. Unlike cars, these workers should not be switched on and off at the whim of those responsible for the industry.

If Mr Abbott wants people to think of him as being in the driving seat as Prime Minister, he needs to be more assertive than just wishing Holden would clarify its intentions.
Mr Abbott is no longer an opposition leader and needs to stop acting like one. Get both hands on the wheel, Mr Abbott.

That is the position that is expressed in Melbourne this morning, and one would think that perhaps some in the Liberal Party will take notice of it.

We do know that the speculation about the future of General Motors has been generated by the government itself, a truly extraordinary proposition. We are told, 'Why should money go to the automotive industry?' Well, governments make choices all the time. They make choices about economic priorities and about which industries should come and go. What we do know is that in terms of budgetary assistance and tax concessions there is actually more money given to sheep, to beef cattle, to dairy cattle, to livestock and to pigs than there is to the automotive industry—$685 million a year.

What we do know is that mining gets $700 million a year. What we do know is that electricity, gas and water get $1 billion a year—(Time expired)

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (17:05): I am going to commence my response to Senator Carr's contribution by stating my own personal view and the feelings I have for the workers, who are legitimately concerned about their futures. I say this—

Senator Farrell: Well, protect them!

Senator RYAN: And before you open your mouth, Senator Farrell, I say this because I saw it in my own family. I say this because I saw my father lose his job when the first phase of the automotive industry went in the John Button car plan, when truck manufacturing closed down in Australia. Thousands of people—blue-collar workers—lost their jobs, never to get meaningful employment again. I saw that in my own family.

So before people assume that there is a motive or a lack of compassion in this, I urge them to consider the experiences that people all around this building may have, despite the legitimate disagreements.

This is a very important debate, but it is not a debate that can be based on deceitful statistics. This was covered in Senate estimates in great detail. To say there are 200,000 jobs dependent on automotive manufacturing in Australia is wrong—absolutely and utterly wrong, admitted by the Department of Industry in Senate estimates and admitted by the industry when it is put to them. There are just under 50,000 people who work in the automotive assembling, manufacturing and components industry in Australia. The difference between those two numbers is explained when you consider the entire automotive sector, which includes people that sell and service a Mazda or a VW or another imported vehicle. It is not fair to somehow count their jobs in the Australian—

Senator Kim Carr: So how many is it?

Senator RYAN: I just said, Senator Carr, it is just under 50,000, but—

Senator Kim Carr: That is direct; how many indirect?

Senator RYAN: that also includes those people who work for the aftermarket auto components sector who do not get a single cent of subsidy or protection under the industry policy of the previous government, so let's base this on the true statistics.
Today is the 30th anniversary of the Hawke and Keating government floating the dollar. I am amazed that I have Senator Farrell yell out that I should be protecting jobs. I am amazed that I constantly hear from members opposite that it is the role of government, indeed that it is even possible for government, to somehow deglobalise the Australian economy. Thirty years ago today, with the support of the opposition, Prime Minister Bob Hawke and Treasurer Paul Keating floated the dollar. That is a decision that I think was the right one to take for this country. That is a decision that was one of the stages that opened up our economy to the globe; that provided thousands, tens of thousands, hundreds of thousands of job opportunities for my generation, which was lucky enough to be the beneficiary of a globalised Australia. I saw tens of thousands of blue-collar men and women, often from the TCF industry, who were exposed to that competition and lost their jobs. For people to say that those decisions were not important, that a globalised economy is not important, denies the sacrifice that was made by those people who saw their livelihoods disappear but who, through a number of government policies, Liberal and Labor, saw the future for their kids—of which I am one—be a lot more prosperous.

Since the 1991 recession that we had to have, brought upon us by Paul Keating's policies and interest rates that are unimaginable in today's era, we have had a period of virtually uninterrupted economic growth. We have seen three economic global downturns that Australia has avoided in the main—though not entirely; there are pockets of disadvantage in Australia, socioeconomic, regional and spread around our cities—so I do not discount any of that. But we have seen a period of growth that has avoided all the tragedy of mass unemployment, economic opportunities lost and social dislocation that we see in the closed economies of Europe and the indebted economies of North America and Europe.

This anniversary is important, as I said. And the reason Senator Carr's contribution is misleading people into believing that the government can protect their jobs and it not have a cost to other people in the economy is that it backtracks on what I know will be an aberration in the history of the Labor Party, which was a party committed to openness. Hawke and Keating were not a turning point for you; they were an aberration. What we are hearing now are throwback economic policies, misleading people that somehow you can just write a cheque big enough and that that does not have cost.

Senator Carr, the question that has never been answered is: what is your limit? When you were industry minister you made promises and the rug was pulled out from underneath you. Overnight, hundreds of millions of dollars were pulled out from promises you made to the industry. You know what is more destructive than a promise, even if it is not great policy? It is a promise that is broken, a promise that is pulled out from under their feet, like the Green Car Innovation Fund was, which provoked the heads of Ford and GM to say, 'This is bringing an element of sovereign risk to car investment in Australia.' That is what Labor policies involved: promises that not only were not delivered, that not only were misleading people into thinking that somehow protection was a future pathway for Australia, but that then had the rug pulled out from underneath them, making Australia an even more uncertain place to invest.

Nineteen months ago in this place we had then Prime Minister Gillard, Premier Jay Weatherill and the car companies say that the car industry, and Holden in particular, had been saved. It had been saved because the government had done a deal. Yet, like every promise
made by the previous government, it was a deal that did not deliver because, 15 months later, apparently another deal needs to be made. So for Senator Carr, despite Holden having said for months leading up to the election that their future here was not certain, to accuse the opposition of looking for an alibi is a blatant misrepresentation of the facts—and no-one believes him because of his own record.

What we have to ask ourselves is: what is the limit of our contribution? Last week the Prime Minister made it clear there was no more money. But the important point is that all the money in the existing program is not being used. Under the existing program, you—sorry, Mr Acting Deputy President, through you—Senator Carr took some of that unused money and wrote a cheque to Ford which was meant to keep them in Australia, and 12 months later they announced they are shutting up shop in Broadmeadows and Geelong.

Senator Kim Carr: That is rubbish.

Senator RYAN: All this money was being reallocated without selection criteria. There was not a Productivity Commission inquiry. There was a Labor mates inquiry, by getting former Labor Premier Steve Bracks to deliver what the government wanted, which was an excuse to write a cheque. But all those promises have been completely unfulfilled because we are back here at the same place again. Then we have Labor saying that we need to subsidise for the injury that Labor policies themselves caused. Senator Carr interjected during question time that the carbon tax was not worth $400 a car. His own department actually tried to assert it was under $100.

Senator Kim Carr: Fifty—get it right!

Senator RYAN: They did assert it was $50, but that is if you do not count the cost on the people that make the parts that put the car together.

Senator Kim Carr: Rubbish!

Senator RYAN: So if you don't count the panels that come in, if you don't count the windows that come in, if you don't count the seatbelts and everything else you have to put a car together and if you don't count the costs on the suppliers, it is only $50? That is insane economic policy—absolutely insane. The carbon tax costs $400 a car.

Senator Kim Carr: Wrong.

Senator RYAN: Four hundred dollars a car. Senator Carr and the Labor Party are arguing for a subsidy, yet they come in here and refuse to even allow a vote on repealing this lead in the saddlebags of the Australian car industry. Even if you disagree about the number, surely getting rid of the burden will help. But, no, that is not good enough. Over my 5½ years in this place I have seen a number of proposals come in here for subsidies. There was even the idea of the Rudd bank; there have been Senator Carr's constant promises that you know are never going to be delivered; there has been money flowing, then money being taken away. I have not heard of promises to save thousands of jobs in tourism that might have gone in Queensland or, indeed, in parts of regional and coastal Victoria, because Labor only wants to protect some jobs. We have a responsibility to the entire community. First and foremost, this economy—as, indeed, the Hawke and Keating government started arguing 30 years ago today—needs to be exposed to global competition and you need to have a balanced budget. You need to get your fiscal house in order.
So for Senator Carr to try to confect outrage, to mislead people into saying that somehow it is only in the last 12 or 13 weeks that the car industry in Australia has had challenges, and then, most of all, to try to lead them into believing that he could have saved them is to ignore his record. It was on his watch that Ford went after he gave them taxpayers' money and there is nothing that Senator Carr can say now that can correct his record where he saw two car companies close and others threaten to.

Senator MADIGAN (Victoria) (17:15): Thank you, Mr Acting Deputy President Sterle, and thank you, Senator Moore, for giving me the opportunity to speak on this extremely important topic. What we are talking about today is people's jobs. We are talking about what is at stake for the nation, for the community, for the family and for the individual. We know from the Australian Bureau of Statistics figures that 50,370 people are directly employed in the automotive industry. I think the 50,370 employees is a good figure to start with, as it is more than a significant number of Australians to be concerned about and is extremely conservative should we lose our automotive manufacturing sector.

When this MPI came across this morning, I thought I would add up some figures to see what the effects would be of 50,000 people losing their jobs. Say 50,000 people were on a wage of $55,000 per year. Each person would be paying in excess of $9,000 tax. This figure equates to $471.1 million each year. This money helps pay for people who are doing it tough, those who are retraining for new work, or suffering from mental illness, or people who need to receive rent assistance because they have defaulted on their mortgage. These 50,000 people may be joining them if the government does not ensure we keep the automotive industry here in Australia.

I kept crunching the figures and decided to find out how much it would cost the taxpayer to have 50,000 people on Newstart allowance. Based on each employee being single and having no dependants, the full figure is $501 per fortnight, or $651.3 million for 50,000 newly unemployed hardworking well-skilled but surplus workers over 12 months. Based on the loss of tax and the expense of Newstart allowance, the figure totals over $1 billion dollars in one year.

But this does not take everything into consideration. It fails to take into account the added costs to our support services, to our health professionals, for example. It does not take into account the stress and interruption passed onto children and families. It does not take into consideration the increased costs of procurement projects for other sectors including defence, as the local supply chains will be ravaged. Mr Acting Deputy President, the automotive manufacturing industry is a great asset for our country. Government currently provides around $18 per person with a return of around $934 per person. That is a massive return which should not be taken for granted.

I would just like to conclude by noting that in this chamber, when talking about jobs, when rationalising other people's employment and livelihood, we need to think about where people can find more work. Who is employing? Where are these jobs? It seems we only hear about blue-collar jobs being lost rather than not created. I implore the government to consider that offering assistance to the car manufacturing industry is keeping Australians in work and contributing to our economy fifty-onefold.

Senator GALLACHER (South Australia) (17:19): I suppose the contribution from Senator Ryan really does set the coalition's position very clearly. They give us a skewed
history lesson and say, basically, that we cannot support jobs in the industry. I think the simple facts are that the Australian automotive industry is our largest contributor to manufacturing research and development, some $693 million in 2011-12. That gives an avenue for all those bright people who go to university and study to get into design research and development. I dare say they do not continue their career entirely in the manufacturing of motor cars, but I think they add to the economy as a whole. If we are to be a smart nation, if we are to be a value-add nation, then we do need research and development, and $693 million worth of investment, were it not there, would make Australians and the Australian economy much worse off.

Despite Senator Ryan's comments about the Australian dollar, we still managed to export $3.7 billion worth of vehicles and components in 2012. Despite the difficulties associated with the high Australian dollar, $3.7 billion worth of vehicles and components in a single year were exported. I take the caveat from Senator Ryan about the number of people employed in the automotive industry. There are fact sheets about which say that 260,000 people across more than 20,000 enterprises along the supply chain are employed. I take the point that it might be an ambit figure but, if we agree on 50,000 Australians working directly in the manufacturing area, and we do agree that there are people supporting them, then it may not be 260,000 people that would be affected but a lot more than 50,000 and probably closer to the 200,000.

The simple fact that we are one of the eight nations that can design and build a car from scratch is something that we cannot ignore, and the fact that we need to subsidise it is relevant but needs to be put into context. Basically, they receive about $18 per person in government funding—which equates to about $500 million—but the return to the economy is $21.5 billion, equating to a return investment of $934 per person. The industry has an annual turnover of $160 billion and pays more than $10 billion in tax to Australian governments.

This is not a small thing. A senator coming in here and give us a skewed history lesson about the Hawke-Keating government being an aberration and saying that Labor are into protectionism does not give any comfort to any of those thousands of workers, either in the state of Victoria or the state of South Australia, who are looking at a very bleak future. They may well have skills and will transition to another part of the economy, but if they are happy and doing a great job at the moment the future is looking extremely uncertain for them.

As we speak, there is not one South Australian Liberal senator in this chamber. Senator Birmingham, Senator Fawcett, Senator Ruston, Senator Bernardi—I think Senator Edwards may make a contribution later, and we will judge the content of that contribution as to where he sits—do not care enough about their own state to get in here and listen to the debate.

South Australia has 33 direct suppliers and 700 indirect suppliers. Make no mistake, if this goes ahead through wilful neglect of the Abbott government, and if they do not act to attract a billion dollars worth of investment in the automotive industry, we will see the impact on thousands or, as Senator Ryan has admitted, perhaps even over 100,000—we did not actually get the figure from him, but we know it is between 50,000 and 250,000—people affected by this very important decision, which is characterised by this incoming Liberal government.

I read the other day that their first 100 days can be characterised by 100 delays. We see caution and inaction. ‘I won't be bullied!’ says the Hon. Joe Hockey, the Treasurer, and yet foreign investment into GrainCorp was denied. I think I know why: it is because there are
people on that side of the chamber in the coalition who do stand up for workers in rural Australia, and they could see that GrainCorp being taken over by a company like ADM may have impacted on some of their rural communities and jobs.

We on this side of the chamber get accused of only standing up for union workers—well what is wrong with that? Why wouldn't we stand up for the 13,000 direct employees in South Australia? Why wouldn't we stand up for their families? Why wouldn't we stand up for the deli down the road from General Motors Holden who will be out of business if those workers do not drive past it every day? Why wouldn't we stand up for the video store or the pizza parlour—all those people out of work and no longer able to give into the economy. Why wouldn't we stand up for those small businesses? In our state that is what we do—although I do note a distinct lack of South Australian Liberal senators in here at the moment—and we will never, ever give up on this sort of stuff.

This is a huge contributor to the Australian economy; it is factual, it is researched and the amount of subsidy is not in the vein that Senator Ryan alleged it was. If the Australian dollar were to take a nosedive, we may go back to exporting Camaros to America, which is where we were when the General Motors plant in Elizabeth put 1,000 people on night shift to design, build and send Camaros to the Californian police force. They are still a very much sought-after car, but the vagaries of the Australian dollar have made that export avenue less attractive.

Senator Ryan is right about one thing: the Australian dollar is a significant challenge to manufacturing, but what he is not right about are the reasons why Holden is at risk. The basic reason that Holden is at risk is that this government is not doing the right thing and is not willing to make an investment to attract a billion dollars worth of investment in Australian manufacturing and jobs. I am sure that there are any number of countries in our part of the world—Thailand, Malaysia, Indonesia—who would make all of the right decisions with respect to a billion dollars worth of investment if it were offered to them.

I think Senator Carr has put on the record that the most significant threat to the future of the car industry is that senior ministers in the Abbott government look like they are trying to kill it off. As I said, Senator Ryan's contribution will give no comfort to a family at General Motors, whether it is in Victoria or at the plant at Elizabeth. The government are talking to journalists in secret rather than talking to workers or talking to General Motors. The Hon. Tony Abbott should end this debate with a commitment to invest the money needed to save this car industry.

Our fearless opposition leader in the great state of South Australia did not put in a submission to the Productivity Commission inquiry, has made no comments about this and is sitting quietly behind his mask of silence waiting for someone else to stand up for South Australia. I think South Australians will recognise who is standing up for them. The challenge that we have is to keep this noise as loud and as public as we can and not allow the opposition to not attend the chamber, not participate in debate and instead send Senator Ryan down here to give us a lecture on his skewed version of the economic chain since the Hawke-Keating years.

The automotive industry is too important to this country, to Victoria and to South Australia for us to let it die. It needs investment and it needs decisions—it does not need another 100 days of delays from this coalition government.
Senator McKENZIE (Victoria—Nationals Whip in the Senate) (17:29): The rhetoric from the opposition continues in the face of our spending nigh on two weeks trying to fulfil the will of the Australian people and actually repeal the carbon tax, which has placed such a burden on our manufacturing industry, not just on the automotive industry but also on the AMWU workers that work in regional Australia in food manufacturing.

Opposition senators interjecting—

Senator McKENZIE: It must be preselection time. Anyway, ultimately the decisions made by Holden and Ford are made in foreign boardrooms with their only consideration being profits, and there has been significant risk to those profits placed on those foreign entities by the past government, the carbon tax being one of them. It is a classic case of crocodile tears about manufacturing job losses when one has been listening to the rhetoric of those opposite, bemoaning the automotive job losses, as they are, and claiming that those of us on this side of the parliament are not concerned about job losses in manufacturing.

Our former member for Indi, Sophie Mirabella, was very loud about our concern about manufacturing job losses under the previous government, and that continues now that we are in government to ensure that our manufacturing industry remains strong and is released from the burden of the carbon tax imposed on it by the past government. It is the same tax that they are using refusing to support us in rescinding. But we are going to keep our commitments in government. We want a viable car manufacturing industry in Australia and the Prime Minister has made that clear and the minister has stated our support. We have a plan of how to deliver a sustainable car manufacturing industry going forward and it is important to follow due process, so that all the details are properly considered—and that is why we made it very clear going into the election. We knew there was an issue and we stated what we were going to do about it and we plan on going forward with that commitment.

As for the Productivity Commission review, Senator Kim Carr stands up and critiques that approach. He critiques the strategic response, the holistic response, towards the crisis within car manufacturing in this country. How typical of the former minister that came up with the plans that he did! Who can forget the Green Car Innovation Fund or the multitude of other responses across a range of portfolio areas that his government was quick to have a thought bubble over but nobody actually sat down to do the strategic hard work of working out a plan for the long term for the 21st century—and that is exactly what this government plans to do under Minister Macfarlane. We have been consulting with car makers and with the components industry, and that will continue until we have the full report next March. We have also moved quickly to remove another burden that the former government had placed on the car industry as we got rid of Labor’s $1.8 billion fringe benefits tax albatross and we are moving quickly—as we are trying very hard in this chamber—to get rid of Labor’s carbon tax, which adds up to $400 to the cost of every vehicle manufactured in Australia. If Labor were even half sincere it would get on board with our positive actions to strengthen the economy and boost the prospects for car manufacturing. Senator Carr has also made reference to the sovereign risk scenario and situation at the moment. Labor belted the car industry when it was in government. Senator Kim Carr, in his book this year, said:

Unfortunately the—

Green Car Innovation—
Fund was abolished, leaving international company executives wondering just what they had to do to get a consistent government policy commitment in Australia.

