INTERNET
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the Senate and committee hearings are available at
For searching purposes use
http://parlinfo.aph.gov.au

SITTING DAYS—2012

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RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on ABC NewsRadio in the capital cities on:

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For information regarding frequencies in other locations please visit
http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-THIRD PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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

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

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

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

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

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

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

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

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

**PARTY ABBREVIATIONS**


**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Julia Gillard MP</td>
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<tr>
<td><em>Minister Assisting the Prime Minister on Digital Productivity</em></td>
<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister on Mental Health Reform</strong></td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td><strong>Minister for the Public Service and Integrity</strong></td>
<td>The Hon Gary Gray AO MP</td>
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<tr>
<td><strong>Minister Assisting the Prime Minister on the Centenary of ANZAC</strong></td>
<td>The Hon Warren Snowdon MP</td>
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<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Senator the Hon Jan McLucas</td>
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<tr>
<td><strong>Treasurer</strong> (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan MP</td>
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<tr>
<td><strong>Minister for Financial Services and Superannuation</strong></td>
<td>The Hon Bill Shorten MP</td>
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<tr>
<td><strong>Assistant Treasurer</strong></td>
<td>The Hon David Bradbury MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon Bernie Ripoll MP</td>
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<tr>
<td><strong>Minister for Tertiary Education, Skills, Science and Research</strong></td>
<td>Senator the Hon Chris Evans</td>
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<tr>
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<td>The Hon Greg Combet AM MP</td>
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<td><strong>Minister for Small Business</strong></td>
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<td><strong>Parliamentary Secretary for Industry and Innovation</strong></td>
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<td>The Hon Sharon Bird MP</td>
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Tuesday, 26 June 2012

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

STATEMENT BY THE PRESIDENT

Donation of Senate Department Items to the Museum of Australian Democracy

The PRESIDENT (12:31): Order! I advise the Senate that two ornate carved walnut chairs made in Venice, Italy and previously located in Old Parliament House have been permanently transferred to the Museum of Australian Democracy. This will ensure these items are properly curated and preserved for the future.

BILLS

Superannuation Legislation Amendment (Stronger Super) Bill 2012
Superannuation Supervisory Levy Imposition Amendment Bill 2012

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

Senator CORMANN (Western Australia) (12:31): As I mentioned to the Senate yesterday, the coalition support this legislation. The reason we support this legislation is that we support anything that makes our superannuation system more efficient, more transparent and more competitive. Unless we have the most efficient, the most transparent and the most competitive superannuation system possible, investment returns for superannuation fund members across Australia will not be maximised. Ultimately this is what superannuation is all about: giving Australians a vehicle to use to work towards achieving self-funded retirement.

What we are concerned about is that, unlike the good measures which we support that are included in this legislation—even though, as I expressed yesterday, we had some queries around some of the cost recovery arrangements, but leaving that to one side—in many other areas in relation to important and necessary superannuation reform this government in general and the Minister for Financial Services and Superannuation, Minister Shorten, in particular have been very slow and very unenthusiastic to act.

The other thing we need is the highest corporate governance and transparency standards possible. We need genuine competition in the default superannuation market. We need to make sure that Australians who make additional efforts to contribute additional savings to their superannuation do not get disproportionately penalised when they make inadvertent errors by making excess contributions to their superannuation savings. There is a whole range of areas where we need reform and where the minister has been very slow and very unenthusiastic to act.

When it comes to the completely inappropriate closed-job anticompetitive arrangements with which default funds under modern awards are currently selected by Fair Work Australia, we of course understand why the minister has been so unenthusiastic to act: he is clearly conflicted when it comes to doing the right thing in the public interest by ensuring that all Australians can benefit from genuine competition in the default market, because he is very close to the vested interests of one particular segment of the superannuation market. This really is of very significant concern because in the lead-up to
the last election even the Labor Party was shamed into making an election commitment, which was a promise, to ensure that there would be a more open, transparent and competitive process to select default funds under modern awards.

In the lead-up to the last election the Labor Party was shamed into the acknowledgement that the current process is inappropriate, that the current process is a closed-shop anticompetitive arrangement that needs to be fixed. But of course here we are, two years since the last election, nearly two years since that commitment was made, and not one single policy, not one single law, has been changed to ensure that all Australians, including those that find themselves in default fund arrangements, can benefit from genuine competition in the default fund market.

In January or February this year Minister Shorten and the former Assistant Treasurer, the short-lived Assistant Treasurer, former senator Mark Arbib, did commission a Productivity Commission inquiry into this whole issue—finally. That inquiry is expected to deliver an interim report shortly and a final report in about September or October. Mr President, I am prepared to bet with you now that this side of the election Minister Shorten will do absolutely nothing to fix the absolutely disgraceful closed-shop anticompetitive arrangements which are inappropriately favouring one segment of the superannuation market right now. He will do absolutely nothing to fix that this side of the election. What we really would like to see is Minister Shorten and the government building on the measure in this particular bill and actually taking a leap forward to ensure that our superannuation system truly is the most efficient, the most transparent and the most competitive possible. I will run through a number of measure that the coalition would pursue in government in a moment.

Before I do, let me bring the attention of the Senate to some research into our super system conducted by the ATO, the Australian Taxation Office. That research found that only 45 per cent of Australians have confidence in their ability to make informed decisions about their super—that is, 55 per cent of Australians do not have sufficient confidence in their ability to make those informed decisions. The ATO research also found that, after more than four years of constant chopping and changing and increased taxes on superannuation by Labor in government, 43 per cent of Australians do not have any interest in super and 69 per cent have no knowledge about the government's latest proposed changes.

I pause here for a moment. Most of you would remember that in the lead-up to the 2007 election, when the member for Griffith was the Leader of the Opposition and was running to become the new Prime Minister, he made a commitment to the Australian people that he would not make any change to superannuation arrangements in Australia—'not one jot, not one tittle', he said. No doubt he thought of the arrangements that had been put in place by the Howard-Costello government, including generous concessional contribution rates and making superannuation returns tax free for anyone who takes out their super after 60 years of age. A whole range of very beneficial changes were made by the Howard-Costello government, and Mr Rudd, the member for Griffith, at the time promised that he would not make any change to superannuation arrangements—'not one jot, not one tittle'.