So if we are worried about sovereign risk and if we are worried about increasing the risk level that foreign international investors and boards are considering as they consider their investment and their businesses within the Australian context, then really even Senator Carr recognises the risk that the former government posed particularly to international car manufacturers' operating plants in Australia.

The government, unlike Senator Carr, respects the in-confidence nature of the discussions that we, as a government, are having with automotive industry officials, and we are going to continue to do that. But it is not a new issue. Australian cars account for less than one in 10 new vehicles purchased. When Labor took office, the vehicle production in Australia was over 335,000 units a year. When they left, it was down to 221,000 units a year. I wish Senator Carr were still in the chamber hearing the concerns when we consider he presided over a 34 per cent decrease in the amount of Australian car manufacturing. This has also had a major adverse impact on the automotive supply chain. When Labor took office, there were over 200 businesses in the supply chain. Now there are fewer than 150, and over 25 businesses that were in the supply chain are no longer in business—many of them located in regional Australia. The previous government cut assistance and then cut it again. As I said, we are committed to working with industry. What I would like to put on the record is that we are continuing to support the automotive industry.

Senator Farrell interjecting—

Senator McKENZIE: Listening to the opposition you would think it is at zero, Senator Farrell. But, no, we are just simply not increasing government assistance. We are continuing government assistance; we are just not increasing it. We are going to implement all of our election commitments including reducing the Automotive Transformation Scheme by $500 million. Something is wrong and we recognise that, which is why we set up the Productivity Commission review into the automotive manufacturing industry, and I am looking forward to its report, which will actually look very widely into the sustainability of the industry, and I encourage unions and the small manufacturers that support the wider industry community actually to have input into that process as we move forward to the reporting date in March. So we do recognise that there are significant challenges as our automotive industry does adjust to the high value of our Australian dollar and a highly competitive and fragmented market in this particular sector, and we have been working hard with industry.

The leasing industry was blindsided by the previous government's approach to the fringe benefits tax and almost immediately was hit with job losses—so here we are with those opposite not concerned about the job losses incurred under the previous government across a whole range of industries and sectors and I find that a little ironic. There were also claims that the policy of the previous government, with regard to the fringe benefit tax on cars, would see a decrease in Australian manufactured cars by more than 100,000 cars a year.

I briefly want to talk to some comments made by Senator Carr with regard to government assistance given to a variety of industries. He made some claims about agricultural industries where he said that the estimated effective rate of assistance measured as the value of assistance as a proportion of value-added primary production, in all its forms—sheep,
aquaculture et cetera—is 3.3, whereas motor vehicle and parts is 9.4. It is simply false for Senator Carr to come into the Senate and quote misleading statistics.

Senator XENOPHON (South Australia) (17:37): I share the concerns of my colleagues in relation to the future of the automotive industry in this country, and I think there have been a number of strategic mistakes made by the federal government. Most recently, the Prime Minister made a statement just a few days ago to the effect, 'Not a dollar more for Holden'. I do not understand why that statement was made given that the federal government was committed to having a Productivity Commission inquiry to look at the future of the automotive industry. What is the point of having a Productivity Commission inquiry if the Prime Minister is saying, 'Not a dollar more for this industry'. Aren't we meant to hear from the Productivity Commission to see what needs to be done, the importance of this industry, and to see what steps can be taken and what can be put in place to save the tens of thousands of jobs that are directly connected to this industry—not only the 1,700 jobs at Holden, but also the 12,000 or so jobs in South Australia directly related to component manufacturing. There are 33,000 jobs in Victoria. We are talking in the order of 50,000 jobs directly employed by this industry, let alone the multiplier effect. I do not understand why that statement was made by the Prime Minister. It does not make sense to me. It seems to be pre-empting what the Productivity Commission is looking at.

I know the Prime Minister told radio 3AW in Melbourne at the end of last week: … I think the message that we’re getting from Holden is that they’re in two minds—

the Prime Minister said. Well maybe they are in two minds because we are not getting clear signals as to what the federal government is intending to do.

Having said that, I still have confidence in the genuineness of Minister Ian Macfarlane in relation to this. But I am concerned that there are members of the federal cabinet who are undermining Minister Macfarlane. I think Minister Macfarlane genuinely, passionately wants this industry to survive. I note the comments from the state secretary of the AMWU in South Australia, John Camillo, a great champion for the automotive industry in my home state. He shares my confidence in respect of Minister Macfarlane.

But this does not make sense; it does not make sense to be going down this path. Once we lose this industry, we lose it forever. We are one of only 13 countries in the world that can design a car from the concept stage and get it out there on the road. One of only 13 countries in the world. Some are of the view, some who have a dry economic rationalist view, that we can let the mining industry take up the slack. Guess what? The mining industry in this country relies on the innovation, the technological advances that the automotive industry has brought. It is the industry that drives innovation in other sectors of the economy. That is something that must be taken into account. You lose the auto industry, you lose that innovation, you lose the engineers: we will have a brain drain and skills drain in this country. We will have our best and brightest going off to Europe, to Asia, to other parts of the world because they will not have a job here.

I note that in today's Sydney Morning Herald front-page lead 'How to save Holden' by Jonathan Swan, it says:

… the … government had confidential documents that show it would cost less than $150 million extra a year to keep Holden in Australia until 2025.
Let us put this in perspective: what will the cost be of the unemployment benefits for 50,000 Australians out of work? That is just for those who are directly employed; it does not include the multiplier effect of the local deli, the snack bar, the shops and the businesses that rely on people having work—good productive work—in the automotive industry. These are costs that we must take into account. And when we talk about recession, South Australia and Victoria could well face a real recession, a deep recession, in each of those states and drag down the national economy as a result of losing the automotive industry.

I would urge the federal government to consider this: there were hundreds of thousands of Australians who voted for the coalition at the last election who did not vote for them previously.

Senator Farrell: They'll regret it now. They'll realise they made a mistake!

Senator XENOPHON: Senator Farrell makes a point. My genuine plea to the Prime Minister is: you will burn that support base of those voters if you abandon the automotive industry in this country. It will have national implications—not just in South Australia, not just in Victoria; it will be an earthquake felt across this nation.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (17:42): I am very pleased to contribute to this debate about the future of the automotive industry in Australia, and I thank my colleague Senator Carr for moving the motion to give the Senate the opportunity to do so. Like my South Australian Senate colleagues in the Labor Party, I am very proud to stand up for South Australian jobs, I am proud to stand up for South Australian manufacturing jobs, I am proud to stand up for South Australian automotive workers who are worried about their jobs. And I am here to stand up for the families of those automotive workers who are rapidly approaching Christmas wondering whether or not they are going to have a job in the future.

It is very disappointing that no-one in the coalition is supporting automotive workers in the automotive industry in South Australia, and certainly not South Australian coalition senators in this place. I have yet to hear them articulate one word of support for the automotive industry. In fact, there are some in the coalition who are actively working behind the scenes to bring down the automotive industry, working to bring about its demise. They have been backgrounding journalists, as we know, about Holden's plans and undermining their own industry minister, Minister Macfarlane, who, as Senator Xenophon said, has shown some indication of at least paying attention to what is going on at Holden and the future of all of those jobs out there. It is very disappointing and galling for Holden workers to see the coalition government actively attempting to bring about the demise of the industry.

Let us not underestimate the importance of the automotive industry to South Australia and to Australia. As we know, Holden is at Elizabeth. There are 1,700 production line jobs there alone. Elizabeth, which is to the north of the city, desperately needs every job it can hold onto out there. All up, the automotive industry supports some 13,000 jobs in South Australia, and nationally some 200,000 jobs are directly and indirectly supported by the automotive industry. It is an industry that, according to independent reviews, is worth some $21.5 billion to the Australian economy. That cannot be dismissed lightly. This is something we have to hold onto.
This industry also supports skilled workers—designers, engineers, machinists, production line workers and sophisticated IT workers. These are the jobs we need in South Australia and this is an industry that trains workers in these really important jobs to work not just in the automotive industry but elsewhere. We can ill afford to stand by and let these jobs disappear.

Unlike the coalition that refuses to support the automotive industry, I am proud to say that the South Australian Premier, Jay Weatherill, is actively supporting the industry in South Australia and has written to the Prime Minister, Mr Abbott, requesting him to, please, take seriously the future of the automotive industry in South Australia. In his letter to Mr Abbott in the last few days Premier Weatherill said:

Every day the federal government fails to commit assistance is another day of growing uncertainty for international investors, South Australian business, South Australian workers and South Australian families.

Premier Weatherill went on to say:

On behalf of the people of South Australia I urge you to commit the federal government to reasonable and justifiable support for the automotive industry now.

I am proud to stand behind Premier Weatherill in this campaign as well.

I also note that the secretary of the Australian Manufacturing Workers Union, Mr John Camillo, is standing behind his members, as he has always done. He too wrote to the Prime Minister in the last week urging the coalition government to get behind the automotive industry. Mr Camillo points out that it is not unusual for developed nations to support their automotive industries and that Australia's assistance to the automotive industry is relatively light compared to, for example, the United States and Germany, which much more heavily subsidise their industries. So this is a good thing to do. It is a good thing to get behind the automotive industry.

I conclude by noting also the campaign that has been running in South Australia called More than Cars. I have seen the petitions and online campaigns. The people of South Australia, unlike their representatives in the Liberal Party in the Senate, are right behind the automotive industry. (Time expired)

Senator EDWARDS (South Australia) (17:48): I rise in this matter of public importance debate on the Australian automotive industry. It is fitting that three senators from South Australia are here waiting to hear my contribution to this debate. Senator McEwen, Senator Farrell and Senator Gallacher turned up. I guess you two watch each other's back wherever you go. You would not want to go on a mountain expedition with Senator Farrell, would you, Senator Gallacher?

The ACTING DEPUTY PRESIDENT (Senator Sterle): Senator Edwards, you may want to direct your comments through the chair.

Senator EDWARDS: Yes, I do digress. I cannot remember hearing you screaming last Christmas about the 170 people who were laid off from GMH. Mr Acting Deputy President, what was their contribution to the debate about Holden's viability last Christmas? Some 170 families—

Senator Gallacher: We are always concerned, Sean.

Senator EDWARDS: You are always concerned, but there was no action. Thank you, Senator Gallacher; I don't think so!
What about the 400 General Motors Holden workers who lost their jobs in April this year? What did we hear about that from the three Labor senators from South Australia? Nothing. They were quiet. Why was that? They were like economic rabbits in the headlights. There were 86 people laid off at Priority Engineering in early 2014 and we heard nothing. There was nothing from the member for Wakefield, Nick Champion, either. It was all swept under the carpet. While we are on the seat of Wakefield, what did we hear from the member for Wakefield, Mr Champion, when 140 people at Mondello Farms lost their jobs?

Do not lecture us on this side about what it takes to run a business. For six years you had to have the policy settings in place to ensure that General Motors Holden would not fail, but what did we see? A systematic decline in the number of cars that they sold. What were you doing? I hear Senator Carr has the answer, albeit that three months ago he had no answer at all. Fifty million dollars a year and $150 million: he has all the answers now from opposition. No answers at all is my contention. If he had any answers, he would have looked after the CFMEU, all of those mates. Look at them. I just do not understand how they can come in here. The people of Wakefield in South Australia, where the factory is centred, deserve better than what the current member gives them.

Labor were in government for six years. We saw thousands of jobs lost in the manufacturing sector and most notably in the automotive industry. You are sitting here and listening to this debate but we hear nothing about Ford. Oops, there is nothing about Ford. You are sitting here in judgement.

In 2005, in the Howard era, at Elizabeth Holden employed 5,700 people working three shifts a day. Under the watch of those over there Holden's workforce shrunk to 1,700 people working one single shift. That is 4,000 jobs gone. Labor threw $215 million at Holden at the start of 2012 and the member for Wakefield, Mr Champion, claimed that this would secure the future of Holden and its workers until 2022.

I am not sure if you, Senator Gallacher, or you, Senator Farrell, were proofreading the postal vote application letter that Mr Champion sent to voters in his electorate. There are 95,000 people in his electorate and they got a letter saying: 'I have secured support for GM Holden at Elizabeth, ensuring production until 2022.' What a cruel hoax that was in the lead-up to the election. He duped those people. He spread all those letters and, so, where is Mr Champion now after suggesting that he saved Holden until 2022?

Senator Farrell interjecting—

Senator EDWARDS: I can assure you, Senator Farrell—you know it exists—of the crisis that Mr Champion and the Labor government created. The people of the northern suburbs of Adelaide, and all South Australians, see that Mr Champion and Labor have taken them for a ride—a ride that leads them straight to the unemployment line. We have been voted in and charged with the responsibility of getting everything back on track.

For too long both state and federal Labor governments—

Opposition senators interjecting—

Senator EDWARDS: Senator Farrell, that would be an overstatement in the extreme. Mr Champion has only himself and the former Labor government to blame for the dire straits Holden and the northern suburbs find themselves in. Labor were completely asleep at the wheel. Today Mr Champion stated that he was confident that Holden would stay in Australia...
if the government put forward the right suite of policies. It is absolutely laughable that Mr Champion can sit and talk about the 'right suite of policies'. He was sitting there for six years, dabbling around on the back bench, trying to work out which way he was going to vote in every leadership battle that was set among the Labor Party and that debacle of a government. In that time he should have been sitting back with his constituents—all those people who work for Holden and who now face an uncertain future because the company in Detroit does not know which way to go. It has probably lost faith in governments in Australia because of the last six years of Labor. Mr Champion and Labor did nothing at all to help Holden.

The ACTING DEPUTY PRESIDENT (Senator Sterle): Order! The time for the discussion has expired.

COMMITTEES

Membership

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (17:56): by leave—I move:

That senators be discharged from and appointed to committees in accordance with the document circulated in the chamber, as follows:

Community Affairs Legislation and References Committees—

Appointed—Participating member: Senator O'Neill

Economics Legislation and References Committees—

Appointed—Participating member: Senator O'Neill

Education and Employment Legislation and References Committees—

Appointed—Participating member: Senator O'Neill

Electoral Matters—Joint Standing Committee—


Environment and Communications Legislation and References Committees—

Appointed—Participating member: Senator O'Neill

Finance and Public Administration Legislation Committee—

Appointed—

Substitute member: Senator Siewert to replace Senator Rhiannon for the committee’s inquiry into the provisions of Schedule 2 of the Social Services and Other Legislation Amendment Bill 2013

Participating members: Senator O’Neill and Rhiannon

Finance and Public Administration References Committee—

Appointed—Participating member: Senator O’Neill

Foreign Affairs, Defence and Trade Legislation and References Committees—

Appointed—Participating member: Senator O’Neill

Legal and Constitutional Affairs Legislation and References Committees—

Appointed—Participating member: Senator O’Neill

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CHAMBER
National Broadband Network—Select Committee—
  Appointed—
  Substitute member: Senator O’Neill to replace Senator Lundy from 13 to 19 December 2013
  Participating member: Senator Lundy

National Capital and External Territories—Joint Standing Committee—
  Discharged—Senator Peris
  Appointed—Senator Brown

Northern Australia—Joint Select Committee—
  Appointed—
  Senators McLucas and O’Neill

Rural and Regional Affairs and Transport Legislation and References Committees—
  Appointed—Participating member: Senator O’Neill.
  Question agreed to.

BILLS

Clean Energy Finance Corporation (Abolition) Bill 2013
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
to which the following amendment was moved:

At the end of the motion, add 'but the Senate expresses concern over the impact that the abolition of the Clean Energy Finance Corporation will have on investment in renewable energy projects'.

Senator CAROL BROWN (Tasmania) (17:57): As I was saying earlier in my contribution to the debate on the Clean Energy Finance Corporation (Abolition) Bill 2013, Ms Broadbent and Mr Yates said that the Clean Energy Finance Corporation had lent $536 million, which had been matched by $1.5 billion in private investment. That is $2.2 billion in loans invested in clean energy, increasing energy efficiency for business and industry, renewable energy and lowering carbon emissions. These are loans that would otherwise be missed by normal commercial banks.

That is the role the CEFC plays. It facilitates investment in renewable energy. It is making money by doing so. It reduces pollution by doing so. It allows these new, ambitious renewable projects to get a foothold. As the shadow environment minister, Mark Butler, told the House of Representatives on 18 November, the Clean Energy Finance Corporation is:

… a body making loans on commercial terms to help new, ambitious renewable projects get a foothold—projects like the Macarthur wind farm, the largest wind farm in the southern hemisphere.

Do we want to see these sorts of schemes fall by the wayside? Do we want to see smart, environmentally intelligent businesses fall over or head overseas? They are making money. Why should this initiative stop? It defies logic. Many parties including the government, no
less, are making money from the CEFC. There is no reason at all to disband it, especially when that would happen at a considerable cost to the taxpayer.

The Clean Energy Finance Corporation should be allowed to continue to drive investment, reduce carbon pollution and boost the government's bottom line. The value of the Clean Energy Finance Corporation extends beyond carbon pricing. It impacts both our economy and our environment in a positive manner. Regardless of the other policies that the government seeks to implement, there is no valid argument that the CEFC should be disbanded—absolutely none. How then under those circumstances can senators and those in the other place vote to tear it down? They should not.

Is this a government that wants to shut down profitable government enterprises at a time when it bleats about a budget crisis? How can that be justified? It was reported in The Australian Financial Review that the projects that receive these loans already account for an annual reduction of 3.9 million tonnes of carbon emissions. The projects account for a net benefit to taxpayers of $2.40 a tonne. Mr Yates went on to say that the CEFC's actions were 'probably the lowest cost action' the government could get. So why spend more? Why destroy an entity that is achieving so much? Why take the hit to the budget bottom line?

Those opposite surely cannot argue that it should be solely driven by private lenders. The government must show leadership in this area. Many of those enterprises who have received the loan would not have under the traditional banking model as they would have been seen as too risky, too small, too unprecedented. Significantly, none have defaulted. Those businesses have been given the incentive to take their ideas and run with them. Surely the Carbon Energy Finance Corporation must be persisted with. To scrap it at a cost of up to $1.5 billion to the budget and then implement a direct action policy Mr Abbott wants to jam through makes no sense. All Direct Action does, as we know on this side of the chamber, is pay the polluters. Surely we should be lending money to those who are reducing pollution, not paying those big polluters who contribute to it. That is what those opposite want to do. They want to pay polluters by destroying initiatives that are reducing pollution.

The Australian Financial Review's political editor Laura Tingle sums it up perfectly in her 27 November column 'Numbers add up to keep Clean Energy Finance'. She writes:

Not only has the CEFC been a screaming success, making a positive return on taxpayers' funds, with virtually no exposure to concessional loans, its very existence only once again highlights the flaws in the Coalition's alternative Direct Action plan.