That was important because one of the things that Australians are sick and tired of is this constant chopping and changing in taxation arrangements in relation to superannuation. We have had a lot of that from this bad government. We have had a lot that from the high-taxing government
currently sitting on the benches opposite. For example, they have progressively reduced concessional contribution caps, from $50,000 and $100,000 all the way down to $25,000. What people often do not realise is that $25,000 concessional contribution cap also includes the compulsory superannuation component, which of course means that people who are working multiple jobs can quite easily inadvertently breach that cap. And quite a number of people have breached non-concessional contribution caps, with very disproportionate penalties imposed by the ATO as a result. I am led to believe, and I think the minister has conceded this point publicly, that even the minister has been caught up by, I assume inadvertently, breaching contribution caps. So it is an issue that he should have a lot of personal knowledge about and an issue that he should have fixed long ago.

The coalition’s view is that Australians who are doing the right thing, who are doing everything they can to work towards achieving self-funded retirement and making sacrifices to achieve that goal, should not be penalised disproportionately when they make clearly inadvertent errors. Errors are also sometimes made because of circumstances beyond people’s control—for example, because employers make a mistake, because super funds make a mistake or because, in the context of multiple employers, people have lost sight of what each individual employer is contributing.

The point I am making is that there are a lot of areas in superannuation that need to be fixed. The minister ought to be congratulated for this legislation. It is legislation that has our bipartisan support right from the outset because we support any measure that improves transparency and efficiency in the superannuation market. But we do think there is a whole range of other areas that need fixing—in particular the closed shop anti-competitive arrangements in the default fund market; the corporate governance and transparency standards, which Minister Shorten has been very slow to act on, despite recommendations from the Cooper review; and this whole issue of excess contributions. With those few words on behalf of the coalition, I commend the bill to the Senate.

Senator BILYK (Tasmania) (12:42): I rise to speak on the Superannuation Legislation Amendment (Stronger Super) Bill 2012 and the Superannuation Supervisory Levy Imposition Amendment Bill 2012. Twenty years ago, the Keating Labor government introduced one of the greatest and most far-reaching economic reforms in our history—nine per cent superannuation for every Australian worker. Australia’s superannuation pool continues to grow, and today Australia’s super funds hold $1.4 trillion in superannuation savings. As a result of this fundamental change by the Keating Labor government, Australia has the world’s fourth largest pool of privately managed funds, thanks to our superannuation system. I remember that, when we first tried to introduce superannuation reforms, the coalition ran a pretty intense doom and gloom campaign, so I find it amazing that the previous speaker tried to claim credit.

Our superannuation process is a retirement savings system that is the envy of the world. Of course, in developing superannuation industry reforms, the Australian government’s number one aim is to maximise the benefits of superannuation for Australian workers. That is why in May 2009 we commissioned a comprehensive review of Australia’s superannuation system, chaired by Jeremy Cooper. The Cooper review handed its report to government on 30 June 2010, and we released our response on 16 December of the same year. In our response, the government indicated direct or
in principle support for 139 of the Cooper review's 177 recommendations.

The Stronger Super reforms are projected to add an additional $60 billion to Australia's retirement savings by 2035—that is roughly $40,000 more superannuation for a worker aged 30 on full-time average wages when they retire at 65. This money will add to the retirement savings of Australian workers and over time will flow into the pockets of Australian retirees. It will take pressure off the age-pension system and pressure off ordinary workers in securing a comfortable and dignified retirement. These reforms complement the government's increase to the superannuation guarantee from 9 per cent to 12 per cent, which will boost the average savings for a worker aged 30 by more than $100,000. Key elements of the Strong Super reforms include: introducing a simple, low-cost default superannuation product called MySuper that has no unnecessary fees or charges and simple features that will make it easier to compare fund performance; raising the bar for those managing our superannuation system, particularly for those managing default superannuation funds in which the majority of Australians invest; providing APRA, ASIC and the tax office with the tools they need to improve their oversight of superannuation; and making the processing of everyday transactions easier, cheaper and faster through the SuperStream reforms. The two bills currently before the Senate are focused on the last element of these reforms. The Superannuation Legislation Amendment (Stronger Super) Bill 2012 amends the Superannuation Industry (Supervision) Act 1993 and the Retirement Savings Accounts Act 1997. It is to introduce a framework to support the implementation of superannuation data and payment regulations and standards. This measure will improve the administration and management of super accounts, making the processing of everyday transactions easier, cheaper and faster for members and employers.

The superannuation industry is currently dominated by paper based transactions and clearly this is not an efficient way to operate in a modern digital world. Not only does it create inefficiencies for the funds themselves but it creates inefficiencies for employers who are contributing on behalf of their workers. The superannuation data and payment standards will allow participants in the superannuation system to communicate by using standardised business terms in a consistent and reliable format. Electronic transmission, using agreed transport and security protocols, will allow for more automated and timely processing of transactions with fewer errors.

A number of benefits will flow from these standards: for superannuation funds, for employers and ultimately for fund members. There will be an improved efficiency in transactions, including the processing of superannuation contributions and rollovers by superannuation entities. Moving to electronic transactions will result in productivity gains for superannuation funds and for the employers making contributions on behalf of their workers. Not only are electronic transactions faster and cheaper than paper based transactions but automating these processes will mean fewer errors. For fund members the benefits will include lower transaction costs, which should lead to lower fund management fees, and more timely payments into their superannuation accounts. It will also reduce the likelihood that member accounts will be lost due to inaccurate or incomplete information. So we are expecting lower transaction costs, lower fund management fees and more timely payments into super accounts, and hopefully the number of accounts lost, inaccurate or incomplete will reduce. Fund members will
be able to more easily look up and keep track of their superannuation and check if their contributions have been paid. As a former union official, let me say that I came across a few cases where funds were not paid at all, so I think it is very important that employees are able to check that their contributions have been paid. Large superannuation accounts belonging to the same member can be consolidated more easily and low-value, inactive accounts will be consolidated automatically. The superannuation industry processes an estimated 100 million transactions each year. This costs the industry $3.5 billion, meaning the average cost of each transaction is around $35. Certainly in my book, $35 is too much for one transaction. So you can see the importance of this government's reforms to make superannuation funds become better at how they manage their members' money.