If this government is scrapping the CEFC simply because it proves how ineffective Direct Action is then they really do have a problem. Their problem is that they are stuck with a hopeless, anti-science policy that no one with any economic or environmental nous or clout will back. But Mr Abbott and his main advisers and ministers are too narrow minded, too bloody minded to listen to the experts. They know better than the leading scientists. They know better than the leading economists. It is a frightening attitude when dealing with an issue crucial to the future of Australia and the world. (Time expired)

Senator FAULKNER (New South Wales) (18:03): I am very pleased to speak in this debate regarding the Clean Energy Finance Corporation (Abolition) Bill 2013 and note that this afternoon in this debate we are asked to turn our backs on an effective and efficient means of reducing Australia's carbon emissions and replace it with an untested and ineffectual one. The government's attempt to rush this legislation through the Senate with, of course, very
little consultation I do not think could be described as the hallmark of a measured and
methodical government, which the government has come up with as its slogan to represent the
way it does work. Nothing really could be further from the truth. As I have said in this
chamber many times before, it is essential that we keep the reality of global warming and the
science of climate change as the critical focus in this debate. The science should be the
catalyst for government action, and the most effective and efficient measures for reducing
emissions should be our means of action.

Today, as I have done in so many debates on issues related to climate change, I would like
to commence my contribution to the Clean Energy Finance Corporation (Abolition) Bill by
highlighting the science and the fifth report of the Intergovernmental Panel on Climate
Change. It was only released on 27 September this year. I would like to take this opportunity
to put on the public record some of the report’s findings and address their national
implications. In the process, I would want to help counter some of the predictable-yet-
regrettable misinformation that was circulated at the time of the report’s release. I would also
want to make the case that the coalition’s Direct Action policy is far from the most effective
means of reducing the nation’s carbon emissions.

The scientific case for climate change grows stronger, and the importance of taking
responsible and effective action grows more pressing. The fifth IPCC report begins with a
simple statement:

Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are
unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of
snow and ice have diminished, sea level has risen, and the concentrations of greenhouse gases have
increased.

These two sentences outline simply and clearly the current global climatic trends. In doing so,
I think they set out the environmental challenge that confronts us. The focus of the IPCC’s
latest report is, of course, on the latest science on climate change, and this report, like those
before it, is the product of the painstaking work of the world’s top scientists, constructed by
drawing on the expertise of literally hundreds of researchers in more than 30 countries,
working across a raft of disciplines from atmospheric science to glaciology and from
oceanography to biogeochemistry. Among these experts were many Australian scientists
drawn from some of our nation’s finest universities and most trusted scientific institutions—
institutions like the CSIRO and the Bureau of Meteorology. The work of these experts points
to yet more evidence that our climate is warming, which should prompt us all to consider the
most effective and efficient means of reducing carbon emissions.

The IPCC predicts that if carbon dioxide emissions track along the lowest scenario then
global average temperature could rise by 0.9 degrees to 2.3 degrees Centigrade by the end of
the century, but if the worst-case scenario is met this could be as much as 3.2 to 5.4 degrees
Centigrade. The global climatic implications are clear. This is what the report says:

It is virtually certain that there will be more frequent hot and fewer cold temperature extremes over
most land areas on daily and seasonal timescales … It is very likely that heat waves will occur with a
higher frequency and duration.

The consequences of global warming are already impacting on our environment, and again
the latest science indicates this. Let me use the words of the report:

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"Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are
unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of
snow and ice have diminished, sea level has risen, and the concentrations of greenhouse gases have
increased."
... the Greenland and Antarctic ice sheets have been losing mass, glaciers have continued to shrink almost worldwide, and Arctic sea ice and Northern Hemisphere spring snow cover have continued to decrease in extent ...

The consequences of global warming are also being felt in our oceans. From 1901 to 2010 the global mean sea level rose by 19 centimetres. In the 19th century the sea rose on average at a faster rate than in the previous two millennia, and global sea levels are predicted to continue to rise right through the 21st century.

So I would say that the cause of global warming is clear. The science says that the cause of global warming is clear. The catalyst for rising temperatures and oceans and receding glaciers is an increase in atmospheric greenhouse gases. The fifth report of the IPCC points out that atmospheric concentrations of carbon dioxide, methane and nitrous oxide have increased to levels unprecedented in at least the last 800,000 years. So let us just put this into perspective in this debate. Humanity first began practising agriculture 10,000 years ago, the first cities appeared 5,000 years ago and the Industrial Revolution began in the 1700s. These events might seem like easy, contrived or pithy historical comparisons, but I choose them quite deliberately because the expansion of agricultural production, the industrialisation of our economies and the urbanisation of communities all contribute to a rise in atmospheric greenhouse gases, and the current configuration of our settlements, our economics and our food production means that we remain more vulnerable now to shifts in climatic conditions than in any other period in human history.

Climate sceptics are very fond of pointing out that the earth has undergone shifts in its climate before, but they have not been of this rapidity or magnitude and they have never been when our populations and economies are so deeply invested in their present geography.

The source of global warming is the rise in greenhouse gases. Its cause is man-made. The latest science points that out. I quote again from the report:

Human influence has been detected in warming of the atmosphere and the ocean, in changes in the global water cycle, in reductions in snow and ice, in global mean sea level rise, and in changes in some climate extremes. This evidence for human influence has grown … It is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century.

These are strong words from a typically cautious scientific community. On a continent that has famously been called a continent of droughts and flooding rains, in a country with one of the most urbanised populations on the planet, there are clear consequences. By mid-century, the IPCC suggests a median average temperature increase of 1.5 degrees to two degrees over most of Australia. By 2100, temperatures could increase by two degrees Centigrade on the coast and three degrees Centigrade elsewhere. Under a worst-case scenario, average temperatures in Australia's north are projected to rise by almost five degrees Centigrade. The frequency of heatwaves has increased, and this latest IPCC report predicts that there will be more droughts in southern parts of Australia.

Recent history tells us that global warming is not a giant conspiracy or an abstract theory but part of our new reality. Australia has just experienced its warmest 12-month period; its warmest month on record; its hottest summer day on record, 7 January 2013; and its warmest winter day on record, 31 August 2013. Yet, despite the growing evidence, in the days leading up to the publication of the IPCC report several prominent news outlets and commentators argued that the IPCC had got it wrong and that since 1998 global warming has stopped. This
is a judicious partial truth, for 1998 was an exceptionally hot year. Global average temperature increases have slowed since 1998—that is true—but warming has not paused. As Thomas Stocker, the co-chair of the IPCC’s first working group, pointed out, measuring recent years in comparison to 1998 is misleading because global climate trends need to be compared over much longer periods—decades or more.

Contrary to such misrepresentations, the latest report of the IPCC shows that the science of climate change is becoming surer, not less certain and:
Limiting climate change will require substantial and sustained reductions of greenhouse gas emissions. It is crucial that we focus on the science of climate change and that we consider the most prudent and efficacious methods of reducing greenhouse gas emissions.

The coalition’s Direct Action Plan is neither prudent, nor an efficient means of reducing our carbon emissions. Work by the Productivity Commission suggests that a broad based market response like a carbon price is the most efficient and effective means of reducing carbon emissions. And yet today we are asked to replace a proven measure with an alternative that is fancifully optimistic about its capacity to reduce carbon emissions. The coalition’s Direct Action Plan will directly take taxpayers’ money and spend it on measures that are untested. The political party which prides itself as the party of the free market, rather than choose an effective market mechanism, is instead extending the powers of the state—picking winners—calling for greater government control in the area of environmental policy.

The coalition’s Direct Action Plan is the unloved orphan of environmental policy, unloved by economists and environmentalists—a policy that will leave us increasingly isolated from the rest of the world. A problem of the magnitude and complexity of climate change requires national responses that are internationally competitive and compatible. The atmosphere does not respect national borders. I am very confident that the international community will not embrace the coalition’s direct action policy. Increasingly, countries are adopting carbon markets as the most efficient means of reducing carbon emissions, and we all know that is true.

Given the strength of the science and our recent climate history, surely it is time to look to the future and to move toward and not away from the most effective and internationally competitive means of reducing our carbon emissions. I believe that this is the responsibility that we in this parliament must meet now, and that is why I am speaking this way on the Clean Energy Finance Corporation (Abolition) Bill 2013.

**Senator FURNER** (Queensland) (18:23): I rise to speak against the Clean Energy Finance Corporation (Abolition) Bill 2013. I do so in my capacity, not as a climate scientist or an economist, but as a senator who has been fortunate enough to be a member of the Standing Committee on Economics and to be involved in the hearings of the Carbon Pollution Reduction Scheme inquiry. I was equally fortunate to be involved in the Select Committee on Climate Policy. As result of hearing the evidence in those inquiries, I speak here this evening with some degree of experience and knowledge and with a grasp and understanding of the science and the effects on the economy and, most importantly, the environment.

Initially, I will use some examples of what the impact will be if we find ourselves in a situation where we have done away with the CEFC. In my home state of Queensland—forgive me if you are unfamiliar with some of the areas—I was fortunate enough, particularly
in the lead-up to the election, to have the opportunity to have employers show me with some pride the outcomes that they have received as a result of some of the funding. I will use the example of a company in the seat of Forde, which is around the southern side of Brisbane, heading down to the Gold Coast. There is a large industrial area there called Yatala. Luis Laing, the Managing Director of a company called Pacific Food Industries Pty Ltd, with pride showed me around his factory where they had installed 125-kilowatt solar panels across the three buildings of their manufacturing plant and warehouse distribution area. That company produces and manufactures sauce in that plant in Yatala in Queensland.

The project, as was explained to me by Mr Laing, is expected to reduce the carbon emissions intensity of the site’s electricity usage by 31 per cent which will result in a saving in energy costs of $19,000 per year. The grant amount that was provided to the company at the time was $109,213. You can quickly do your sums and realise that, within a matter of approximately five years, that investment would have paid for itself. We realise that the revenue from the carbon price was being used by the previous Labor government to help businesses across Queensland and Australia cut energy, reduce emissions and become more competitive. In fact, the $1 billion Clean Technology Investment Program that the government provided has worked for manufacturers and food processors by providing investment in energy efficiency, clean energy and renewable energy. In Forde alone, there was $2.9 million invested at that point in time to assist those businesses. So, once again, we are able to understand that this is a remarkable investment that businesses are receiving, or have received, from the previous Labor government.

A bit further south is an area that I used to work in in one of my many previous careers. When I used to drive semitrailers, I carted meat containers out of AJ Bush and Sons, a business in Beaudesert. David Kassulke, manager of AJ Bush and Sons, was previously a sceptic. This may have been the result of some of the mistruths or propaganda that was provided to him by the then opposition. In fact, in July last year, then senator Barnaby Joyce and the local member, Scott Buchholz, toured the business and pledged that they were going to repeal the carbon tax if the coalition won the next election. We know the result of that, and it is still a position that the current government supports. We know that they went to the election on that basis, but Mr Kassulke has turned his view around. I must point out that he was one of Australia’s top 500 polluters and was expected to pay a carbon tax bill of approximately $1.2 million. As a result of the investment of the previous Labor government, he has been able to achieve a dollar-for-dollar $6.2 million grant from the government’s Clean Technology Food and Foundries Investment Program. That has put AJ Bush well ahead in slashing emissions, and, apparently, the company is reasonably confident of meeting their targets. It would be one of those companies that would have been removed from the top 500 polluters list.

The way Mr Kassulke has gone about achieving that is with the construction of new biogas plant—hopefully it has started by now; I have not had the chance to follow up on it. The company expects to cut its carbon emissions from 82,000 to 25,000 tonnes per year. That is a significant cut in emissions with the assistance of the government and the commitment by the company to match the grant dollar for dollar. The company’s expectations were to cut coal usage by 50 per cent and to produce 50 per cent of the company’s electricity requirements on site, which I am sure have been achieved. The end result is the introduction of new biogas
technology which will save millions of dollars in energy and carbon cost and is also an opportunity for the company to be positioned in cutting-edge renewable energy technologies in the rendering industry.

**Sitting suspended from 18:30 to 19:30**

**Senator FURNER:** Before the break I was referring to examples of what companies have done, certainly in my duty seats, with regard to improving efficiencies and reducing the carbon footprint. I was discussing the company AJ Bush & Sons, which is in Beaudesert in the south-east corner of the seat of Wright. I was relating of a Mr Kassulke and explaining how he was a sceptic of climate change but is now converted after seeing the benefits of the tax. Relying on the *Beaudesert Times*, he indicated that he has now changed his view and he refers to the tax as a positive thing, so much so that he is confident that there will be a more competitive position in the marketplace as a direct result of the carbon tax. He commented:

We have always been focussed on energy efficiency because we use one million kilowatt hours of electricity per month and use around 2000 tonne of coal per month.

The (biogas technology) investment is a good way to modernise and will dramatically reduce our emissions.

It will mean that we will reduce our emissions to the point where we will no longer be a big polluter any more.

That is just a typical example of how someone in business can see the benefits of what you can do with providing efficiencies and programs to improve the carbon footprint in our country.

Another area I want to concentrate on is directly a result of what the Queensland Liberal National Party has done up there with regard to an amazing opportunity for solar powered energy. It was called the Solar Dawn and the previous Labor government in Queensland was going to provide $75 million towards a $1.2 billion Solar Dawn solar research power plant at Chinchilla, which is out there west of Toowoomba. It was to be one of the biggest solar energy plants throughout the world.

Since then there has been a change of government in Queensland of course and the Liberal National Party has mothballed or actually withdrawn that particular investment. It is a real shame because not only would we have seen investment in renewable energy and investment in solar powered energy up there; it would have seen the creation of literally hundreds and hundreds of jobs in the regional centres—those centres that the National Party purports to represent and assist. Here you go in a place in regional Queensland, Chinchilla, where we will see no jobs created as a result of the Liberal-National Party government in that state shutting that investment down.

Had it been approved, we would have seen a 250-megawatt solar thermal project using the sun to heat water in tubes to produce steam-driven energy. It did have the backing of the federal government at the time, and it is a shame that these initiatives have at times been jeopardised by the result of those sceptics, not only in the then opposition, now federal government, but also in state Liberal-National party governments where they do not accept or are not prepared to assist in clean energy and do something about our emissions in this country.
I also want to move onto some statistics that the ABS have been kind enough to provide me with, about where we not only lose valuable resources and the effects of that on the economy but also the effects on lives. In many circumstances through the history of Queensland it seems to be an increasing theme up there: natural disasters. Certainly in recent times, from November 2010 to February 2011, we did see the most significant natural disaster effects in Queensland, where 99 per cent of the state was declared a natural disaster area. Unfortunately, it is the sad case that we lost 37 lives in those natural disasters of flooding and extreme weather conditions in my home state. I recall going around to a number of people and explaining the assistance that we provided to residents in that particular time of need through the flood levy assistance, providing assistance to those who needed it.

Queensland received at that particular time $2.256 billion under the Natural Disaster Relief and Recovery Arrangements. History can show that the then opposition—the Liberal-National Party in this place—opposed that flood levy, and I am yet to understand why. It was a time of need where people required assistance and here you had it at that particular time that the then coalition opposition opposed reasonable and good assistance to people who needed it when they were in dire straits.

I want to go to some stats about the past history of the disaster relief payments through the Insurance Council of Australia. It develops an interesting theme of the increase in price and gives you a good reason for why we need some form of abatement—some form of clean energy assistance and also some climate change legislation to deal with these natural disasters. When you go back in history, particularly in Queensland, you can see a growing trend of not only an increase in prices but also an increase in the effects of climate change.

I must stress in giving figures of costs that they are purely the costs associated with insurance claims for policy holders entitled to receive them because of the effects on their residences. They exclude those who were did not have entitlements as a result of policies and also exclude the costs incurred by emergency services, the local, state or territory and Commonwealth governments and non-government organisations and the costs for local governments during the clean-up times, which are cut out of the results. The remedial and environmental damage costs, including pollution of foreshores and riverbanks and beach erosion, are excluded. They exclude the costs associated with community dislocation. They exclude the costs associated with job losses and those associated with rehabilitation and recovery. They also exclude the medical and funeral costs associated with injuries and deaths.

I decided to go back to a period when I was quite familiar with natural disasters in Queensland. That dated back to 1970, when Cyclone Ada came down the Queensland coast and hit Bowen and Mackay. The estimated costs in claims to the insurance industry were $1.1 billion. In 1974 I was personally involved after the flooding in Brisbane resulting from a cyclone called Wanda, which came down the coast and had a huge effect on Brisbane. The claims from that flooding totalled $2.6 billion. I can remember assisting people to vacate their houses which were inundated by the flooding around Brisbane. Since that time there has been assistance to make sure that to some extent those homes will not be affected, although in the last couple of years we have seen the effect of extreme weather conditions that still cause major flooding. It is a recurring feature but it is happening on a more regular basis. In 2006 Cyclone Larry hit the coast in North Queensland, with the costs totalled $609 million. We are getting to figures that demonstrate how costly it will be if we do not do something about
climate change which will result in increasing insurance costs. These costs have a flow-on
effect to everyone because they affect everyone in society who has insurance for their homes.
After Cyclone Yasi, the figure from February to July 2011 was $1.4 billion. So there is a
theme of increasing costs involved from the effect of climate change and natural disasters,
and it affects not only my state of Queensland. People in this chamber have spoken about the
effects of fires and extreme weather.

I mentioned in my opening comments that I was on the select committee on climate policy.
Time will not permit me to go into extensive detail, but there was no disputing what the
professionals explained to the committee about the climate science. The IPCC, the
Intergovernmental Panel on Climate Change, has accepted that the best peer reviewed reports
on the topic from the world's leading academics in a range of relevant disciplines have
accepted and endorsed the science. So we are not coming here saying something different
from the specialists and professionals in this area about what is affecting the environment. In
fact they indicated in their evidence that warming of the climate system is unequivocal. I
think that identifies what is happening to our climate and our environment. For the reasons I
spoke about earlier and also demonstrated with the figures on insurance costs, we need to
address this issue not only for the sake of our environment but also for the sake of our
economy.

With regard to my personal experiences, I have seen what the effects could be if we do not
address climate change. In February I was up in the beautiful Whitsunday islands for a week
and went over to Long Island with my son and daughter-in-law and saw copious numbers of
tourists spending quality time on the outer reef. If we do not address climate change we are
going to have issues associated with a reduction in tourism. People are not going to be willing
to come to the Sunshine State, as it is known, or anywhere else in this country to enjoy such
opportunities. It would be a great shame if my granddaughter and others of her generation
were to miss out on the opportunity to see and enjoy the Great Barrier Reef as it currently
exists.

Senator GALLACHER (South Australia) (19:43): I have listened keenly to this debate
over the last couple of days and I think it is important to address a matter that Senator Whish-
Wilson first raised, and that is that in the insurance industry there are reinsurers. The
reinsurers—Swiss Re, General Re and the like—are the ones who are actually charged with
predicting and costing disasters such as cyclones, typhoons, tornadoes and earthquakes. It is a
very interesting subject. Having had a very minimal involvement in reinsurance through the
Motor Accident Commission of South Australia, I have got a little bit of an understanding of
how it works. They actually test your organisation. They look at all of the potential
catastrophes that could happen to your organisation, and then they price the risk. You buy that
insurance and you go on then and do your business.