Industry submissions to the Cooper review estimated that savings of up to $1 billion are achievable by implementing the SuperStream reforms: $1 billion that will be better off going into the superannuation accounts of Australian workers. The data and e-commerce standards have been developed by the SuperStream working group. By passing this legislation now, we will ensure that the superannuation industry has adequate time to implement the necessary changes to their information technology systems and processes before the data and e-commerce standards become mandated for superannuation funds from 1 July 2013. The government will extend the data and e-commerce standards to large and medium sized employers from 1 July 2014.

The Commissioner of Taxation and the Australian Prudential Regulation Authority will be responsible for regulating compliance with the new data and payment standards. They will ensure compliance through assistance and education and will have some flexibility in dealing with breaches of the standards. The government will incur some costs associated with the implementation of the SuperStream reforms. It is our intention to finance these costs through the introduction of a temporary levy on the industry, the Superannuation Supervisory Levy. The government has projected that we will collect $467 million through the levy from 2012-13 to 2017-18, resulting in a nil overall cost to the government for the implementation of the SuperStream reforms. This is a comparatively small amount compared to the savings I outlined earlier that the industry is expected to reap as a result of these reforms.

Amendments to the Australian Prudential Regulation Authority Act 1998 will enable the costs associated with implementation of the SuperStream measures to be included in the determination specifying the amount of the levy that is payable to the Commonwealth. The Superannuation Supervisory Levy Imposition Amendment Bill 2012 will provide the Treasurer with the ability to make a subsequent determination, for a financial year, of the restricted and unrestricted levy percentages and the superannuation entity levy base. The purpose of this bill is to give the government some flexibility in determining the costs that are to be included in the levy.

These two bills together represent an important plank in the implementation of the Australian government's Stronger Super reform package. It is a reform that is better for superannuation funds, better for employers and better for fund members. All the stakeholders in the superannuation industry want to see less money going into transaction costs and more money going into the retirement savings of Australian workers. A more secure retirement for ordinary Australian workers goes to the very core of Labor's ideals. That is why it was a Labor
government that introduced our superannuation system 20 years ago. It is now a Labor government that is proposing, and introducing, the Stronger Super package of reforms. And it is this Labor government that has passed measures to increase the superannuation guarantee from nine per cent to 12 per cent.

The increase to the superannuation guarantee is an important reform and an example of how Labor is spreading the benefits of the mining boom to the benefit of all in society. It is a reform that was, shamefully, opposed by the federal opposition. Bizarrely, the opposition supported the 12 per cent superannuation publicly but opposed the minerals resource rent tax, the measure that would fund it. This brings into question whether those opposite are truly committed to strengthening the retirement savings of Australian workers. If they are truly serious about supporting a 12 per cent superannuation guarantee then they need to demonstrate that seriousness by explaining how they will fund the measure. Given that the opposition continue to oppose the MRRT, they need to come clean with the Australian people. What new tax are they going to introduce? What programs are they going to cut to meet the costs to the Commonwealth of raising the superannuation guarantee? The truth is we have a Liberal-National coalition who have never been truly committed to Australia’s superannuation system but have had to reluctantly concede that it has the overwhelming support of the Australian public.

The coalition, as I said, ran doom-and-gloom campaigns when we first proposed the introduction of superannuation, but it is a reform that now has the overwhelming support of the community. So I invite the coalition to get on board with our changes to the superannuation guarantee by explaining how they would fund it were they to form government. They need to either explain their alternative funding mechanism or support the MRRT. Through our Stronger Super reforms, and through the increase to the super guarantee, we have demonstrated that Labor is committed to strengthening the retirement savings of Australian workers. On that note, I commend the bills to the Senate.

Senator BERNARDI (South Australia) (12:54): In rising to talk specifically about the Superannuation Legislation Amendment (Stronger Super) Bill 2012 and the Superannuation Supervisory Levy Imposition Amendment Bill 2012 I cannot let go unchallenged what Senator Bilyk just said about funding additional superannuation from the minerals resource rent tax, which is basically a tax on the most successful industry we have in this country at the moment—or the one that has been the least damaged by this terrible government. What Senator Bilyk fails to recognise—which is not surprising, considering she has never worked in private enterprise or run a small business or actually been responsible herself for other people’s welfare—

Senator Bilyk: Mr Deputy President, I rise on a point of order. I have indeed worked in private enterprise and I have indeed run my own business.

The DEPUTY PRESIDENT: Order! Senator Bilyk, that is not a point of order; it is a debating point. Senator Bernardi has the call.

Senator BERNARDI: Thank you, Mr Deputy President. Spurious points of order in order to defend one’s lack of credibility do not go a long way! Senator Bilyk is maintaining that she has run her own business and that she has employed people. Well, she neglected to remind herself, then, that the employer is responsible for paying the superannuation of the employees. It is
not the government that is responsible, it is not the minerals resource rent tax that is responsible; it is the employers that are responsible for it. If Senator Bilyk had any idea about running a profitable and effective business, she would know that—but clearly she does not. It just goes to show that what is said by the senators on the other side bears little resemblance to reality. It is taking a departure from common sense. Those people who take risks with their own money to provide jobs for other people should be able to benefit from the rewards of that. That is a principle that is lost entirely on those on the other side.

When those opposite talk about increasing taxes: increasing taxes is just a cover-up for an inefficient and ineffective government. It is a cover-up for a government that has spent too much money, that has mortgaged the future of our children, that has borrowed over $150 billion in four years—which will take decades to pay back. And when the government puts up taxes, it is not supporting the Australian people; it is stifling enterprise, stifling creativity, stifling the spirit of entrepreneurialism that has built this country and hitherto made it such a successful one. But, unfortunately, the Australian people have lost confidence. They have lost the confidence in their ability to back themselves, because they know their government does not back them. Their government is the obstacle to success in this country. This government is an obstacle and a barrier to productivity growth; it is a barrier for the children who have been born and for those yet to be born, because they will unfortunately be lumbered with the legacy of the worst two governments—the Rudd and the Gillard governments—in the history of this country. And that is almost undisputed by the more informed commentators.

Let me return specifically to these bills. The coalition supports these bills. It supports them because we do support more efficient, more transparent and more competitive superannuation in this country. It means that we want consumers to clearly understand what they are entering into in relation to the tax environment and the investment environment that superannuation provides, because it is not an investment in itself—I will come to that in a moment. We want to see consumers’ returns maximised through the removal of inefficiencies which, hopefully, will correspond with a reduction not only in the fees charged by the superannuation funds themselves but in the ancillary and compliance costs that are attached. That should form the essence of it.

Unfortunately, superannuation in this country has been tinkered with far too much by successive governments. I regret enormously the dislocation that so many people feel as a result of the current government’s tinkering. I think Senator Cormann eloquently discussed the contribution—or lack thereof, I guess—of this government to the superannuation area. If we are a nation that is trying to encourage people to save—and I understand we have over $1 trillion in superannuation at the moment—for the long term and to prepare for their retirements, which I think all people in this chamber would agree is in our national interest and our individual interests, we need to provide the individual with a tax-effective environment in which they can invest, to give them an incentive to save for the longer term; but we need to give them some sort of certainty that the conditions in which they invest today will not be radically changed in the future. Unfortunately, successive governments—but most notably this one—have, I think, tinkered far too much in a negative sense. People say to me quite often, and I hear it in my conversations
with many in the industry, that the rules continue to change. These rule changes make it difficult for people to know exactly what circumstances they will face in the future. So we need to provide not only efficiencies and transparencies but certainty in the superannuation environment.

I would like to pick up on another point Senator Cormann made, which is the lowering of the concessional contribution threshold. This is a particular concern—the fact that $25,000 is the most that people can concessional contribute to superannuation as a result of the regulations passed by this government. I say that because that includes the superannuation contribution guarantee, which of course is being increased over the coming years. The superannuation guarantee is something everyone has. You do not have an option as to whether you partake in it or not; it is actually there. So if you have two or three jobs or if you happen to earn a significant salary you are then going to be penalised concessional.

I thought we were in the business of providing people with incentives to save for the future, to delay instant gratification in the hope that tomorrow will be better and they will be able to provide for themselves. Certainly on the conservative side of politics we have been seeking for people to undertake self-reliance in that way. And that is the way governments should be functioning too, quite frankly. They should not try the sugar hit and borrow $10 billion or $50 billion one year simply to prop up some extravagant spending patterns in order to delay the day of reckoning, which has to come. The end result of that is what has happened in Europe, where you have successive governments who simply seek to keep the money-go-round going, hoping that ultimately they will not be the one who has to pay the piper. And when it comes to a halt it comes to a grinding halt, and it is a disaster, as we are seeing in Europe now.

Make no mistake. Australia is pursuing a similar path. In four years we have borrowed, as I have said, over $150 billion. We have turned from a $70 billion net asset position, running a $20 billion budget surplus, to a position where we have a $50 billion deficit. The four highest deficits in the history of this country have been run over the last four years. We have an entitlement mentality, which is being fostered by this government, that if you have any sort of pain or duress, 'Don't worry about tomorrow; we'll fix it today.' The problem with that is that I am worried about tomorrow, as many families are worried about tomorrow: what sort of environment are our kids going to be inheriting?

But with those negatives—and unfortunately this government's track record is a very sad tale—we do support these bills. Notwithstanding the fact that we have some concerns and we think they can be improved, we support them because we support, as I mentioned earlier, more efficient, more transparent and more competitive superannuation. We want to minimise costs. We want to see maximum profits and returns for people.

The first bill comprises a number of schedules. Schedule 1 of the Superannuation Legislation Amendment (Stronger Super) Bill 2012 introduces a framework to support the implementation of superannuation data and payment regulations and standards that will apply to specified superannuation transactions undertaken by superannuation entities, retirement saving account providers and employers. In more detail, it enables superannuation data and payment regulations and standards to be made relating to superannuation entities, RSA providers and employers. It provides the Commissioner of
Taxation, whom I will refer to as the commissioner, with the ability to issue mandatory superannuation data and payment standards for superannuation entities, RSA providers and employers. It enables superannuation data and payment regulations and standards to deal with payments and information related to superannuation transactions and reports. Finally, it introduces a new penalty framework to ensure that trustees of superannuation entities, RSA providers and employers comply with the superannuation data and payment regulations and standards.

Schedule 2 amends the Australian Prudential Regulation Authority Act 1998 to enable costs associated with the implementation of the SuperStream measures to be included in the determination specifying the amount of the levy that is payable to the Commonwealth. The cognate bill, the Superannuation Supervisory Levy Imposition Amendment Bill 2012, amends the Superannuation Supervisory Levy Imposition Act 1998 to enable the Treasurer to make more than one determination on the imposition of levies for a financial year.

I started by talking about principle. The coalition supports, in principle, any measures that are going to improve efficiency, transparency and competitiveness, whether it be in superannuation or in any other aspect of public spending. But, specifically in regard to superannuation, we want to make the system easier to use for employers. We want to ensure that there are fewer lost accounts, we want to provide a more timely flow of money to super fund members’ accounts and we want to deliver savings to employers and to fund members. The benefits of this approach are many and wide. By simply making the system easier for employers, you are going to have employers happier to comply with the sometimes onerous obligations that are attached to maintaining superannuation accounts. Indeed, it may enable employers to provide even greater services to some of their employees, whether through education or through efficiencies being passed on through employer contributions or some sort of in-house incentives as a company becomes more efficient. We want the workers to benefit.

The other thing I mentioned was ensuring that there are fewer lost accounts. This is common sense. We know that, in this modern day, having a single employer or a single job is highly unlikely. We have a very mobile workforce. We have people from all walks of life. When people start work at 14 or 15, they might get their first job in a fast food outlet or something like that and then get into retail and have myriad other jobs and change employers right through their adolescence. Each of their jobs will have a super fund account attached to it, and these accounts can easily get lost in the system. I experienced that both when I participated in the superannuation scheme as a young man and when I was a financial adviser chasing up lost accounts for people. There are, I acknowledge, opportunities for people to chase up their lost super through a number of government schemes, and I would encourage any listeners to this broadcast to consider how they can do so. If you can consolidate your superannuation accounts you get increased efficiencies, and your nest egg can grow a good deal more quickly because the fees are a good deal lower.