This is a really interesting area and it should be right at the heart of the economic
rationalists. It should be right at the forefront of their thoughts because, if they do not believe
in climate change or if they do not accept the scientific evidence—their gut feel is that it is not
really climate change—then the money men in those reinsuring industries will tell them. They
will tell them that the prevalence of tornadoes, the prevalence of cyclones and catastrophic
storms in the American Midwest or in the UK or in Europe, demonstrate that something is
happening here. Something is changing. It is to their eternal shame that they do not actually
evaluate all of the factors. They can deride the scientific evidence—it is a wish list; we cannot do anything; we are a small population and we cannot impact climate change globally, and all of those things have some modicum of truth—but the reality is that the moneyed people of the world, the people who reinsure the insurers, are operating that insurance on the premise that something is happening globally. In that environment, it is extraordinary that the Liberal government, the Liberal coalition, puts its head in the sand and says, ‘We are on a mantra of abolition of the carbon tax.’

I will address that phrase 'carbon tax' a little bit later, but one of the really good things that happened during the initial debate on this matter was that I attended a briefing at, I think, the Norwood Town Hall. Quite unrepresentative of the group there was a lecturer in economics from Adelaide or Flinders university. The basic premise he put was in economics: if you want to change behaviour, you price it. If you want to change behaviour you need a price on it. It is a fundamental economic principle. And I suppose, if you want to change behaviour of people who are speeding on roads, you price that behaviour—so if you speed you pay a fine, and you slow down. So fundamentally, I think economists accept that price in the economy will change behaviour.

That has stuck with me right throughout this whole debate. What we have seen in my home state of South Australia is a growth in renewable energy which is far in excess of the rest of the states of Australia. We have wind energy and we have solar energy, and I will say this: it was mainly driven by former Premier Rann who lived in the solar-powered house long before it was fashionable, long before it was affordable. He had a passion about renewable energy and drove a lot of policy in South Australia, which has made us leaders in renewable energy.

Unfortunately, you cannot bank renewable energy and you cannot store it in a lot of cases. You can use it to offset peak flows and to offset peak demand, but basically it is not there on the peak days of the year in sufficient amounts to make redundant the gas or coal fired technology. In South Australia we have endorsed and adopted renewable energy.

The cost of it is spread out, there is no doubt about it, and it is something that I am not all that in agreement with. It is shared out, if you like, on the bills of every consumer in South Australia. So if you are a low-paid worker or a low-paid pensioner and you do not have a solar system, you are probably paying a modicum for someone who is a little bit more fortunate and has chosen that renewable energy. But that was a decision that has been made.

When we look at the Clean Energy Finance Corporation, we see an organisation which is at the forefront of investing in future renewable energy products. It is set up and was designed to take the place of perhaps venture capital, which would invest in alternative technology. It is set up to make a return to the taxpayer and it is going along its way quite successfully. But it is been wrapped up in the 'no carbon tax' and the 'we will abolish the carbon tax' and everything that goes with it. Even if things are actually economically viable and sensible, they are all going as well.

Those on this side of the chamber do not agree and, fortunately, neither do those on the crossbenches—and I think that is all of the crossbenchers. So we are now in the situation where we are debating whether a good clean energy corporation should exist or not. A number of quotes can set the scene for why this activity by the coalition—or the noalition, as they really should be known—should be resisted. Mr Nathan Fabian, the Chief Executive Officer of the Investor Group on Climate Change, said:
The CEFC is one example of what are now 14 co-financing institutions around the world. These organisations are needed for five reasons. Firstly, governments cannot sufficiently finance low-carbon alternatives to meet a two-degree outcome and private capital is needed. Secondly, the low carbon investment market is relatively young and so deal flow needs to be supported. Thirdly, capacity in the finance sector must be increased through the experience of financing investments. Fourthly, financial participants welcome investment opportunities presented in a new market by an objective third party, even more than by investment banks. Lastly, cofinancing organisations can actually earn financial returns for governments, delivering abatement at negative costs—and we think this is appealing and makes sense to all parties. Given the government's infrastructure agenda, we think that dismissing co-financing as a useful policy instrument may be premature.

Having had a little bit of experience in the investment world, that sounds to me like venture capital. We do not really know what the outcome is going to be, but if we invest in enough bright people in the right sectors across a whole range of activities we will make a return. I do not think that is a bad thing for a government to be doing—I think it is a very good thing for a government to be doing. It is a much better thing than the direct action policy. I really do think that the coalition painted themselves into a terrible corner in their endless pursuit of an early election, their endless derision of anything that the Labor government tried to achieve and their endless opposition. They said, 'We will get rid of the carbon tax' and history will tell whether that is true or not. It is likely that, in six months time, they might be successful, but far be it for me to pre-empt their success or otherwise.

The reality is, they campaigned to the Australian public saying, 'It's a bad tax.' The reality is that it has added a modest increase to electricity prices, all of which was compensated. Most of the pain that the consumer felt in electricity prices was the rebuilding of the poles and wires; it was not as a result of the carbon price. But the coalition endlessly repeated the mantra, 'It's a bad tax'—and it would be a very brave government that went to an Australian election with a policy position of imposing a tax. We had the demonstrations at Parliament House and we had the endless repeated mantra—in fact, the mantra has not gone away. The mantra is still there. Every time we ask a question in question time, it is all down to the carbon tax.

With the electors that I speak to, with the barbeques that I attend, I honestly do not think that Australian electors are all that excited about the carbon tax. I do not think it has impinged dramatically on their day-to-day living. I think they do understand that something is there in the climate that needs addressing. We may have been guilty of not putting our position as succinctly and correctly as we possibly could have, and we certainly did not win hearts and mind. We lost that debate, but that does not mean that we should walk away from a position which is trying to deliver a clean energy solution for Australia.

We are one of the highest emitters per capita in the world. We have this awful conundrum where we are 25 per cent of the coal resources of the world and we make $30 billion from exporting coal. So why, in that environment, would we not back the Clean Energy Finance Corporation, which is looking for cleaner solutions and investments into alternatives which will wean us off the heavily polluting emitters? In South Australia I believe there are only nine companies paying the carbon tax, and we are the lowest emitters. We are a small state—we have a concentration around Adelaide and at the peninsula down at Mount Gambier, and a little bit out at Whyalla, but 82 per cent of the seat of Grey is pretty sparse.
There is not a lot of industry and there are not a lot of emitters. I think we only run our power station in Port Augusta when we can make some money out of it, so it might be down to three to six months a year and the rest we shut it down. It is a brown coal plant that is serviced out of Leigh Creek, and I have had the opportunity to visit Leigh Creek and meet the workers there, as well as the workers at the Port Augusta power station, and they were transitioning to a different energy future. The Clean Energy Finance Corporation could make that come along quicker. It could create clean energy jobs. Why would this coalition government take the Clean Energy Finance Corporation, put it into its mantra of 'It's bad! It's bad! It's bad!' when it does not look that way to any independent assessment? It just does not look like what they are trying to portray it as.

However, that is not unusual with this government. It is their way or the highway. The adults are in charge and 'We're open for business;' and as we have said earlier in the debate today, the first 100 days of their government have been characterised by 100 delays. Now they are in here trying to ram through some legislation which will shut down the Clean Energy Finance Corporation and actually hit their budget—it will take money out of their till. They have spent a lot of time on the stump saying, 'Debt's bad! Debt's bad!' This will actually hit their budget, and they are doing it for an ideological reason.

I think they ought to go back to the drawing board and have a look at some of the things that have been contributed in this debate. I doubt that they will, but I think it is an important point that Senator Whish-Wilson raised earlier in the debate: what are the reinsurers doing? They are money men, they are there to assess the climate of the world—they might not think its due to climate change, but they will know if something is going on. If they are pricing the risk in, then perhaps those climate change deniers on the other side might change their mind.

I had a brief moment today, when I heard Senator Sinodinos talk about a frog in warm water and boiling, where I thought, 'Aha! Climate change is back on the horizon.' but then he went on to refer to that analogy in economic terms. He really was not talking about climate change—he was talking about the economy being in a bit of trouble—but I did think for a moment that there might have been something in there finally recognising that climate change is real. Australians believe in it, and you cannot go anywhere in Australia without people having a view on it.

There are certainly people who are against tax but they are against all tax and certainly all new taxes and they think that it is an imposition on them that they are paying things, and the opposition has clearly distorted that message. We have made mistakes and there is no doubt about that. We did not communicate our message effectively but we cannot walk away from a clean energy finance corporation that is set up to invest in renewable technology which may well be world beating and so we would lead the world in terms of delivering outcomes in respect of climate change. There is no part of the world that is ignoring climate change and saying, 'We'll simply plant a million trees or a thousand trees' or 'We'll have direct action and we'll pay polluters not to pollute.' If I were a polluter and someone would pay me not to pollute, I would do it as slowly as possible so I would get the maximum dollars out of it.

The reality is that there are major companies in Australia as I speak who are taking action on their carbon pollution because it saves them money and because they are a better corporate citizen. The other thing is that unless you have the price on carbon I am sorry but I do not think there will be a tremendous result. Economists will say time and time again, 'If you want
to change behaviour in the marketplace, you put a price on it.’ That crew over there, the ‘no-alition’, have been able to characterise that as a tax on every Australian. If you believe them, when you open a packet of Weet-Bix in the morning it has gone up 2c because of the carbon price. If you actually believe their rhetoric, all of the ills of the world or all of the ills of the economy in Australia will be blamed on the carbon tax. Well, the proof will be in the pudding. If and when they are able to axe the tax, as they call it, and get the carbon price out of the way—

Senator Edwards: We’ve had the election on this.

Senator GALLACHER: I’ll take that interjection, Senator Edwards. As I said to you the other day, you won the election but you need to be a little patient because there are six months to go here. You do not run the show here. In six months time, when your mate Mr Palmer comes in and the Motoring Enthusiasts come in, they will make their decisions about it but until then you will have to suffer the indignity of not getting your way in this chamber. But, returning to what I said, Australians do genuinely believe that something is happening with climate. I do not know anyone in my immediate family and friends who actually says nothing is going wrong.

Senator Edwards: You should get out more.

Senator GALLACHER: I will take that interjection, Senator Edwards. I do get out as often as I can. I am sorry that I probably do not get out as much as you but I do try. The reality is that people believe something is in this climate change argument. I do not meet people who are saying that the carbon tax has crucified them. They get on with business and they get on with their working lives. You cannot change behaviour in a proper functioning economy without pricing behaviour. If you are going to pay people who already have bad behaviour to do it slowly, I am not sure that that is a workable philosophy. Most economists who would not take the carbon price out of it would probably agree with me that the things that have worked with economies over history is a price on behaviour and that that price will dictate business investment decisions and their activity in the economy and more than likely will change their behaviour for the better.

Senator MOORE (Queensland) (20:03): A couple of months ago the Clean Energy Finance Corporation brought down its first annual report. Normally, as you know, Mr Acting Deputy President, when we work in the Senate, particularly through the Senate estimates processes, we actually get hold of such annual reports and we look through them and we see what the background to them is and we read the contents. I think this report is the first time I have read an annual report with a proviso. The report was introduced by the chair, with that statement followed up by various members of the board and it welcomed the opportunity to give the annual report and it talked about the background and it clearly stated the CEFC’s mission:

Our mission is ‘to accelerate Australia’s transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase private sector investment in emissions reduction’. The Board—

as stated—

has pursued this mission with the goal of minimising the cost to Government.
The chair went on to talk about the structure of the report, how they were going to set out the process, their background and their goals and then, at the back, they had the whole list of their financial statements. But, unlike a lot of the other annual reports I was reading, this one actually had the proviso in it. At the end of the introductory chair's report, Ms Broadbent states:

At the time of writing, the future of the CEFC is in doubt, with the Australian Government preparing legislation for the repeal of the CEFC Act, making this possibly my first and last report as Chair.

It is fairly unusual when you actually have something being brought down where all the people involved in putting forward a report about their actions and talking about their financial processes and talking about the areas that they have funded—also with a whole section of the report talking about future plans and building on the work that they have done in their initial year—is actually overshadowed by a statement that says they know, and they know that their audience knows and they know that their shareholding ministers know, that immediately there will be a debate in this place which is going to talk about the fact that they will no longer be required. It gives a special poignancy to the whole process. But, given that, I thought it was important that we saw what the work of the CEFC had done in that 12 months. It talked about the fact the body itself had come out of an expert review panel which had looked at the merits of a CEFC model. This model is not peculiar to Australia and it was not out of some thought bubble where someone said, 'Hey, this might be a good idea.' There was actually an acknowledgement of the idea of a professional financing body that would work to operate to educate the community and investors and organisations on the options that they could have to look at effective financing for alternative energies in our country as well as to provide, as clearly documented in the annual report, professional financing services. This model is not peculiar to Australia: one of the core issues is the fact that there are international networks that talk about this kind of process and they have a proven record.

The CEFC model in Australia was looking at how it could be an effective tool to develop the sector, its financing skills and technologies, and thus enhancing Australia's industry preparedness for a lower-carbon world. And as Senator Gallagher has just pointed out, the whole impetus for this organisation was a commitment by the Australian government and also by the Australian community to share in a low-carbon world. Again, nothing that is peculiar to Australia. In fact what we have, through this debate, is an acknowledgement that we are part of something much larger than decisions that are impacting on just Australia. We are part of the desperate need for an international response so that we, together, can work at coming up with ways to have a low carbon world. All of the debate, all of the energy—good and bad energy—in this debate should be focused on that; that is, how best we can achieve a low-carbon world.

Amid that, the role of the CEFC was clearly defined. It was there to ensure there would be appropriate financing to allow businesses, people in the community and industries—all of whom needed to share in the commitment to a low-carbon way of operating—to have effective options to finance their businesses. Senators would remember that throughout the series of debates we had in this place, one of the clear concerns raised by industry and by community members generally was at what cost would people have to make the decisions to make change. What we all knew was that we had to make change. The reason for having the quite painful debates that we have had, which have been damaging—people have engaged in
these debates in a very personal way and there has been a lot of worry, a lot of concern and a lot of passion. But what all of that focused on was the fact that we needed to change.

We have heard in part of the debate that has been going on over the past couple of days on the CEFC, which is really one element of the wider debate, the acceptance that the arguments and the debates about science have been had. That is real progress because we all remember that, in previous debates in this place when we were talking about why we needed to make a change in Australia, the science was actually in dispute—and not just in this place, but also in the wider community. I know, having attended many community meetings, there are a number of people in our communities who genuinely reject the science, who create their own science to say there is no need for any change. But one of the positive aspects of the past couple of days is that across this chamber, no matter what part of the debate it was, people have agreed that there is a need to look at having a low-carbon world. The thing that is at doubt is how we do it and who is going to be responsible for the pain that it causes to make the change.

When we moved through the range of legislation that came up previously to put a cost on carbon, and then working through the range of things that had to happen in our community, one of the immediate responses was to ensure that there would be a professional finance knowledge in the whole discussion. This meant we would be able to have the appropriate education for all levels: for people who are in the investment market, for people in finance and for people who are looking at developing their own businesses and developing their own community responses. One of the needs was to have this kind of professional model, which operated not in opposition but in cooperation with existing finance organisations.

Ms Broadbent, in her report that came out only quite recently, was at pains to point out that this was not an organisation that was there to steal or dominate the market. One of the core aspects, which is part of the international model of energy finance, was to see that they worked alongside and in cooperation with existing finance organisations. The mark of their success, which has been brought out in a number of the contributions we have heard in this debate as well as in the annual report, is that there has been that acceptance, that there is the ability for people to work effectively together to come up with cooperative ways of funding.

One of the things I most enjoy about any of these debates is having the case studies put before us, where we move beyond the theory, we move beyond the rhetoric and we see how the goals are achieved on the ground. Remember the mission was:

Accelerate Australia's transformation towards a more competitive economy in a carbon constrained world...

I have picked just two of the case studies that were put in the CEFC annual report, and they are two case studies that I particularly like because they relate to areas that I know. The first one was an area in retail. Again, senators would remember that when we went through the debates about whether we needed to have a carbon reduced or carbon constrained world, one of the areas that was put forward as where there could be great problems was in the area of retail. We heard information that already there were great pressures in the retail environment: competition, the impact of the Australian dollar—all of those things. I was particularly interested to see this kind of work—using the CEFC, working with other finances—and how that could be marketed effectively in the retail environment, what kinds of tasks could be put in place and what the results were.
In the annual report, on page 49, it states:

Retailers face competitive market pressures due to changes to consumer habits and online commerce, as well as rising energy costs.

The example that is given is:

The CEFC is working with co-finance partners and strategic alliance partners to encourage retailers to access the benefits of clean technology sooner and has found that bundled expertise and finance is proving attractive to small business owners.

That meets the goal of encouraging people in industry to seek finance to make changes in their workplace. The example they put forward is the IGA at Milton. Mr Acting Deputy President Furner, I know both you and I have shopped there at different times. I must go back. I have to admit that I have not checked out their lighting system, but now I will. Milton is in Brisbane's inner west and is an interesting suburb because it is close to a range of universities where people are moving forward.

The IGA at Milton used Origin on-bill finance for a $28,000 lighting upgrade. They replaced old fluorescents with LED lighting in a project that was cash flow positive from day one and reduced the store's annual electricity bill by more than 22 per cent. That is what the whole focus of the legislation was. This small but strong business used the CEFC model and expertise and worked with Origin on-bill finance. It took out finance for an important but not overwhelming amount of money—$28,000 is a big investment for a small business. It invested in changing the lighting system and moved to a more environmentally-friendly lighting system. It met their needs immediately—and also people like me will go in to see how it works, whilst hopefully buying something from the store—and in the future they will have an annual electricity bill reduction of more than 22 per cent. So that fits the model perfectly.

So that is a retail investor. The other one I have to include is Darling Downs Fresh Eggs. This is one I particularly enjoy. We all know of the high energy costs in the poultry industry. Only today upstairs we had the people who do special innovation and study into areas of change. They have a stream that looks at poultry. I was discussing with them the issues in poultry farming and development in our country. Darling Downs Fresh Eggs is based at Pittsworth, which is quite close to where I come from. It is also an area that is known for the development of agricultural businesses. I know this is particularly important. You will remember when debating changing to a carbon constrained future how we were strongly lectured by representatives of the National Party about the special impost on and importance of the agricultural sector that must be noted and understood.

Here we have a local agricultural business at Pittsworth that has significant investment in what it was doing. In this case the CEFC and the National Australia Bank are co-financing an innovative waste to energy project. The $2.86 million project cost is met with CEFC finance of $950,000, NAB finance for nearly half of the project costs and an Australian government grant of $333,823 through the Clean Technology Food and Foundries Investment Program. That is another incredibly important element of the package of information and services that was wrapped around the series of bills that were put together to ensure that we had a community that was moving towards a carbon constrained future.