I talked previously about the SuperStream proposals: the implementation of changes to data and payment regulations and standards which will allow participants in the super system to communicate by using standardised business terms in a consistent and reliable format. Unless different branches of an organisation—with the modern-day acronyms and jargon they use—
can communicate effectively, the organisation is at a decided disadvantage. Electronic transmissions are no different; organisations want to make sure that they have agreed-to transport and security protocols to ensure that data is not only protected but also gets to the other end in the necessary format and by the best method so that it can be applied automatically and processed in a timely manner with many fewer errors. If properly implemented, the SuperStream proposals in these bills would deliver significant efficiency savings to the super industry and employers. I have talked about the benefits there. It has been estimated by the Financial Services Council that the savings would be in the order of $20 billion over 10 years. That is $20 billion, of which a substantial proportion will more than likely be in people's superannuation accounts when they retire—and that will be a win-win for everyone.

Much of the detail of these new data standards will be in regulations, and industry participants consider its presence in regulations appropriate. However, a careful consideration of the impact of the regulations on all stakeholders, including small business employers, is absolutely necessary. Small business is, outside government, the largest employer group in this country. It is where people invest their hopes and their dreams as well as their money, and sometimes it is where they invest their mortgages. They mortgage their homes in order to pursue the dream of a better life for themselves: to make a decent quid and maybe to build a business that they can hand on to their children or sell to fund their retirement. We need to make sure that small businesses are not disadvantaged. I know that there are many different definitions of a small business, but I often reflect on small business as a former small businessman myself. I think that a small business is a business where the owner or the owners and the immediate family—a very small group of people—do everything. They are the payroll officer. They are the compliance officer. They are the occupational health and safety person. They are the person that complies with the superannuation entitlements. It is often said that people in small business spend too much time working in their business rather than working on developing it. The coalition is absolutely committed to enabling people to be able to work on their business by reducing the compliance burdens—the green tape, the red tape and so on—that are really stifling and tying businesspeople and entrepreneurs down because they have to pay for expensive external advisers in order to maintain their compliance rather than be able to maintain their compliance in an economically efficient manner so that they can get on with growing their business and creating jobs. That is one of our concerns, and we believe that it needs to be considered.

There is a significant concern also in the claimed cost of the implementation of the measures proposed in the bills. The government has claimed that the measures will cost $467 million over the next five years, including costs of $121 million in the next financial year. It is proposed that these costs be recovered by a direct levy on all APRA regulated super funds, which means in effect that the burden will be borne by super fund members across Australia through higher fees and administration costs. We are yet to see a full breakdown of estimated expenditure. The government has not, I understand, supplied it, and I think that it needs to so that we can understand exactly where the money will be spent. Also, additional costs will be imposed on super funds and employers to convert to the new system and the new standards.
The coalition celebrate the fact that Australia is going to move to a more efficient and effective system, but we are concerned about the costs that will be applied due to these changes by the government. The costs do not appear to have been fully considered either by the government or in the regulatory impact statement. However, the Financial Services Council estimates that the costs to industry would be in the order of $1 billion—and that is supposed to include the cost-recovery measures in these bills. These cost-recovery measures are the reason that these bills were referred to the Parliamentary Joint Committee on Corporations and Financial Services for an inquiry. That inquiry highlighted significant concerns within the superannuation industry about the transparency and accountability of how government agencies, particularly the Australian Taxation Office, will spend the $467 million in funding which will be provided to them through the additional industry levies. As I said before, these levies will ultimately be paid by super fund members through higher fees.

At the risk of labouring the point, I say that we support and celebrate the increased competitiveness, the efficiencies and the more transparent operation of the superannuation system in these bills. We want to provide more certainty for the Australian people so that they can invest with confidence in their retirement. But we wonder why the government implements changes, the costs of which are expected to impact on industry by up to $1 billion. That is $1 billion that is going to come out of the pockets of Australian taxpayers. We not only are concerned for the future of Australian taxpayers but also know that we need to give them every incentive and encouragement to save for the sake of both themselves and our nation. (Time expired)

Senator THISTLETHWAITE (New South Wales) (13:14): The foundations for the present strength of the Australian economy were built in the 1980s. Former Prime Minister Paul Keating, then Treasurer in the Hawke government, led the process of the modernisation of the Australian economy. Under his leadership, our nation floated our dollar, making our exchange rate responsive to the strength of our economy and movements in international exchange of currency. We reduced tariffs—a massive reduction in the inefficient protection that had been provided to particular industries in the economy, making them more responsive to market pressures and ultimately more competitive, with a greater ability to survive into the future.

We introduced competition into our banking sector, and that led to a wave of new products with banks establishing in Australia and offering services to Australians and businesses. We made our economy more responsive to market based pressures internationally, which ultimately made the economy more efficient and stronger. Thankfully, that provided the foundations for our economy to withstand the pressures of the global financial crisis and come out the other end in such a strong position with Australians maintaining their jobs whilst in other economies jobs were lost. It maintained growth in our economy whilst in other areas of the world recessions occurred.

A large part of the reform agenda of former Treasurer Paul Keating was the introduction of compulsory superannuation—a wonderful initiative that now provides for the Australian economy the fourth-largest pool of investment funds in the world. It is a pool of investment funds that provides growth, jobs and ultimately higher incomes for the Australian people: $1.3 trillion worth of investment funds in the superannuation accounts of Australians. I am
happy to say that, through these reforms, the Gillard government is building on those foundations that were built by the Hawke and Keating governments in the 1980s.

When we came to government in 2007, one of the first actions of the Labor government was to initiate a review of superannuation—the Cooper review. We looked at the fairness, the effectiveness and the efficiency of Australia's superannuation system. Many of the review's recommendations have been picked up by this government and are being implemented as we speak. This suite of reforms to superannuation, the Superannuation Legislation Amendment (Stronger Super) Bill 2012 and the Superannuation Supervisory Levy Imposition Amendment Bill 2012, are part of that overall suite of reforms to strengthen occupational superannuation in this country.

They build upon the strong regulatory framework that administers and manages our superannuation sector. The government's Stronger Super reform package will make our superannuation system more efficient and it will also ensure that we are maximising the retirement incomes of members of superannuation funds. Specifically, the government is creating a simple, low-cost default superannuation product called MySuper, which all APRA-regulated fund providers will have to provide to the market and for members. It will ensure that trustees of superannuation funds are legislated and must act in the best interests of the members of that fund. It will ensure that account balances of superannuation fund members, in particular inactive account balances, cannot be whittled away by unreasonable fees and commissions being paid by members for services that many of them never take up or, indeed, many of them never know that they are paying for.