That is a huge investment for Darling Downs Fresh Eggs. What they have done is identify an immediate need in their business—and it is a significant business. Their aim is to achieve a
cost saving of more than $250,000 a year and eliminate about half of the labour and transport costs associated with the disposal of poultry farm waste products. That will also reduce grid electricity usage by 60 per cent in the first year and will produce 100 per cent of the company's energy requirements in non-peak periods. Darling Downs Fresh Eggs, one country business, will reduce carbon emissions of up to 1,000 tonnes per annum and reduce methane emissions by over 6,000 tonnes of CO$_2$ a year.

That is the reality in the business world. We have debates in this place that are important, because we need to set up the policy parameters effectively, but the reality is in these two local business cases. They have been able to use the CEFC model and work with that organisation to find appropriate financing to personally develop energy efficient programs in their own businesses to look at exactly what we are all after—clean energy.

This model is effective. It is not competition to existing financing models. It provides innovation and hope for people who have accepted the need to reduce carbon, which we have debated here for so long. The CEFC model makes that happen and allows businesses and organisations to develop their own plans—not have to rely on someone from outside telling them what they must do but to be able to respond to their own economic needs to be successful. There are not just one-off savings. In both of those cases there will be future savings that will make their businesses more effective.

Ms Broadbent, signing off on her first—and, if the government succeeds with this legislation, only—report as Chair of the CEFC, said:

The CEFC has been an effective catalyst for the public and private sector to overcome current market failures in financing carbon reducing investment at scale.

She states that she and her board are proud of the work they have done. They have a future plan which they have incorporated in their annual report about what more they can do to work both locally and internationally to develop effective models of financing so that people will not be fearful of the change. They will acknowledge that there needs to be a change but they will not be fearful. They will know that there are people and organisations available to provide support. They will be able to be strong economically whilst being strong environmentally, and that is the aim of the work that so many people have been involved in over the last few years.

The commercial approach of the CEFC means that we assess investments on a case-by-case basis, looking to provide funds on generous terms for a project to proceed—that is, as close to market terms as possible—not forcing one model to fit all but ensuring that people will be able to work at their own pace and develop their own knowledge and confidence while seeing things that work.

A core path of moving to a carbon constrained world is to ensure that there is an effective business model and effective financing available. The CEFC in their annual report can prove that they have a basis on which to work for the future. To slice this opportunity from the businesses and communities of Australia would be to show little commitment to what we all know we must have, which is a carbon restrained world.

**Senator PERIS** (Northern Territory) (20:23): I will cut right to the chase here. I rise to speak on the Clean Energy Finance Corporation (Abolition) Bill 2013. Mr Abbott and the coalition government are scrapping the Clean Energy Finance Corporation for one reason:
they do not believe in clean energy. They do not believe in climate change and therefore they do not believe that clean energy is required. But this government is out of touch. Leading scientists and members of the Australian public know and understand that carbon pollution is real and changing our weather, our landscapes and our future. This is why I rise before you today to discuss, inform and advise people of the benefits of having corporations such as the Clean Energy Finance Corporation.

The coalition will continue to come up with a range of ridiculous reasons as to why the Clean Energy Finance Corporation should be discontinued, but it all really comes back to the fact that the Abbott government does not believe in clean energy. The corporation was set up by the previous government to invest up to $10 billion in renewable energy products and to promote private sector investment. It was off to an extremely positive start with over $500 million invested in projects to cut greenhouse gas emissions. The $10 billion served to leverage private sector investments into projects.

According to the chair of the corporation, Jillian Broadbent, the corporation would have been in a position to return $200 million to the government once the $10 billion was invested. Economically speaking, this was a very impressive start and confirmed what leading countries around the world have found—that the future of economic investments includes clean energy.

The Clean Energy Finance Corporation operates like a traditional financing business. It works collaboratively with co-financing organisations, project advocates and stakeholders to seek ways to secure finance to grow and further develop the clean energy industry. The Clean Energy Finance Corporation adds a great deal of value and effort to tackle climate change in Australia and around the globe by reducing carbon pollution, and looking at ways of establishing and improving clean energy production to ensure that our carbon footprint is reduced and the global environment is preserved for future generations. By investing in projects, the corporation works differently than by simply providing grants. Grants can be very worthwhile but they are essentially a handout to kick-start a supported project as opposed to an investment in a project and an investment for our future.

The CEFC does not engage in a risky loan. It helps to develop the relatively new clean energy investment sector. This corporation provides and develops financing solutions across the clean energy sector connecting renewable energy, low-emission technology and energy efficiency. It seeks to assemble and leverage funding for development in the commercialisation sector and the development of clean energy technology and research necessary to assist Australia to transition from a carbon reliant nation to a clean energy nation.

The Abbott government clearly does not believe the science of climate change and, if it did, the government would realise that reducing carbon emission targets simply cannot be met without increasing investment in clean and renewable energy technology as a progressive view. Since created by the Labor government as part of the Clean Energy Future package, the CEFC has committed $536 million of its own budget while mobilising over $1.5 billion in private capital—a success in everyone's terms.

The corporation's annual report for the last financial year says every dollar of investment has attracted $2.90 in private sector spending. This is an achievement beyond what it set out to do. The projects that the corporation is involved in are wide and varied, big and small. They cover three main areas—that is, renewable energy, low emissions and energy efficiency. Some of the projects that the corporation is involved in include a very large scale solar-
powered project to power approximately 15,000 homes, a wind energy project to power over
100,000 homes, projects converting from biogas to natural gas, so cutting greenhouse gas
emissions by 44,000 tonnes per year, and smaller projects like the installation of low-emission
street lights.

So many of the companies and organisations involved are quite varied, ranging from ice-
cream makers, wine producers, beef processors, pork exporters, rugby league clubs, hotels,
many retailers, tomato growers and gardening suppliers just to name a few. No industry was
too big or too small. Companies were both saving money and cutting emissions.

I know that the Australian Agricultural Company is using the scheme to install solar
photovoltaic units in 15 sites across Queensland, reducing its grid energy consumption and
associated carbon emissions by around 30 per cent. That company is currently building an
abattoir near Darwin and I hope it is able to have similar energy savings systems in place in
that facility. This bill will stop projects like that occurring.

This bill tilts the weight back in favour of the coal industry instead of renewable energy
and that is what the Abbott government wants. This bill will cost companies money and make
it harder for them to cut their emissions—but, most of all, our environment will suffer. There
are 14 similar organisations that exist throughout America, Europe and Asia but, sadly, not in
Australia if the Abbott government gets its way.

These countries will not only achieve greater success in cutting greenhouse gas emissions;
their industries will also be more cost effective. I commend the fact that the corporation will
continue to invest in worthwhile projects until such a sad time as it is scrapped by the Abbott
government. On this side of the house we hope that day does not come.

In conclusion, the CEFC is working—it has not only met its targets, it has exceeded them.
But, because it is about supporting clean energy, the coalition wants to scrap it based on
nothing more than pure political pandering. The government has decided to ignore the many
people who have clearly outlined that the corporation is working. This side of the house
supports clean energy, and hence we cannot support this bill to scrap the Clean Energy
Finance Corporation. We understand that emission reduction targets simply cannot be met
without increased investment in clean and renewable energy technologies.

Senator LUDWIG (Queensland) (20:30): I rise to oppose the Clean Energy Finance
Corporation (Abolition) Bill 2013. In doing so I will be speaking in defence of solid,
grounded economics that drives investment, reduces emissions and supports jobs in the
Australian economy. This bill introduced by the Abbott government is, quite frankly, a
triumph of political opportunism over common sense. The government has moved to deny
Australian industry effectively participating in the clean-energy future. It does appear that no-
one from the government has stopped to examine the record of what they are abolishing. If
they had seen the record, they would not be doing this now, although it is plainly evident that
this is a government that acts first and then thinks, followed by a fumbling mess of the half-
backflips and confused responses that we have seen in recent weeks.

The CEFC was established to invest directly and indirectly in renewable energy, energy
efficiency and low-emission technologies. The CEFC annual report makes the case as at 20
August that this year their investment portfolio was valued at $536 million. The total value of
projects associated with the body's investment was about $2.2 billion. It is a stunning result
for an organisation so young. It is even more unbelievable that the government would end it so quickly, even before they have established their own model of direct action—but we will come to a little bit more of that later. This is a government that has said it would head down the path of direct action but has not said what that would actually look like.

But let's look at what direct action actually is. Direct action says that the market cannot or will not cope with a floating carbon price. It says that the government, not the free market via an emissions trading scheme, is more adept and efficient at delivering the outcomes of reducing carbon emissions. This is supposed to be a government and a party that purports to believe in a market based approach over regulation, and here we have it walking away from an emissions trading scheme because this is an example of a good market based approach.

So let's take a look at some of the work of the CEFC. To date it has invested in new technologies to reduce Australia's emissions of greenhouse gases—importantly, at lower cost. To that end the CEFC has created jobs, grown Australian businesses and spread the use of low-carbon and renewable technologies across industries. The body has demonstrated time and time again over a very short period that it has a positive cost-benefit outcome for taxpayers, businesses, the economy and, importantly, the environment. It has clearly demonstrated a positive outcome in reducing CO₂. Around 3.88 million tonnes have been abated.

This has not come at a cost which the government would want taxpayers to believe. In fact it has led to positive returns to taxpayers. What the government has been doing is spreading mixed messages about the role, function and results of the CEFC in order to justify why it is now seeking to abolish it. Some of these claims are, quite frankly, just plain wrong. It has said that it will crowd out private investment. Wrong. The investment mandate it operates under explicitly directs it to avoid this outcome. There is an unmet need in the business world for this type of body.

The government has also headed down to the last place climate change deniers go. That is that—and I have even heard Senator Abetz use this phrase—it 'encourages risky investment and puts at risk taxpayers' money'. The Treasurer himself in the second reading speech for the abolition of the body stated that the CEFC was investing in high-risk ventures. My guess is that those on the government side will repeat this claim many times before this debate ends. It is false. The Treasurer knows it. The government knows it. Those on the other side know it. The body is required to seek to develop a portfolio across the spectrum of clean-energy technologies that in aggregate must have an acceptable but not excessive level of risk relative to the sector. Myth two exploded. The CEFC has in its operation not looked to high-risk ventures. The organisation has demonstrated a relatively conservative approach to investment.

One of the most outlandish claims of all, though, is that it is some green hedge fund. Again false; it does not operate like a hedge fund. It has not invested in hedges, derivatives or guarantees. What it has done is invest $534 million in Australia's future.

It is claimed that its ability to offer concessionality has negatively affected its ability to have a commercial orientation. That is another claim that those opposite raise for why this body should be abolished. Again, it is plainly wrong. It defies logic. It is grounded in the belief that the private sector does not offer concessions or discounts of the regular market price. This caps it off for this government critique: the private sector does not offer discounts. That is what they are effectively saying. As we approach the pre-Christmas and post-
Christmas sales, I wonder what sort of world those opposite live in to think that businesses do not offer concessions. The CEFC can offer concessions to give effect to public good outcomes, which is a good thing. Achieving technological expansion, dispersion and take-up, a demonstration effect, and emissions reductions are all very good things to have. The private sector does this for other reasons and not always in the public interest. They do it for things that I will not cavil with, such as gaining market share, retaining business or undercutting competitors.

Another outlandish claim is that the CEFC does not generate any renewable energy—plainly false again. The CEFC has invested in projects responsible for 500 megawatts of installed new generation capacity, and this is additional generation capacity. Two of these are worth making some comment on to absolutely make the point. One is the CEFC investment in the Sundrop Farms project in Port Augusta in South Australia, which uses solar thermal technology to provide irrigation from desalinated seawater and heating and cooling for a 20-hectare greenhouse complex. This ticks the box of creating jobs in regional Australia. Most of all, though, it drives innovation across the farming sector. The second is the co-financed solar PV installations by Australian Agricultural Company across a number of its regional and remote facilities. It drives home the message that this is about reducing costs and increasing competitiveness through greater use of solar PV and renewable energy sources.

The CEFC is gaining support in regional Australia, and you can see that across many areas. What is even more stunning than the move this government is making to abolish this body is that the Nationals, and even the Country Liberal Party in the Northern Territory, are with it on this. You wonder why when you look at the types of outcomes across regional Australia that this body can provide funding for. If you think about the Nats, they oppose foreign investment, and now they seem also to be opposed to direct investment from a local corporation. I think the truth is that they oppose anything that they do not understand—which is considerable. That can be the only logical answer to their opposition to a corporation that is helping drive innovation and efficiency in the rural sector.

Of course, the arguments by the government that we are acting alone here in seeking to reduce emissions and provide investment certainty and the opportunity for businesses not only in regional and rural Australia but right across Australia to drive emissions down are also plainly wrong. We are not acting alone. The UK has a Green Investment Bank which has the explicit objective 'to accelerate the UK transition to a green economy and to create an enduring institution, operating independently of government'. Germany’s main development agency is also a significant funder of green energy. KfW funds up to 80 per cent of Germany's newly installed wind energy and 40 per cent of the solar panels installed in 2010. I should not leave out the US. It also issues and guarantees loans to encourage early-stage commercial use of new or significantly improved technologies in energy projects, through the Loans Program Office. China also provides funds to clean energy through its development banks, including the China Development Bank. Korea’s Green Climate Fund is a fund within the framework of the UNFCCC, funded as a mechanism to transfer money from the developed to the developing world. It is aimed at developing countries in adaptation and mitigation practices to counter climate change.

The stupid argument that the government is providing for the CEFC's abolition rests on the mantra that without a carbon tax you do not need the CEFC body at all. Wrong—unless, of
course, you take the poor view that the government is telling big fibs when it states that it
believes in climate change and will meet the 2020 target of reducing our carbon emissions by
five per cent of 2000 levels. After listening to the debate in this place on these bills, I think
that is exactly what this government's position is. The government has released its terms of
reference for the establishment of an Emissions Reduction Fund, but only lately. We do not
know what it will look like, though. The stated objective of this is to efficiently and
effectively source low-cost emission reductions that will contribute towards our 2020 target.
There is already a body that can do this. A mechanism that can meet this aim is in fact
working well right now.

It seems that the ideological obsession by the government has blinded them to the
opportunities that exist right now for them to support. What they think they are going to get
with a new fund looks like a slush fund for industry—a fund that the government can use
right across their electorates to pork-barrel. You do not have to go back too far to find that the
government has form on this. Remember Regional Partnerships? Many of you in this chamber
might remember it more for what it really was: regional rorts. This program spent money on
any harebrained scheme the minister or his colleagues dreamed up for their electorates. It did
not work as a program. It was, however, very popular for sitting coalition members. The
national interest got lost along the way.

Let me make a prediction that the government's fund will end up exactly the same, and the
public interest, of meeting our 2020 targets, will not be met through this fund. It will end up
more like the 'regional rorts' program. You will not make the National Party happy, you will
not meet your targets and it will end in tears. Because the fund will be grant based, someone
will have to pay for it. Yes, you guessed it: the taxpayers funded 'regional rorts' and I suspect
they will also be funding the coalition's slush fund, or should I say direct action fund. In stark
contrast, the CEFC to date is expected to earn an average return of approximately seven per
cent. So not only does it not cost government any money; it actually contributes to the
government's bottom line through dividends.

Let me address what we will miss if this bill passes. Those opposite want to wrap this up as
part of the carbon debate, but the CEFC is an investment vehicle that will benefit regional and
rural Australia. It will provide much-needed co-investment in good technologies to reduce
emissions but also drive efficiency and investment in regional Australia. The National Party
have signed up to the abolition of this without understanding, I think, the benefits that this
vehicle will provide. The CEFC will provide fantastic opportunities for things like the new
wind farm, with the capacity to generate enough wind power for about 45,000 homes, that is
currently being built near Taralga in New South Wales. There will not be another one like it if
the CEFC is abolished. A large-scale solar PV plant is to be constructed near Moree in New
South Wales which, when operational, will generate enough power for about 15,000 homes
and abate more than 95,000 tonnes of carbon emissions. It may be the last of its type. Without
a body such as the CEFC to provide that co-investment, you may not see another plant like
that in regional Australia to provide that benefit. And we heard tonight from Senator Moore,
who has a great interest in the Darling Downs, about the chicken waste used by Darling
Downs Fresh Eggs.

Without the CEFC, there will not be the opportunity for projects like these that drive
innovation, that provide opportunities for regional Australia to get a return on their investment
and find alternative sources of income to add to their farming income. There will not be that transfer of technologies. There will not be the opportunities that are there now. What we will get instead will be something like we saw with the 'regional rorts' program—a $5 million investment in a railway line that went nowhere. It was going to start in Brisbane and end in Beaudesert. Guess what: it never got completed. The $5 million evaporated. That is the type of the outcome we will get. We will not get outcomes like Richgro garden products harnessing groundbreaking waste-to-energy technology to meet all its power needs by recycling organic waste. A 3.3 million anaerobic digestion plant with a capacity of up to two megawatts is being built to produce enough power for Richgro's operations in WA.

I have given some examples of projects that are currently underway or have been completed. We will not see the likes of them again without the opportunities that the CEFC can produce. They will be lost to us. Instead, we will get a railway line that goes nowhere. More than anything, the abolition of the Clean Energy Finance Corporation is the perfect example that the coalition stands for nothing other than political point scoring. Not even its long-held ideological views on the role of the free market stood in the way here.

If you believe in science and protecting our environment and are concerned about the length and frequency of droughts, bushfires and floods, vote against these repeal bills. If you believe in a market based mechanism and big polluters paying, not taxpayers, vote against these repeal bills. If you believe that Australia should be a nation that leads, not follows, and that makes policies for our future, not just an election cycle, then I urge you to reconsider your position on this bill. That is why we have given you a separate opportunity to have a very long, hard look at this bill. The CEFC should not be abolished. You should keep it in place. It is an important vehicle for rural Australia. (Time expired)

**Senator O'NEILL** (New South Wales) (20:50): I want to commence my remarks on the Clean Energy Finance Corporation (Abolition) Bill 2013 by expressing my complete agreement with the remarks that have just been placed on the record by Senator Ludwig. As a representative of a regional area, I believe the need to make sound investments for our future could not have been more clearly enunciated. I appreciate the work that my fellow senators on this side of the chamber are endeavouring to undertake in debating this particular element of the carbon bills, because it is such a critical dimension of how we organise moving forward as a country to ensure that there is a pool of funds adequate to make the sound investments that are necessary for our future.

I would like to commence my remarks tonight with a bit of an overview of the custodianship of the place in which I live and why that informs the decision making behind the point of view that is put by the Labor Party on these matters of great importance for our country. I want to make some very specific remarks about the CEFC, and, in closing, have a bit of a look at the public debate, some of which did get some airing in the press in the last week with the very hasty Senate inquiry that was called.

Where I live, I see the sunrise from the ocean at the horizon and I hear the notes of rolling waves of the grand ocean that surrounds the island home that we share. Where I live, I hear the waves that beat on the shore like a heartbeat. Where I live, I see the whales that pass by on their way north growing in number each year. Where I live, I experience every day the incredible beauty of this land, which I see as a gift from those who have taken seriously their stewardship of land, sea and sky. Living where I do informs my contribution to this debate on
the stewardship of our earth. We do not own the land, sea or sky; we simply pass through. It is our responsibility to make sure that we do not leave it corrupted and impoverished to those who follow us. This is what I believe.

I am not alone in that belief; I am supported by my Labor colleagues in this legislation, which does evidence that we take our responsibility for the local, national and global environment very seriously. We have legislated in ways that reflect that belief in science. Our policy is an expression of belief in the integrity of the academy of scientists, and, indeed, this piece of legislation is an expression of our belief in the academy of the financial institutions of this country—people who know about money, people who know about investment and people who have a grander vision for this country than the miserly and narrow-minded dogmatic representation of climate science denial that we are seeing represented in this legislation from those opposite.

The legislation that we as Labor advanced and enacted is an expression of our belief that our responsibilities to this great nation must not be determined in mere election cycles. Our legislation to price carbon was difficult, but it was informed and it was a visionary response to addressing the structural challenges of a carbon-based economy. Despite the shameful fear-mongering of the then opposition, we achieved in the 43rd Parliament that important structural economic reform and transition while presiding over continuing growth in our economy. We effected a reduction in emission intensity of 7.6 per cent and we did it in a way that was mindful and supportive of families on fixed incomes.

We, the Labor Party, believe in assisting Australians who are doing the very important work of parenting. We are the party that believes in supporting senior Australians, particularly those on fixed incomes, who have already given so much to the country, as we undertake economic reform that is necessary for the future of people who we want to grow and become elders in Australia. Heck, we are the ones who brought in the pension! We are proud of that expression of our beliefs. On that set of beliefs, and on this piece of legislation, you could not find a more stark contrast. Those opposite do not share beliefs about our legacy for the future, our important responsibilities to people who are living now, our economic care and concern for them as we undertake reformatory legislation or our sense of commitment to the future of this country.

The piece of legislation that we are debating this evening will be looked back on with shame by children and grandchildren of the people who are in this place because it is about political expediency, it is an expression of a rising cynicism and it is certainly all about a short-term political gain—a branding exercise, if you will, trying to position themselves as the goodies on this issue and the rest of us who oppose them as the baddies. The reality is that this complex matter requires a much more sophisticated, a much more ethical and a much more nuanced debate and discussion.

As Senator Ludwig has just pleaded in his speech, by separating this part of the legislative package out, we are providing an opportunity for those opposite, who I can see are extremely studious and paying attention to the important work of state before them! Look further than the papers that are on the desk in front of you right now. Look to the future for your children, your grandchildren, my children and my grandchildren—all of us together as Australians. This is a national appeal and a time we should be considering this rather than acting in a party-political, partisan and small-minded way.
The abolition of the Clean Energy Finance Corporation is a clear example that the Liberal Party—the self-proclaimed party of capital—has absolutely lost the economic plot. The action in this legislation is proof that the Abbott government's claim that Australia is open to business is yet another lie. It is yet another example of an economically illiterate government that cannot seem to fathom the simple equation that economic growth requires capital investment. We have on display here this evening the government's lack of economic understanding and we have seen it on too many occasions already. We have seen it with Qantas, we have seen it today with its response to Holden, we have seen it with GrainCorp and, no doubt, we are going to see it again and again.

The CEFC is part of our market-based solution to climate change. It adds to the equation of pricing pollution. It acts by providing low-cost loans to stimulate investment in low-emission practices and technology. For example, there are the Macarthur, Taraiga and Pacific Hydro Portland wind farms and the Moree Solar Farm, with 30 per cent going towards energy efficiency loans and 14 per cent going towards low-emissions technologies.

The fact that the CEFC-projected lifetime yield exceeds seven per cent is a powerful indication that it actually raises money. For a government that claims that there is a budget emergency, its actions are absolutely proving otherwise. This is a government that has spent almost an extra billion dollars each week that it has been in office. So I guess throwing away more money by winding up a profitable market-based investment mechanism is just par for the course of the way in which this government has started its term.

The risks posed by climate change are compelling, but it is also important to recognise the huge potential that we have unlocked for business through this market-based solution. By pricing pollution, Labor has established a cost incentive for companies to lower their greenhouse gas emissions. In the short time that it has been operating it certainly has already helped to foster and expand new and established companies to invest in services and infrastructure for a low-carbon economy, such as carbon abatement and renewable energy. I know that the farmers on the plateau in the electorate of Robertson and into Dobell on the Central Coast are very interested in this carbon abatement. They have been undertaking research and looking at their business models as to how they can be part of this transformation of our economy, grow their businesses and continue to grow their employment for the region.

Pricing pollution through a market based solution allows the government to get out of the way and simply provide a regulatory oversight role. Now, you would think that that would have to have an appeal to the Liberal Party. But here we are in this place as they seek to shut down, if you like, an effective business.

Labor's scheme recognises that the market establishes and develops the most efficient and effective means available to lower our greenhouse gas emissions. Indeed, a considerable part of the business community has already embraced a market based solution. And I am not talking about any small players here: the Australian Industry Group, for example, has long supported an emissions trading scheme. The chief executive of that group, Innes Willox, is on the record stating:

… emissions trading is the cheapest and most flexible path to reducing emissions.

And he is right.
The Australian Industry Group's policy mirrors the one that Labor took to the election, to move from a fixed price to an ETS one year earlier than initially scheduled. It also links Australia's ETS to Europe's, and will expand international carbon abatement in line with our liberalised trade practices, ensuring that our nation is well placed to profit—to profit from the international community's progressive embrace of market based solutions.

By and large, business recognises the need to act on climate change to preserve our way of life because business people are also mothers, fathers and grandparents, and they understand through their intimate connections with their families how vital it is that we act now—but not just for now. Action now must always have an eye to the future. In fact, that is the demand of us in this place, that we do not get so distracted and caught up in the pettiness of the things that might titillate those who want to report on what we do. Our challenge is as if we are in a helicopter, to rise above the traffic so to speak—to rise physically above and have a look—to rise ethically above and have a look to the future, which is in our gift at this time to do not just the most expedient, short-term and miserly response to the challenges that face our nation but to look with vision to the future as those who have come before us in this place have taken that responsibility. They looked to the future and provided us with this great nation and the opportunities that we have benefited from.

Business also recognised potentialities by pricing a commodity that was previously uncosted. Effectively, we have created a powerful market, a market that is growing and a market that has the potential to improve the life and living outcomes not just of Australians but of people who share this planet with us. Costing pollution means that companies have to think about the expense incurred by polluting. Once upon a time, I can remember growing up and the pall of smoke from local backyard incinerators on Saturdays and Sundays out in the western suburbs of Sydney; it was something that just used to lie over us. Anything could get tipped at the tip; recycling was a concept that we did not even talk about—really it was not a word that I heard until my children were at school and we started to think about it in a completely different way.

As things have changed and as there has been a cost attached to us in how we manage our local family waste we have changed how we behave, because money matters in the equation. By creating an expense when big businesses incur pollution—in my view, evening the playing field between ordinary households and big business—business has found ways to mitigate this as much as possible. And in doing so they have absolutely reassessed and audited their practices, and found more efficient ways to create and produce. In doing that they have not only improved the bottom line of their business practice but also had a positive impact by creating a cleaner atmosphere.

Releasing this incentive through an ETS is the most efficient means of effecting a reduction in carbon emissions, encouraging economic and environmental sustainability in the process. Too often the policy argument for climate change is framed around economic growth versus environmental sustainability, but essentially they go hand in hand. This is exactly what I was trying to say in my remarks earlier, that this determination to brand as different this new government is such a short-term, cynical play that is absolutely taking away from the much richer and vital conversations we should have about growing business and growing our environmental sustainability. If there was any vehicle that was implemented in the 43rd Parliament that has ensured that has happened, it is the element that is at the heart of this
piece of legislation, the CEFC. This has been a powerful and effective body that has done great work in a very short period of time, and it does not deserve to have its head chopped off by those opposite in this quite disastrous and, in my view, limited-vision-view of the world.

Of course, the profits to be made in a low-carbon economy form as much of an incentive as the costs associated with inaction. In July, climate scientists produced new research published in the journal *Nature*, warning that the melting of the Arctic permafrost could slash $60 trillion from the world economy if nothing were done to mitigate the effects of climate change. Melting of the permafrost would release huge methane reserves that scientists predict will cause global mean temperatures to rise by over two degrees 15 to 35 years earlier than previously thought. Considering that the global economy was worth around $70 trillion last year, this piece of research absolutely highlights the financial cost of not acting in a way that looks to the future. It is also a powerful incentive for us to act and for us in Australia to retain the CEFC.

The coalition's supposed alternative offers no specific details beyond a series of one-line comments, a collection of thought bubbles, and motherhood statements about direct action. As they stand there with their hands in the air, smiling as sweetly as they can manage, they say: 'Just trust us, and we'll be doing the right thing for you. Don't ask any questions and don't look at any of the detail, because if you look at the detail you'll see that we're ripping the heart out of a powerful transformer for the Australian economy, and we just don't care enough about it to bother to do the right thing.'

Direct action is a joke of a policy. It has the government front and centre in true Soviet style, picking winners and subsidising polluters, all at the taxpayers' expense too. For the coalition, the self-proclaimed party of capital, to be abolishing a market based mechanism in favour of an inefficient centralised model that costs more to achieve less is an act that defies logic. Direct action is so ridiculous that the government has hidden its detail from public ridicule. One constituent wrote to the environment department in early October asking for documents or web pages explaining the direct action policy. Fortunately, he decided not to hold his breath, because to this day he is still waiting for a definitive response. Such is the lack of transparency of those who sit opposite me in this chamber, ready to destroy this very significant vehicle of transformative change for the Australian economy and for our environment.

In closing my remarks this evening I would like to refer to a very interesting article by Peter Hannam in 'News Review' on the weekend of 30 November and 1 December in which he put on the record a response to that very, very short—one day—Senate inquiry into the repeal of the carbon laws and especially the CEFC. It has a very nice summary of what has been going on and the level of investment. The article reported:

The fund's board told the inquiry that for every dollar invested, the private sector had spent three, for a total of $2.2 billion. Chief executive and former Macquarie Banker Oliver Yates said the CEFC would approach $1 billion in investments this financial year.

A little further on in the article, and in contrast with the claims of those opposite that this is a dead duck and liability to the Australian economy, we find that the Commonwealth Bank has tipped in half of a $200 million fund investment. We also find that China's biggest bank, ICBC, Spain's Banco Santander and FRV, Denmark's export credit agency and Shinsei of Japan have each embarked on forays into Australia or the local renewables sector because of
the Clean Energy Finance Corporation. People who know, people who invest wisely, are into this. It is only the Liberal Party that are going to walk away and they should hang their heads in shame. *(Time expired)*

Senator McEWEN (South Australia—Opposition Whip in the Senate) (21:10): I too would like to contribute to the debate tonight on the Clean Energy Finance Corporation (Abolition) Bill 2013 and I will state upfront that I oppose this bill. I do find it hard to believe that after so many years of debate about climate change we are still here in this place talking about the causes and effects of climate change and how best to tackle its challenges. I would have hoped that those arguments were done and dusted. Climate change is not a new concept. In contrast with what some government members have said from time to time, climate change is not something thought up by the Labor Party to incite worry and concern in the community. It is not a conspiracy theory. It is real. It is happening. And if we do not act to reduce the pollution that causes climate change then climate change will have a major impact on Australia's economy and our environment, and those impacts will increase significantly over time as the temperature rises because of pollution.

More than 97 per cent of published climate scientists agree that climate change is real and is driven by man-made greenhouse gas emissions. I am talking about real scientists here. I am not talking about Alan Jones or the Tea Party or the Heartland Institute, or their acolytes here on the other side of the chamber in the Liberal Party who think they know better than the real scientists and who have hijacked the moderates in the Liberal Party and imposed their ultraconservative views on the so-called Liberal Party.

Labor, in contrast, listens to the real scientists and not to conspiracy theorists. We accept the science and we understand that our climate is changing as a result of carbon pollution. We recognise the harmful effects of that on our nation but, more importantly, we recognise the need to act urgently to mitigate the impact of pollution. Similarly, we accept the advice of the real economists amongst us that the best way to stop pollution is to put a price on pollution. It is basic economic theory that if you want to stop an undesirable behaviour then the best way to do that is to put a price on that behaviour—and that, more than anything, will cause people to change their behaviour. That is why the Labor Party have had a longstanding policy of putting a price on pollution. That is why we favour an emissions trading scheme that puts a price on pollution and enables polluters to operate within that system, which is effective and economically sustainable and is supported by most economists in this country and around the world. Indeed, it was the position that was supported by the former Liberal Prime Minister, Mr John Howard, who also supported an emissions trading scheme.

However, here we are tonight debating a bill put up by the coalition which is undoing the carbon pricing mechanism that Labor put in place with the intention of reducing carbon pollution in our country. As well, the coalition is of course refusing to implement an emissions trading scheme and instead have floated the very nebulous hard-to-pin-down and strange Direct Action plan, which no credible economist in Australia supports. The only people who seem to support it are the coalition; nobody else seems to understand what it is about.

Part of the deconstruction, if you like, of the framework for reducing carbon pollution in Australia is this bill before us tonight, which aims to abolish, as it says, the Clean Energy Finance Corporation. The overwhelming objective of the government, of course, is to allow
polluters to have free rein and to put the brakes on the development of renewable energy technologies and of renewable energy itself. They want to go back to the bad old days when pollution is unregulated and people can just pollute as they will.

It would be a devastating blow to the impetus to reduce carbon emissions if indeed this bill were successful and the Clean Energy Finance Corporation were abolished. Here we have a very worthwhile organisation set up by the Labor government, that is helping to tackle climate change both in Australia and around the world. It is one of only a handful of organisations that act as a facilitator for renewable energy and clean technology investments globally, yet this government refuses to acknowledge that fact and, instead, they are wanting to get rid of it entirely.

Probably one of the most important aspects in the move towards a clean energy future is that the CEFC facilitates comprehensive commercial loans for both renewable and cleaner energy technology investments and funds emissions reductions at a negative cost to government. Remarkably, through investing $536 million of CEFC funds including Low Carbon Australia’s portfolio and $1.55 billion in private sector co-financing the CEFC has facilitated over $2.2 billion in projects, delivered 3.88 million tonnes of abatement and achieved a net return to the taxpayers of Australia of $2.40 per tonne of abatement. In other words, the CEFC is reducing carbon pollution at a profit of $2.40 per tonne. It is making money for the government. But for some reason the government do not want to see that profit. Well, we know why—there is a reason of course. It is because they are fundamentally and ideologically opposed to tackling the problem of climate change.

Despite those figures, the government maintains that this is not a worthwhile organisation. We know that to dismantle this organisation—and this evidence was made clear in the Senate inquiry—will actually cost the government money. But these facts about the issues do not stop those opposite from pursuing their ideological objective, which I outlined earlier, to do nothing about carbon pollution and the effects that it has on our economy and on our environment. The CEFC is achieving abatement efficiently and at a low cost and the emission reductions that occur under it come at a much lower cost to many other programs that we have seen in this space. The investment model is generating abatement which is delivering a financial return for the CEFC, for the government, for business, for the taxpayer and for the economy. Although it is aiding Australia, the government is intent on obliterating the CEFC and leaving us one step closer to having no organisations helping businesses that want to reduce their carbon emissions.

The CEFC works collaboratively with co-financiers and project proponents to seek ways to secure financing solutions for the clean energy sector. It provides and develops finance solutions across the clean energy sector and, as a participant with other financial institutions, the CEFC is a policy winner with the ability to rapidly respond to changing dynamics. It has proven, as I said, to be cost-efficient for government and recipients and it develops a market through co-investment, participation and persuasion rather than through handouts. So this is a great model that involves industries and organisations and companies that, unlike the government, actively want to work together with investors and with government to reduce carbon pollution.

I have been very pleased to hear of some of the successes of the CEFC and tonight I would like to share with the chamber some of those good news stories from my home state of South
Australia. I will start with the iconic South Australian ice cream manufacturer, Golden North. Golden North is a very valued brand in South Australia. As its name suggests, it started in the northern part of my state and all of us who grew up in South Australia are very fond of Golden North ice cream and the brand.

Golden North used $895,000 of funding to upgrade their refrigeration and to help them expand their business into the South-East Asian markets. That upgrade increased Golden North's refrigeration system's compressor plant capacity by more than 40 per cent and the use of variable speed drivers, pressure controls and energy monitors helped produce refrigeration carbon emissions by just under half.

As a result of those changes, the time it takes to harden the ice-cream is halved and Golden North can increase their production levels. The company, which has a regional manufacturing base in Laura, north of Adelaide, employs around 50 staff and produces about 8.5 million litres of ice-cream annually. As a result of the upgrades funded by the CEFC, Golden North has subsequently been able to create more local jobs—a fantastic result and exactly what we need for our local regional communities in South Australia.

The CEFC provided finance to support a grant for 50 per cent of the cost from the Australian government's Clean Technology Food and Foundries Investment Program, and Food SA provided funding towards preparing a business case and grant application. That is a textbook example of government and private companies working together in partnerships to reduce carbon pollution.

In Port Augusta, also in my state, Sundrop Farms is building a 20-hectare greenhouse facility using a renewable power supply and a sustainable water source to assist them in the production of over 15,000 tonnes of tomatoes a year. Using solar thermal technology, Sundrop Farms will generate power to desalinate seawater for irrigation, as well as for heating and cooling the greenhouses. The system is ideally suited for agricultural production in much of Australia's semi-arid land and demonstrates the potential for meeting global food production challenges sustainably and profitably using renewable technologies.

Port Augusta is a regional centre which has lost a lot of its traditional sources of employment, so these kinds of projects will provide a major boost to the Port Augusta economy and will have wider benefits for both businesses and sustainable agriculture research both in South Australia and across Australia. Once fully operational, Sundrop Farms will employ about 200 people, with substantial opportunities for local and state-based business during the construction phase. The CEFC proudly financed approximately one quarter of the project cost and helped catalyse finance for this very innovative and worthwhile project in the north of my state.