Through the SuperStream measures, we will be making the processing of everyday transactions—the millions of transactions that occur on a daily basis in superannuation accounts throughout the country—cheaper and faster. We are strengthening the governance, the integrity and regulatory settings of the superannuation system.

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

Question agreed to.

Bills read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Cameron) (13:20): The question now is that the remaining stages of these bills be agreed to and the bills be now passed.

Question agreed to.

Bills read a third time.

Fair Work (Registered Organisations) Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (13:21): An ex-union boss drawing up the rules for union bosses to be administered by an ex-union boss should be a laughable proposition, yet regrettably that is exactly what is being served up today in this guillotined debate on the Fair Work (Registered Organisations) Amendment Bill 2012 and, what is more, it is being served up by the government with a straight face. And we will get a gaggle of ex-union bosses opposite trying to justify the unjustifiable, if not by their words then by their votes. This bill has its genesis in the
Craig Thomson scandal, a scandal that has so enveloped this government; that has fouled this government beyond repair—the scandalous support and succour given by the ALP to the member for Dobell, including the provision of legal advice to the tune of tens of thousands of dollars—and that saw him give false and misleading information to Fair Work Australia. The extraordinary efforts this Green-ALP alliance have gone to to keep the member for Dobell on political life support is the stuff of legends.

The member for Dobell in turn keeps this discredited government on life support. It is a truly symbiotic relationship. The facades, the forked tongues and the failure of ethical standards over the Thomson scandal have seen this government's reputation sink, and deservedly so. If the lie about the carbon tax was not enough, if the lie about same-sex marriage was not enough, then to round out the trifecta we have the Thomson saga—Mr Thomson, the ALP member for Dobell, in whom Ms Gillard expressed full confidence and continued to express full confidence. Then miraculously Ms Gillard, who always insisted Mr Thomson should not be prejudged, had Mr Thomson suspended from the ALP just days before the release of the Fair Work Australia report. Very interesting timing because it was a report that found the ALP member had misused the hard-earned union dues of workers on living the high life—for trips, for expensive hotels, for the services of escorts. These are findings the Prime Minister, the government and the Green alliance partners and the ACTU to date have refused to accept. They refuse to accept the findings. They are refusing to acknowledge that those findings are worthy even of note. It is not that they can find anything wrong with the findings; it is just that they do not like them. So in their desperation, we are told by Ms Gillard and the ALP, 'Don't prejudge Mr Thomson; it is not your role.'

We know consistency and integrity of argument and logical thinking have never been Labor's strong suit, but their attempts over the Thomson scandal are genuinely of gold medal proportions. Labor are breathtakingly and audaciously trying to tell us one thing by doing another. So we are told we should not prejudge Mr Thomson when we say that the government should not accept his vote. What Labor and the Greens deliberately ignore is that Fair Work have not made allegations against Mr Thomson; they have actually made findings, including that he gave false and misleading information whilst an ALP member of parliament and had the benefit of Labor funded lawyers to boot.

Despite this injunction not to prejudge Mr Thomson, what has Ms Gillard actually done? She suspended him from caucus and said he would not be re-endorsed, yet we are to believe that we are not to prejudge him. If he is not to be prejudged, can somebody opposite please explain during this debate why he has been suspended and why Ms Gillard has said that he will not be re-endorsed? Methinks chances are they have prejudged him—in fact, I withdraw that: they have not prejudged him, they have judged him on the strength of the findings of the Fair Work Australia report. Labor know that the Fair Work Australia report and findings are damning of Mr Thomson and the culture that existed in the Health Services Union. That Fair Work Australia delayed beyond reasonable excuse, that Fair Work Australia engaged in sophisticated sophistry—if that is not a tautology, that they refused to cooperate with police, and that Fair Work Australia refused to abide by freedom of information requests are all documented. This body was established by Ms Gillard and its personnel appointed by Ms Gillard, and
surprisingly they have dragged their feet on this matter to such an extent that the initials of Fair Work Australia have gone into the Australian vernacular courtesy of Senator Nick Xenophon’s creative mind. And whilst I am at it, I wish Senator Xenophon well and trust he recuperates.

With this background, let us look at the bill. Having announced the coalition’s plan for better transparency and accountability of registered organisations, the hapless Minister for Employment and Workplace Relations, the would-be Prime Minister, was left embarrassed and flat-footed. So in an attempt to play catch-up, he announced 10 days later Labor’s half-baked plan. That it was half-baked should not surprise. Exactly what Mr Shorten did was to take our policy—our plan to assist those over 50 who are unemployed and those wanting to move from a high-unemployment area to where there are more jobs—and bungle it and then announce it as government policy, all as his own idea. Mr Shorten sometimes reminds me of the kid who tries to copy the smart kid’s work at school and then tries to improve on it, and as a result still fails. Not satisfied with a half-baked proposal, the Green-ALP alliance guillotine on this bill has meant that the parliament cannot consider this bill in an appropriate manner. What it shows is a contempt for proper process generally and in-depth analysis of this bill in particular.

We were told courtesy of a letter from the Leader of the Government in the Senate, Senator Evans, on 13 June that this particular bill needed to be rushed through because it was ‘a budget bill or a key appropriation needing to be passed by 1 July 2012’. When the department was asked that at the Senate inquiry, that was debunked. Indeed, the department could not bring itself to say that the Leader of the Government in the Senate was right. Indeed, the evidence was that it is certainly not a budget related bill. Here we have again the ALP not even able to give it straight in this place as a justification why this bill needs to be rushed through. ‘It is a budget measure; it has to be through by 1 July,’ according to Senator Evans’ letter to me of 13 June. It was completely and utterly debunked by the department. Do we have an apology from the Leader of the Government for misleading or trying it on? Absolutely not. Why? Because it is the standard stock in trade of the ALP. If you were willing to promise no carbon tax before an election and then do it, it is very easy to say something is a budget bill when in fact it is not and try to con the opposition. That is what is now infecting every aspect of this government. They simply cannot give a straight answer, and the people of Australia quite rightly have lost their trust in this government.