In yet another success story for South Australia, global engineering and environmental professional services company URS Australia Pty Ltd has cut their lighting bills by more than 40 per cent by installing more efficient lighting and occupancy sensors in their Adelaide office. A $30,000 lighting system involved upgrades to existing down lights in the entry foyer with new LED fittings and the installation of occupancy sensors throughout the open-plan office area to reduce lighting when it is not needed. URS Adelaide used on-bill finance through Origin and the CEFC to cover the cost of the upgrade, which is helping to reduce carbon emissions from URS Adelaide's total electricity consumption by around seven per cent.
There are success stories like this around the nation as a result of the CEFC. By focusing on projects and technologies at the later stages of development, the CEFC can expect the organisations to have a positive expected rate of return as well as the capacity to service and repay capital. Typically, the CEFC expects a private sector co-financier to participate with them to support projects, demonstrating that the risk profile to be assumed by the CEFC is broadly market based.

To support the sector and achieve its purpose, the CEFC may provide concessional finance but does not make grants. The nature and terms of such concessional finance takes into account the external benefits that they assess the project generates, meaning concessional finance may be in the form of lower pricing, higher risk and/or longer duration. One of the CEFC’s core objectives is to address financial impediments that reduce the availability of private sector finance. The CEFC seeks out innovative structures to address such impediments which prevent investments in the clean energy sector.

Apart from the success stories I have already mentioned, in their relatively short time since conception, the CEFC has realised a number of achievements. Since it was established under the former Labor government, the CEFC has committed $536 million of its own budget, while mobilising over $1.5 billion in private capital. Each and every investment is averaging a return of seven per cent, and that is a success in anyone’s books. As I mentioned earlier, the corporation is averaging a return of $2.40 per tonne of carbon emissions abated.

The CEFC have many projects in the pipeline. As of June this year, they were involved in active discussions with more than 50 project proponents who were seeking around $2 billion of CEFC funds, with a further 100 projects lined up. If this bill is successful in this Senate this week, all of those future projects and all of the employment, innovation and carbon abatement associated with those projects are at risk. It is all at risk because of this government’s ideological obsession with undoing Labor’s commitment to addressing climate change by reducing carbon pollution.

It will be a sad day if this Senate agrees to abolish the Clean Energy Finance Corporation. It is one of the signature developments of the previous Labor government. It has been extremely successful, as I have said, and it is perhaps because of its success that the government wants to now abolish it. It is a passing strange thing that the government would want to do that to an organisation which has demonstrably been so successful in all of the objectives that it was set up to achieve, so I trust that those government senators opposite who heard me talk about the benefit of this organisation to my state of South Australia will think very carefully about their decision on this in the days to come. I for one will be extremely disappointed to see the Clean Energy Finance Corporation dismantled in favour of what the government intends to put in its place, which is a name, a thing, called Direct Action, which nobody understands and which nobody has the details of. More importantly, nobody has convinced anybody—any economist or climate scientist—of the effectiveness of it. We know that the way to go in reducing carbon pollution when reducing pollution overall is to implement an emissions trading scheme. That is Labor’s objective and why we will oppose this bill. We will not stop in our quest to ensure that polluters pay and that there is a price on carbon.

Senator JACINTA COLLINS (Victoria) (21:30): It is important that we can now focus on the Clean Energy Finance Corporation and this government’s betrayal of the environment.
This corporation is perhaps the best example of how this government are in reality climate
der changes deniers. Their attempts to repeal the Clean Energy Finance Corporation highlight that
direct action is indeed a fraud, yet another fraud, yet another backflip, yet another
demonstration that they are not serious and that they have perpetrated this fraud in an attempt
to neutralise issues in the last federal election. We have seen it in education policy, we have
seen it in industry policy and now we are seeing it with respect to the environment. Why
indeed should we be shocked?

But let us take a closer look, as indeed have many of my colleagues, at the standing of this
corporation and why it is that indeed some Liberal Party ministers at first, before central
control took over, had indicated that they had indeed a preparedness to relook at the issue.
That was until they were stamped upon and told that was not an option. This corporation is a
beacon of light for business and the environment working together. The unique thing about
the Clean Energy Finance Corporation is that they do the legwork that commercial banks will
not do. If the projects are too small or complex, banks just will not spend their time doing the
research. The Clean Energy Finance Corporation specialises in renewable projects, low
emission technology and energy efficiency. It helps the smaller players access funding, and it
is working. It is a classic example of what Direct Action should be rather than this
government's current policy of just a further inquiry, once again highlighting the laziness and
the sloppiness that this government executed in opposition, why they do not have a clear and
adequate policy position and why they are seeking to repeal organisations that are indeed
working.

Other senators might recall—in fact Senator 'Sine Dei' might recall this but perhaps I will
come to that a bit later—in fact Senator 'Sine Dei' might recall this but perhaps I will
come to that a bit later—the countless backflips that the current government has undertaken in
dealing with environment policy. This is perhaps the best example of one that they should
undertake, Senator Sinodinos. I would encourage Senator Sinodinos to perhaps not sine dei
his discussions on these issues but indeed set a date to reconsider his position and indeed
reach a position which enables this corporation, which has been doing very constructive work,
work that shines a light on what can be achieved with a serious effort around Direct Action, to
indeed be used as a component of a future policy around Direct Action.

Instead, unfortunately, we see almost a vengeful, irresponsible approach to a corporation
that is getting constructive work done. For instance, we saw an extraordinary event in recent
Senate estimates, on Tuesday, 26 November, with the CEFC chairperson, Jillian Broadbent,
informing a Senate estimates committee that if the Clean Energy Finance Corporation is
abolished it would cost taxpayers up to $200 million a year in lost revenue. Why on earth
would the government be taking this action if not as a demonstration that in reality it is the
ideological bent and approach that they will push to the fore rather than sound economic and
environmental policy? 'Who is Jillian Broadbent?' some people might ask. She has the
authority to speak on economic issues, being a former Reserve Bank board member and
having a long career in Bankers Trust Australia. So I hope that Senator Sinodinos did indeed
go back and have a look at the annual report of the corporation and did at least see the merits
of the case before he was stamped upon by central control. It is unfortunate that ministers
such as Senator Sinodinos can at one moment suggest that, yes, this is an issue that warrants
further attention and that perhaps we can take a more rational and sensible approach but,
unfortunately, that approach is not able to be sustained within the current culture which is in the Abbott government.

Jillian Broadbent informed us that the Clean Energy Finance Corporation was exceeding all expectations. This is a funding body which is making a profit. The estimates are that CEFC projects would account for 50 per cent of the five per cent emission reduction target by 2020 at no cost—a remarkable achievement. Why, apart from ideological sabotage, would you seek to repeal it?

It is interesting to note that we have seen no cogent argument from the government, other than: 'It's a package; it's a package; it's a package. It's the package and we want the package. We've got a mandate for the package. We must have this package.' We have heard no cogent argument from the government as to why this corporation should be repealed.

This government budgeted a saving of $760 million over four years, but what they did not consider is that the Clean Energy Finance Corporation is making money, and estimates are that it could cost up to $1.5 billion to the budget; $1.5 billion to achieve their ideologically based gain of $760 million budgeted over four years. It makes no economic sense at all. We heard in Senate estimates the Clean Energy Finance Corporation has lent $536 million so far, matched by—and I stress and highlight this: ‘matched by’—$1.5 billion in private investment. In total, $2.2 billion in clean energy projects. The average return—an important issue—on the CEFC's investment is seven per cent. A clear argument for retaining it. The projects already committed to equate to a reduction of carbon emissions of 3.9 million tonnes, with a net benefit of $2.40 a tonne. Again, the environmental benefit, quite aside from the economic benefit, needs to be highlighted.

The government want to give grants to companies to bring their carbon footprints down. The problem with that is you promote a less cautious attitude to finance. When you loan money out, where there is a debt businesses are usually disciplined about paying that debt off. It is one of the reasons the CEFC is working well. Between private investment and the CEFC funding, these important projects are being leveraged in a way that the current government will not be able to match. Again, I stress my first point: direct action is a fraud. The suggestion that direct action will work in the current political environment, where much of it is subject to review or further investigation, is just that: a fraud.

Indeed, as I said after question time today, this fraud about the climate change debate, and it being a screen to shield the government from its other inadequacies as a government, will not last for long either. We saw in question time today the suggestion that everything is about climate change. Indeed, I was surprised we did not hear them try to justify the backflip flip-flop on Gonski as related to climate change—although perhaps that is just one small step too far. Certainly, we have heard them try to justify their ineptitude on industry policy, their poor management of Qantas and of Holden and of other issues, as related to climate change and the management of climate change issues. But what this government will ultimately be held account for is the mysterious number of flips and changes in position they have made over a lengthy period in opposition, and about how they proceed in the future. This is where perhaps some of the more rational members of the Abbott government's ministry, who were at first prepared to say, 'Actually, this is a corporation that's been established and it does seem to be working, so perhaps we should take a closer look at it', have very unfortunately, in these early days of the Abbott government, been stamped upon.
The Clean Energy Finance Corporation is one of 14 organisations across the world specialising in mobilising capital, leveraging investment from the private sector and targeting it towards renewable energies and clean technologies. So Australia are not alone in promoting their clean energy industries through government financing bodies. This is perhaps the best example of how direct action can work, but, no, the Abbott government is to seeking to repeal it. The government's plan for an emissions reduction fund will mean money coming out of consolidated revenue—not co-investment, as we have encouraged here, and as we do encourage in our industry policy. But, no, the laziness and ineptitude of the current coalition on policy will mean that eventually they probably will do some sort of backflip. They probably will end up supporting industry directly out of consolidated revenue rather than promoting joint investment, which we know demonstrates commitment towards both profitability and better outcomes for all Australians.

The Clean Energy Finance Corporation mandate is to fund emissions reductions while turning a profit. But the laziness and ineptitude here in this approach will leave us, at the end of the day, with an extra draw on consolidated revenue and no real or genuine industry commitment. So 50 per cent of the five per cent emissions reduction target by 2020 is the aim of the Clean Energy Finance Corporation. And the corporation is indeed successful. Many stakeholders are on record about the Clean Energy Finance Corporation and the important work that it does. They argue strongly that it should be retained. The corporation is reducing carbon pollution, driving investment and making money for the government.

What I would like to do now though is to go through some of the quotes people in the industry have had to say about the CEFC. The reason for doing this, aside from highlighting senior members of the government who have indicated a preparedness to have a closer look—as I already have done, and I may come back to—is to see whether we really should persist in this vengeful, ideologically based attempt to repeal a successful corporation.

I would like to put this on record also because, again like earlier today, it is sad to see the selective quotes that come from the government when they are seeking to justify their position, rather than giving a broadly based, well-rounded representation of what key stakeholders and interested parties say about a particular policy position. We have all become used over many, many years to the approaches of Senator Abetz and others, highlighting one or two industrial relations ideologues as support for their policy or, indeed, one or two other narrow-based stakeholder groups.

I may not have time to conclude, but let me commence—and I will probably come back to it later in the discussion of the package of bills as a whole—with some representation of key stakeholders' positions on this. The first of those is Matthew Warren, the Clean Energy Council chief executive, from *The Fin Review* on 27 October 2011:

> The debate about whether Australia should have a carbon price is partly redundant. Banks and financiers now factor in carbon risk on most long-term energy investment. It's virtually impossible to build a coal-fired power station in Australia because no one will finance one.
>
> The Coalition is entitled to be sceptical about the Clean Energy Finance Corporation (CEFC). It could become a financial black hole for risky investments. But—
>
> I emphasise 'but'—
at its best, it could unlock billions of dollars of private capital, spread risk across a range of investments, underwrite carbon risk and facilitate a market-driven, lowest-cost investment path for cleaner energy and supporting infrastructure.

Remember, that was October 2011 and we have now had the opportunity to see what has happened. Indeed, Matthew Warren's 'but' has demonstrably been the case—but we are left now with a government based on ideology and on ignoring the progress that has been made in this area in this vain attempt to use climate change as a shield for its broader policy incompetence and ineptitude. We can see Matthew Warren's comments from October 2011 proving correct. The CEFC is at its best now and will become better in the future to bring us to that 50 per cent. Let me refer to another quote of Matthew Warren's, from 12 October in a media release:

Not only is the Federal Government’s clean energy legislation one step closer to becoming law, the appointment of Jillian Broadbent—whom I referred to before—as Chair of the CEFC brings closer a key institution needed to help deliver the transformation of Australia’s energy sector.

Our industry is ready to take Australia’s energy sector into the next age of energy development. The carbon price is a once-in-a-generation reform that will signal a new era of policy stability for the entire electricity sector, unlocking the billions of dollars in investment capital required to transform the way we generate, deliver and consume electricity over the coming decades.

Why damage this? I see Senator Smith here. Maybe he can present the cogent argument that no-one else has been able to and that, indeed, Senator Sinodinos has not seen. But he has had central control exercise their authority in other ways, judging by his public statements—or, at least, that is the only interpretation I can make. Perhaps Senator Sinodinos might make a contribution to this debate. He will be able to inform us on what happened between his public comments, which I may refer to in a bit more detail. I will move on to Kane Thornton, director of strategy from the Clean Energy Council, from 5 October 2011:

Clean energy is a race in which Australia is fortunate enough to have a winged keel, but we haven’t done nearly enough to harness our abundant renewable energy resources. The CEFC will go a long way towards addressing a generation of underinvestment in this area.

Dr Zhengrong Shi, Suntech founder and chief executive officer, said—again, back in 2011:

By providing finance for renewable energy projects through commercial loans, concessional loans, loan guarantees and equity, the Clean Energy Finance Corporation will provide a much needed boost to the renewable energy sector by incentivising investment and employment growth. The establishment of the CEFC represents an exceptional commitment to the future of renewable energy in Australia.

Let us look at John Grimes from the Australian Solar Energy Society. He says:

Innovative, independent institutions like the CEFC and ARENA, together with the Renewable Energy Target, are needed to drive investment in clean energy research, development, demonstration and commercialisation. The Australian Solar Energy Society also calls—

Debate interrupted.
The ACTING DEPUTY PRESIDENT (Senator Ludlam) (21:50): Order! It being 9.50 pm, I propose the question:

That the Senate do now adjourn.

Western Australia: Elections

Senator SMITH (Western Australia) (21:50): 2013 has been an exceptionally eventful year for Western Australia in political terms. In the space of six months, we have been through a state election and a federal election. It is pleasing to stand here this evening and be able to say that, for my own party in Western Australia, the hard work has definitely paid off. 2013 has produced two historically strong electoral results for the Liberal Party in Western Australia. There are a number of factors behind these results which I will come to shortly, but, firstly, it is worth looking briefly at what has been achieved.

On 9 March this year, Colin Barnett was re-elected as the Premier of Western Australia. In primary vote terms, the swing to the Liberal Party across the state was 8.7 per cent, resulting in a gain of five seats from Labor and a further two from Independents. The result represents the largest gain of seats by an incumbent government in Western Australia since 1917. The Liberal Party was able to gain seats it had previously not held, including Balcatta, won by Chris Hatton, and Belmont, won by Glenys Godfrey. Additionally, seats that the Liberal Party just managed to win in 2008 saw double-digit swings to the Liberal Party. This is a direct result of our incumbent MPs proving themselves as effective, hardworking advocates for their local communities.

I believe Labor's complacency over many years in merely assuming they could take some of these seats for granted was also a factor. In several seats, we saw ugly Labor preselection brawls, with unions carving up the spoils. Local communities react very badly to this type of behaviour and Labor were punished on 9 March for being for being more interested in themselves than—

Opposition senators interjecting—

Senator SMITH: Labor were more interested in themselves than in the needs of those they were supposed to represent. The northern suburbs of Perth were especially notable in this regard, with the exceptionally strong Liberal Party vote across the north metropolitan region seeing the Liberal Party take a fourth seat in the legislative council there with Peter Katsambanis victorious.

Senator Kroger: Hear, hear!

Senator SMITH: 'Hear, hear,' indeed! The genesis of the Liberal Party success on 9 March lay in the strong performance in government by Colin Barnett and his team over the previous 4½ years. It is worth remembering that, until the election in March, Western Australia also had a hung parliament as a result of the 2008 state election. Colin Barnett was able to form a minority government with the support of the WA Nationals and Independents. However, unlike the disastrous and incompetent minority government that Julia Gillard and Kevin Rudd presided over, Colin Barnett and his team were a stable, competent government that focused on things that actually mattered to Western Australians.
The Liberal Party's campaign centred on the theme of 'Making decisions, getting things done and securing Western Australia's future.' This theme was successful on polling day because the people of Western Australia understood, correctly, that it was only the Liberals who would be able to stand up for their state. It is worth reflecting on what The West Australian newspaper said on the Friday before election day:

Mr Barnett has demonstrated a capacity to make decisions and follow them through. Not all those decisions have been universally popular … Mr Barnett and his Government took positions they believed to be in the best interests of the State and stuck with them.

He has also been a formidable advocate for WA at a Federal level. This has led to frosty relations with the Federal Labor Government, especially in Julia Gillard's time as Prime Minister. But Mr Barnett has been vociferous in putting the interest of WA first and that is what West Australians expect of their premier.

The Liberal campaign launch was attended by our now Prime Minister Tony Abbott. In contrast, Labor leader Mark McGowan ordered Julia Gillard to stay away from Western Australia until after 9 March, which tells you something about the way the former Labor government's carbon tax—a tax Labor still supports—is viewed in my home state of Western Australia.

Indeed, 2013 has been something of an annus horribilis for the Labor Party in Western Australia. Not that there is any need to feel sorry for them; they have brought it on themselves with a stubborn adherence to policies that not only are not in Western Australia's best interests but actively inflict economic damage on my home state. On 7 September, Labor achieved a historic result in Western Australia. However, it was not the kind of history they generally like to make let alone talk about. Labor's primary vote across Western Australia on 7 September was a paltry 28.7 per cent. Not even three in every 10 Western Australians voted Labor at the last federal election. You might think there is a message in that. You might think that, after such a result and being reduced to a parliamentary rump, one which may yet get smaller depending on the eventual WA Senate outcome—if you believe there will be another Senate election, and I am not so sure there will be, but that is a discussion for another time—Labor might take stock. After such a thumping, any sentient human being would pause and ask themselves why the defeat was so bad. But not, it seems, the Australian Labor Party.

After suffering two such heavy defeats, largely based on their support of the carbon tax and the mining tax, what have we found as the 44th Parliament has resumed and the coalition has introduced legislation to abolish both these taxes? We have found that the Australian Labor Party are leading the charge to keep both these job-destroying taxes which impede economic growth and have increased prices for consumers. It is a very rare form of militant stupidity that seems to have infected the members of the Australian Labor Party in this place. Let us hope their stubborn attitude does not last too long, because, as hard as the change-of-government deniers opposite try to ignore the facts, they are too overwhelming to ignore.