Let me talk about the truncated and guillotined nature of this legislation. The Australian Chamber of Commerce and Industry and the Master Builders Association have expressed their concern about the truncated timetable for the committee’s process. Keeping in mind that we had less than one week from the Senate saying that we should look into this and report on this bill—less than one week—we were given about three hours of hearing on Friday whilst the parliament was still sitting, meaning that I and other senators had to absent ourselves from the chamber for that period.

The question is: what is the urgency of this bill? No argument has been made out. If this bill were to act retrospectively and reach back into the Health Services Union debacle, I could understand it, but this bill will only be proactive. There are no other investigations on foot, according to Fair Work Australia. Hence there is no need for the urgency. There would be nothing wrong with delaying this bill for another week or a fortnight. But in this sitting fortnight, this Senate will be guillotining 36 bills through
the chamber. I wish some of the commentators did not have cramp in their fingers this sitting fortnight or that their keyboards were not malfunctioning. Those commentators were so condemnatory of the coalition between 2004 and 2007, when the Liberal-National party had control of the Senate and we guillotined 36 bills in that whole three-year period. That is what got those commentators' fingers very busy on their keyboards and column inch after column inch was written and published to condemn this abuse of the Senate by the Liberal and National parties. Surprisingly, when it is the Green-ALP alliance guillotining 36 bills, not in three years but in 10 sitting days, it is not worthy of fingers being applied to a keyboard to make comment on it. What is worse is that the 36 bills of this sitting fortnight will now make a grand total of 125 bills that have been guillotined by this Green-Labor alliance. We as a coalition say to the Australian people: next time you get a Senate ballot paper, ensure you protest vote with your Senate vote by voting for the coalition and not for the Green-Labor alliance that has abused this Senate like never before in its history.

One of the clauses of this bill is to allow cooperation by Fair Work Australia with the police. Every decent citizen does that. Every single public servant under the Public Service code of ethics is required to do so. This committee saw the very strong legal opinion of one of Australia's best industrial lawyers, Stuart Wood SC, which completely and utterly debunked the fabricated arguments from Fair Work Australia suggesting that they could not cooperate with police. We are told this is the legislation that is similar to that which existed before and therefore it is all Tony Abbott's fault. That seems to be the argument for everything these days. If the government mucks something up, it was Mr Abbott's fault. What Fair Work Australia did not want to disclose to us and finally had to was an email from Mr Doug Williams of 30 June—not 2012, not 2011, not 2010, but 2009. He was then the Industrial Registrar and Chief Executive of the Australian Industrial Relations Commission, acting under the same legislation. As he was leaving his job, he said this:

There should be a clear plan and actions arising from the outcome of the inquiries to date—

and he was talking about the Health Services Union inquiries—

including inter alia any actions and referrals to other authorities (e.g. to the police …

There was no legislative impediment on 30 June 2009 to refer these matters to the police. Indeed, in his email he concludes by saying:

I am happy to discuss these directions, but otherwise anticipate that the actions identified will be implemented expeditiously.

He further said that there was no need for further investigation to refer these matters to the police. That was the standard nearly three years ago. In four short days it will have been three years since those that are charged with the Health Services Union matter were told to report this matter to the police, and it was not. In some amazing sophistry we now have the government saying, 'Oh, we have got to amend the legislation to allow it.' We as a coalition will support that move, but can I say very clearly there is no need to amend the legislation—all it is doing is providing cover for the shonky workmanship and the delay of Fair Work Australia. Another thing that we as an opposition have very real concerns with is the penalty regime under this act. Most people cannot see a material difference—and I confess I am one of them—between a company director and a shareholder on the one hand and a trade union boss and a trade union member on the
other hand. The company director, like the union boss, owes a fiduciary duty to the shareholder and the union member. If the company director were to be engaged in a certain course of conduct, that company director, for a malfeasance against shareholders, could confront a $200,000 personal fine or five years imprisonment—as it should be. However, if you are a trade union boss and you engage in similar conduct against your trade union membership, as the aforementioned company director did against the shareholder, guess what your maximum penalty is? No period of imprisonment whatsoever and not a fine of $200,000, not a fine of $100,000, not even a fine of $10,000 but a fine of $6,600. And guess what happened in the other place when we moved amendments to increase the penalty? Guess who was one of the first people to ensure they voted against the increased penalty—not that it would have applied to him—but the member for Dobell, in concert with the ALP and the Greens member in that other place.

We can try to make up all sorts of arguments, but I know the Australian people say that when something is wrong, it is wrong, and just because you are a union boss does not mean that you owe a lesser obligation to your membership than a company director does to his or her shareholders. Indeed, we were told at the Senate hearing, 'Poor trade unions—we are voluntary organisations. We are little businesses. We are not like these big companies.' Excuse me? One state division of the Electrical Trades Union has assets of $42 million and another trade union has assets of $20-plus million. These are not small businesses, as indeed was witnessed by the Fair Work Australia report into Mr Craig Thomson and the Health Services Union. How else could you rip off hundreds of thousands of dollars in a matter of a few years unless there was a substantial financial turnover?

Time is short. I cannot refer to all the matters that I would have wanted to and, given that there will not be a committee stage, I will not be able to canvass matters further. But what this bill highlights is this: Labor seek to sidestep issues whilst pretending they are dealing with them. Labor seek to talk tough but go soft. This amendment to the Fair Work (Registered Organisations) Act is exactly in that category—pretending to do something when they are not. Can I ask those opposite: how will a $6,600 penalty dissuade somebody who is so minded from ripping off their union to the tune of hundreds of thousands of dollars, as Mr Thomson did? (Time expired)

The ACTING DEPUTY PRESIDENT (Senator Cameron): Senator Abetz, I understand that you are seeking to move an amendment on sheet 7247 to the second reading motion, circulated in your name.