I would just like to share with my Senate colleagues, particularly my Labor Senate colleagues on the other side, what The West Australian had to say the day before the federal election. On 6 September The West Australian newspaper said:

Mr Rudd has waged a relentless scare campaign about Tony Abbott's suitability to be prime minister … But the Tony Abbott we have seen in this campaign reflects little of the Labor caricature of an ill-disciplined moral crusader. He has run a controlled campaign and presented as a measured, mature politician heading a stable frontbench with proved experience in government.
Senator Carol Brown interjecting—

Senator SMITH: Only history will tell us. The West Australian went on:

A clear mandate for an Abbott government is the best outcome as a circuit-breaker for the political cynicism of the past three years. Mr Abbott deserves a chance to govern and get the country back on track.

As we have just heard from the interjections, that cynicism is alive and well.

The ACTING DEPUTY PRESIDENT (Senator Ludlam): I ask you to ignore the interjections, Senator Smith.

Senator SMITH: In Western Australia, the Liberal Party's primary vote of 47.31 per cent—hard to believe for Labor—was the highest in the nation. The Liberal Party now hold 12 of the 15 federal seats in Western Australia—our highest total ever. I would like to make special mention of what was achieved by the Liberal Party in regional Western Australia at this election. As many senators will be aware, there is no coalition arrangement in Western Australia. In regional seats, the Liberals and the WA Nationals are generally the main rivals for seats—and so it was this time in both Durack and O'Connor. In 2010, the WA Nationals won the seat of O'Connor from the Liberal Party. When I came to the Senate in May last year, I was given responsibility for the Great Southern region of Western Australia, which encompasses many of O'Connor's major population centres. Along with many of my fellow WA Liberals, I was determined to win back the seat of O'Connor, particularly after the previous member, Mr Tony Crook, betrayed the trust of so many local people by siding with Julia Gillard and Labor in some key votes during the last parliament. The swing to the Liberal Party in O'Connor, which was just over 4.5 per cent, is a tribute to Rick Wilson's hard work over the last 2½ years and a vindication of the WA Liberal Party's decision to endorse a candidate for the seat such a long time in advance of the election and against some popular opinion.

There were many elements that contributed to the success of the O'Connor campaign, but a key one was having a hardworking local candidate on the ground early. When Tony Crook bowed out of the election race in April this year he cited the Liberal Party's efforts in highlighting his voting record as a factor in his decision. This is something of which all WA Liberals should be proud. We held our opponents to account and rather than defend their record they ran from it. I was especially pleased when the now former leader of the WA Nationals, Brendon Grylls, said in the week following the election that the WA Liberals 'gave us a lesson in federal politics.' He also admitted in The West Australian that he was disappointed with the primary vote the WA Nationals achieved in O'Connor and Durack.

In regional Western Australia, it is the Liberal Party that is the party of the regions. This was clearly demonstrated at the federal election, when the WA Nationals primary vote in regional WA was just 17.9 per cent against a Liberal primary in regional areas of 42.6 per cent.

Senator Carol Brown interjecting—

Senator SMITH: I do accept that the Nationals record would be something that the Labor Party would be pleased to have. This historic result for the Liberal Party in WA was a clear statement from the community that they are eager to move on from the years of chaos and dysfunction under Labor and to do away with the Rudd-Gillard legacy in the form of the
carbon tax and the mining tax. I urge all senators opposite to respect the clear wishes of the people of Western Australia and the rest of our country and vote to scrap these two job-destroying taxes. It is time to get on with that job.

In conclusion, I congratulate four outstanding Western Australian young people active in the Western Australian Liberal Party: Rebecca Lawrence, Carla Schilling, Jarrod Lomas and Jesse Wotton. All of them made a fantastic contribution to our local federal election campaigns in Hasluck, Durack and Brand. I congratulate Jesse Wotton for being the inaugural winner of the Young Liberal Campaign Trophy that was awarded to him on Saturday at state council. It is a fantastic initiative of the federal patron of the Young Liberal movement of Western Australia, who happens to be Senator Smith!

**Bungaree Reserve**

**Bouddi at Bells**

*Senator O’NEILL* (New South Wales) (22:02): I would like to place on the record information about two events that happened on the Central Coast over the last month. One of them was a particularly historic event. When I indicated to the people who were in attendance that I thought it was of such importance that I wanted to record it in *Hansard* they were overwhelmed at the opportunity to have their names recorded in association with this event. It was a historic event; in fact it was the naming of the Bungaree Reserve on the shores of Fagans Bay near Gosford on the Central Coast of New South Wales.

It may not be widely known to members in this place, but Bungaree was originally a Kuring-gai man whose tribal ancestors lived and descendants today live on the shore of what is now called Brisbane Water. The official naming of the Bungaree Reserve is a very proud initiative of the Koolewong, Point Clare and Tascott Progress Association. They had a vision for acknowledging Bungaree in a particular way. Over three years, working with his descendants, they were able to realise that vision. The naming of Bungaree Reserve was achieved through the work of Gosford City Council in concert with the Koolewong, Point Clare and Tascott Progress Association and the Geographical Names Board of New South Wales, which supported the naming of Bungaree Reserve.

In attendance, I am very proud to say, was the first female Deputy Leader of the Opposition in the New South Wales Parliament from the First Peoples, the Hon. Linda Burney, who made some extremely engaging remarks on the day. I acknowledge her presence and her contribution to the event. It is essentially from her work in preparation for the event that I am able to record just a little bit about Bungaree. Apart from being born on the Central Coast in his homeland of the Kuring-gai people, we know that he left and headed down to Sydney. He was there with the first settlers. He was very prominent and, as Linda Burney indicated, his prominence afforded the description of his happy disposition, his intelligence, even his height and good looks. It is appropriate in this visual age that even back then those qualities were admired far and wide. Indeed, he is described as being a diplomat and a mariner. That is very appropriate, considering that we have that wonderful team the Mariners as the Central Coast's spearhead in our attack on the A-League across the country.

Bungaree's very significant claim to fame in the post-settlement period was that he accompanied Matthew Flinders aboard the *Investigator*, in 1801 and 1802. In doing so he became the first Indigenous Australian in the modern era to circumnavigate Australia. He was
a very skilled spear fisherman and it seems from the records that Flinders was rather
dependent upon Bungaree's spear-fishing skills. Flinders wrote in his journal that Bungaree 'is
tolerably well acquainted with the country as far as Port Stephens.' We know that many of the
words of the Eora people—Kuring-gai words—such as woomera, have entered into
Australian English through conversation with Bungaree.

History records that Bungaree was king plated by Governor Lachlan Macquarie 1815,
earning the honorific 'Bungaree, Chief of the Broken Bay Tribe', or the 'King of Port Jackson'.
We do not know what Bungaree thought of this dubious honour, but there is a plate picture of
him, which inspired some of the local art that was on display on the day by students from the
local primary school, Point Clare Public School, which is thriving under the brilliant
leadership of a former member for Wyong, great Labor man David Harris, who deeply
understands the connection between school and community. This is another way for young
Australians to learn about the history of the First Peoples and about the context of place.
When we acknowledge and honour our First Peoples every time we speak in public our young
people better understand their connection to this place too. The artworks they created were
absolutely brilliant. One class displayed a beautiful diorama of their version of events and the
naming of Bungaree Reserve. But the winner on the afternoon was a collective effort by four
young students who created an installation, using natural fibres, of a boat, replete with a small
crew on board. It was a beautiful piece of work.

I would like to acknowledge the work of Rendall Wagner and his wife Deidre Howard-Wagner
in their leadership of this event. They did an amazing job. I thought that Ren's words
were worth recording here today. I quote from him to describe what he felt was happening: 'It
symbolises mutual recognition and respect of the land and its history, and acknowledgement
of the rights of Aboriginal people as the first peoples and custodians of the land and waters.
Before the arrival of the British colonial settlers, Brisbane Water was the home of the coastal
Kuring-gai people. Aboriginal sites in the Gosford local government area, including the
reserves behind the houses of Koolewong, Point Clare and Tascott indicate that there has been
a rich and significant area for the Aboriginal community and a site of cultural development
for tens of thousands of years.' He spoke of it as an act of recognition and respect. I thought
that was very powerful because that is exactly what happened.

Today I want to read into Hansard the names of the people who want to be associated with
this event, because they were there when we made history on the Central Coast: Tracey and
Kyle Howie, descendants of Bungaree, along with further descendants Trudy, Marc, Reta,
Robert and Joe Smith; Laurie Bimson; Neil, Nathan and Anthony Evers; Brett, Todd and Gai
Rowlings; Sue and Hanah Shilcock; Lynette Robley; Aylene and Jake Rumble; Tony and
Alison Tyler; Elva Redmond; Grahame Redmond; and Matthew Shilcock.

I would particularly like to acknowledge the members of the progress association who were
present: Helen Orchard and Grahame Orchard, Jill Greenwood, Fred Beringer, Lisa Hagarty,
Mrs Zaga Palalic-Turner and Margaret Alexander. Other community members who contacted
me and wanted to be formally associated with this event are Cheryl and Alan Herring.

It was indeed a wonderful event. I will close my remarks on that matter with those of Linda
Burney, who said: 'Bungaree was the most discussed Aboriginal person of the early 19th
century, yet for too long no place has honoured Bungaree. Bungaree was a man of
intelligence, warmth and laughter, a man with a unique place as a witness at the meeting of
two worlds. It is fitting that this place be named in Bungaree's honour. It is fitting that we again tell his story. I was very pleased to be a part of that event on the Central Coast.

One further event to which I would like to refer my remarks in this evening's adjournment is a wonderful initiative that is happening as a result of the Bouddi Arts Foundation on the Killcare-Hardy's Bay peninsula at the southern end of the seat of Robertson. This is a relatively new organisation but it is being led by very capable and passionate advocates of the arts. Just a couple weeks ago at Bouddi, at the Bells resort, 600 people gathered to see celebrities perform. They included Rob Carlton, an Australian actor of some claim to fame, who did a wonderful job as the MC for the occasion. That most famous advocate of Shakespearean plays, John Bell, of Bell Shakespeare, was also there. He gave a wonderful rendition of a soliloquy from, I believe, Richard III. HG Nelson regaled us with some great stories. Adam Spencer gave an explanation of geek-dom and why it has been such a happy mantle for him to wear. Appearances by Jane Caro, Graeme Blundell and Anna Volska made for a wonderful afternoon. Wendy Matthews gave a tremendous vocal performance. We also had the Encore Vocal Group and the Central Coast Chamber Orchestra, who gave us a wonderful afternoon of entertainment.

I particularly want to acknowledge the contribution of the Kariong group of the NAISDA, the Australian Indigenous dance college, who welcomed the audience on the day. The funds that were raised were given to successful applicants: Miriam Jones, Maddison Knox, Arlen Bowling, Christian Turner and Ethan Hughes. They will do wonderful work with the money that they have received from the foundation, which raised more than $20,000 on that day.

(Time expired)

Whaling

Senator WHISH-WILSON (Tasmania) (22:12): Slaughter season in the Southern Ocean has begun. This weekend three vessels left the Japanese port of Shimonoseki to join the factory ship Nisshin Maru on their way to the Southern Ocean. They headed south, as they have done annually for the last 20 years, to hunt minke and fin whales in the Southern Ocean. In particular, they will be entering the whale sanctuary declared by Australia back in 1999, which is part of the Australian exclusive economic zone in the Southern Ocean.

For most of the last 20 years, the Japanese fleet has taken between 400 and 500 whales on average but up to 1,000 whales each year. Since Sea Shepherd has taken to interfering with the Japanese hunt, the numbers of whales slaughtered have dropped dramatically. In the Southern Ocean this year alone, Sea Shepherd claimed to have saved 932 whales. When Sea Shepherd say that they save lives, they are talking about the lives of whales. In fact, that is what the organisation judges its success on. It is not by its membership or how much money it raises but by how many whales' lives are saved each year, particularly in the Southern Ocean.

This issue is very popular with the Australian people. Polls have shown that up to 94 per cent of Australians oppose Japanese whaling. Various polls have also shown that more than eight in 10 Australians have said the previous federal government was not doing enough to prevent Japanese whaling in the Southern Ocean. A Sea Shepherd vessel, the Bob Barker, is currently moored in Hobart in preparation for its 10th Southern Ocean conflict this summer, to be joined by other boats from the fleet that is currently in Melbourne. This issue has been so popular with the Australian people that it has been on the radar of the coalition for quite some time now.
Dating back to 2008, current environment minister Greg Hunt has continually thrown his support behind more action to prevent Japanese whaling in the Southern Ocean. In The Australian on 25 February this year, it was written:

Mr Hunt indicated the Coalition would make defending Australia's Southern Ocean interests an election issue, promising to restore regular patrols and also to deploy a Customs vessel to monitor Japanese whaling.

And the coalition did make it an election issue. On 23 August 2013, the coalition leased a whale and dolphin protection plan. It said:

Should the whaling season continue, the Coalition commits to sending a Customs vessel to the Southern Ocean. It is important that Australia has a Southern Ocean presence given the ongoing risk of confrontation between whalers and protestors.

In fact, Minister Hunt is such an antiwhaling activist that, each summer, when he was opposition spokesperson on whaling, he criticised the government for its lack of action. He regularly used rhetoric that even the Greens could not get away with. This February, Greg Hunt said:

Reports of the slaughter of whales in Australian waters are deeply disturbing. The Government must make a statement immediately, have whales been slaughtered in Australian waters, if so what are they going to do about it. We've got blood in the water and a blind eye in Canberra, it's completely unacceptable. These are Australian waters that should be protected. Whaling should never be occurring but for it to occur in Australian waters is an utter failure in Canberra.

Yet it is not just Minister Hunt from the coalition who has been critical about not sending a patrol boat to the Southern Ocean. Senators Colbeck and Abetz, and the Hon. Michael Keenan, are also on the record on the need to patrol our Southern Ocean with a Customs vessel. That is a fair swag of the Abbott ministry who seem to be advocating keeping an eye on the Japanese this summer in the Southern Ocean.

As for the government's response so far, despite this election promise, when asked in recent weeks—prompted by a sense of urgency leading into the whaling season—the government has refused to commit a Customs vessel to the Southern Ocean. All we have had are weasel words and confusion. Minister Hunt has only answered journalists' questions through a spokesperson. The promise has gone from sending a patrol boat to simply 'monitoring and surveillance'. When Senator Cash was asked directly about this in this chamber last week, she waxed lyrically about the government's plans for whale trails and temporary protection visas but was silent on the actual promise to send a Customs vessel.

It is important to have a Customs vessel in the Southern Ocean for various reasons but, most importantly, to provide a disincentive to the aggressive behaviour that we saw there last summer, when the 500-tonne Bob Barker was sandwiched between an 8,000-tonne fuel vessel and a 5,000-tonne whaling vessel. During the attempt to refuel, the Japanese also threw flash grenades—while there was petrol around. In fact, had the captain of the Bob Barker not put out a mayday, warning the Japanese captain that he had 34 souls on board, it is very likely that the Bob Barker would have sunk. This year, we know that the Japanese have been training for action in the Southern Ocean this summer, and Sea Shepherd refuses to stand down.

I remind the government tonight that this is illegal whaling, deemed illegal by the Australian Federal Court. This is in our waters, in the EEZ that is so important to Australian
fisheries and so important to the Australian people. These are the grounds where whales go and have gone for millions of years. These are the same whales we see when we surf and swim, frolicking off our coastlines with their calves, heading south, doing what they have always done. These are Australian whales. My party and I and, in fact, most people in this chamber do not believe that they should be slaughtered. Whales are only just increasing in numbers.

Now, there was a good reason the government acquired the Customs vessel Ocean Protector for over $150 million—because it is one of only two ice-rated vessels Australia has. It was acquired to detect, deter and apprehend illegal, unreported and unregulated fishing vessels in Australia’s EEZ, especially in protecting our precious Patagonian toothfish stocks; undertake marine patrols for a minimum of 120 days per year in the Southern Ocean; and be on hand for medical evacuations. But, currently, this specialist Southern Ocean boat is off the coast of Christmas Island as part of Operation Sovereign Borders. Meanwhile, we are ceding the sovereignty of our Southern Ocean waters.

We do believe there is serious risk of injury or loss of human life during the whaling season this summer. I am not the only one to have said it. The Sea Shepherd people have said it, as has my predecessor, Bob Brown. The vessel needs to be there not only to monitor the illegal slaughter of whales in Australian waters—which we have documented evidence of from last whaling season, in Australian sovereign waters—but also to monitor the Japanese whaling fleet and let them know that the Australian government is watching. There are many Australian citizens on board the Sea Shepherd antiwhaling fleet.

So I ask the Prime Minister, given that there are obviously conflicts within the cabinet about the use of this boat, to call an urgent cabinet meeting and force Minister Morrison to cede control of the Ocean Protector so it can do the job that it was acquired to do. Minister Hunt also needs to face the people and explain his plans to send the Ocean Protector south or admit to another broken promise by this enfeebled government. It is time for action, not for words. It is very important to highlight that these have been consistent messages sent by the coalition over the last six years. They are not my words but Minister Hunt’s words. He was constantly on the back of the previous, Labor government for not sending a Customs vessel to monitor illegal whaling activities in the Southern Ocean. It is absolutely imperative that the coalition follow through with their election promise and immediately send this boat to twin the Japanese whaling fleet and make sure not only that the lives of our whales are saved this season but also that the lives of those on board the Sea Shepherd fleet are also protected.

Senate adjourned at 22:22

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


CHAMBER

Customs Act 1901—
Customs By-law No. 1339704 [F2013L02056].
Revocation of Customs By-law—Instrument of Revocation No. 3 (2013) [F2013L02057].

Defence Act 1903—
Defence Honours and Awards Appeals Tribunal Amendment Procedural Rule 2013 (No. 1) [F2013L02047].
Section 58B—
Dependants with special needs, maternity leave and travel—amendment—Defence Determination 2013/59.
Education assistance—amendment—Defence Determination 2013/57.
Higher duties allowance—amendment—Defence Determination 2013/58.
Interdependent partner, recreation leave and travel costs—amendment—Defence Determination 2013/56.
Means of travel—amendment—Defence Determination 2013/55.
Post indexes—price review—Defence Determination 2013/60.
Section 58H—

Environment Protection and Biodiversity Conservation Act 1999—
Amendment—List of Specimens Taken to be Suitable for Live Import (17 November 2013)—EPBC/s. 303EC/SSLI/Amend/065 [F2013L02051].
Amendment—List of Specimens Taken to be Suitable for Live Import (17 November 2013)—EPBC/s. 303EC/SSLI/Amend/066 [F2013L02052].


Higher Education Support Act 2003—VET Provider Approval No. 73 of 2013 [F2013L02045].


Migration Act 1958—
Post Office Box and Courier Addresses—IMMI 13/144 [F2013L02046].


Royal Commissions Act 1902—Royal Commissions Amendment Regulation 2013 (No. 1)—Select Legislative Instrument 2013 No. 54 [F2013L00647]—Revised explanatory statement.

Tabling

The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2013—Statement of compliance—Fair Work Ombudsman.