Senator ABETZ: I move:

At the end of the motion, add "but the Senate notes the Government's failure to:

(a) establish an independent Registered Organisations Commission to:

(i) enforce and police the reporting and compliance obligations,

(ii) provide information to members of registered organisations about their rights and act as the body to receive complaints from their members,

(iii) educate registered organisations about the new obligations that apply to them, and

(iv) absorb the role of registered organisations enforcer and investigator, currently held by the General Manager of Fair Work Australia;

(b) ensure registered organisations face the same accountability and transparency measures as required of companies and their directors under the Corporations Act 2001;"
(c) ensure registered organisations face the same penalties as companies and their directors under the Corporations Act 2001;

(d) express its confidence in the findings of Fair Work Australia's investigation into the Health Services Union National Office; and

(e) conduct a Regulation Impact Statement for the bill;

and calls on the Government to conduct a review of the amendments made by the bill within 2 years after it receives the Royal Assent in accordance with Office of Best Practice Regulation practices".

Senator MARSHALL (Victoria) (13:41): I also rise to speak on the Fair Work (Registered Organisations) Amendment Bill 2012. In my contribution I will address some of the comments Senator Abetz made. Firstly, let me give an important summary, one that was a little bit missed in Senator Abetz's contribution, about the purpose of the bill and what it is for and why it is important for the government to act at this point in time.

It does surprise me a little bit that the opposition seems to want to criticise the government when they do things and it wants to criticise the government when they do not do things. When the government move to act and tighten up the laws in relation to registered organisations, we are criticised for doing so. But if we had not moved to tighten up some of the laws that apply to registered organisations, we would have been accused of failing to do so. The opposition, once again, seeks to walk both sides of the road and there is complete inconsistency with what it says.

This bill, as we know, seeks to increase the accountability—financial and otherwise—of registered organisations and their office holders. The bill will improve the way that investigations into breaches of the registered organisations provisions are conducted. The proposed amendments in the bill seek to achieve this aim. There will be a requirement that the rules of all registered organisations must deal with disclosure of remuneration and pecuniary and financial interests. There is a threefold increase to civil penalties under the Fair Work (Registered Organisations) Act. There is a strengthening of the investigative powers of Fair Work Australia and there is a requirement that education and training be provided to officials and registered organisations about their governance and accounting obligations. All these things are things that the opposition, in various ways, have raised as issues that need to be dealt with, yet when the government seek to introduce amendments to the bill to deal with these issues, they criticise us for doing so.

Senator Cash: It's not tough enough—you know it's not tough enough. Where are the imprisonment provisions?

Senator MARSHALL: I notice that Senator Cash is already on her high horse. I am sure she will get out her membership of the HR Nicholls Society and start flashing that around to us at any moment now.

Registered organisations include unions and employer associations, and the Education, Employment and Workplace Relations Legislation Committee, of which I am chair, heard from both in an inquiry which we conducted last Friday. While, ideally, the committee would always like more time to deal with any piece of legislation that comes before the committee, the Senate as usual was up to the challenge; the committee was up to the challenge. We heard from a number of witnesses, some called by the opposition and some called by the government, and we were able to analyse this bill and its effect. We heard from a good cross-section of the community, and I will go to some of those submissions in a minute.

All the submissions to the inquiry expressed
in principle support for increased accountability for registered organisations and their office holders. It is worth noting at this point in time that these rules, these regulations, these laws that apply to registered organisations are in fact laws that were put in place by Mr Tony Abbott when he was minister for industrial relations in the previous government. This is the first time that these laws that were originally introduced by Mr Abbott have been updated. They are being updated because of some obvious circumstances, which I will go into in a moment, which have undermined confidence in the ability of those laws to deal with governance issues in some registered organisations, and that is a shame.

The people who made representations about the bill included, for instance, the Australian Industry Group, which represents employers. They expressed support for the bill, agreeing on the importance of greater disclosure by registered organisations. The Australian Council of Trade Unions expressed their support for the bill and its measures to address issues arising from the recent investigation into the Health Services Union branches. This is important. The Australian Industry Group is itself a registered organisation that represents other registered organisations. The ACTU is not a registered organisation but is a peak body that represents registered organisations under federal laws and various state laws.

It is no secret that public confidence in registered organisations has recently been undermined by the actions of a small number of officials in some parts of the HSU. We do not want to go into the proposition that Senator Abetz puts to us that the Senate should decide the guilt or otherwise of individuals involved in that. That will ultimately be a matter for the courts in various jurisdictions, and that should happen and take its proper course. But what it has highlighted is that there are serious governance issues with that union that clearly need to be addressed. Again, instead of the opposition attacking this government for actually doing something about it, they should be commending this government for acting quickly and appropriately to address some of those issues.

I was very pleased to hear the testimony of the Assistant Secretary of the ACTU, Mr Tim Lyons. Mr Lyons's view was that the package of measures contained in the bill will collectively address the underlying failings that became apparent during the recent investigation by Fair Work Australia. Certainly as a union member and a passionate believer in the role that unions play, there is no-one who feels more strongly than me that the overwhelmingly professional and honourable work of registered organisations should not be tainted by the actions of a few. It is in that spirit that I support this bill absolutely. I do not think that there are any issues with the vast majority of unions or other registered organisations such as employer organisations in raising the standards of governance and disclosure. I think that is proper and appropriate. There is a tripling of the current fines that, as I indicated, were put in place firstly some time ago when Mr Abbott was industrial relations minister in the previous Howard government. There are now much more rigorous disclosure provisions. All these things are very important.

The bill also enables Fair Work Australia to behave the way I think we would like them to be able to behave. Senator Abetz talks about Stuart Wood's advice that Fair Work Australia were able to directly disclose to the policing authorities matters contained in their investigation. Of course, whenever there are legal disputes, half of the advice is always wrong. When you have two legal opinions and they are contradictory opinions,
one is going to be right and one is going to be wrong. Fair Work Australia had advice to say that they could not do that directly. Ultimately they did achieve that result by going through the Commonwealth Director of Public Prosecutions, so the report and all the supporting documentation has in fact been provided to the police authorities in both New South Wales and Victoria. It did get there, but the problem we had is that Fair Work Australia felt constrained by their legislation in that they were not able to do that directly.

In part, the position is supported by Mr John Lloyd, who was the former Commissioner of the Australian Building and Construction Commission. At the hearing where Mr John Lloyd appeared, and I will talk about his submission in more detail later, he indicated that the act that governed his commissionership—the Australian building improvement act, I think it was called—specifically allowed for him as Commissioner of the ABCC to hand over investigative material and evidence to the police forces in the relevant states. So in many ways the fact that there were specific provisions in that bill to allow for that disclosure probably supports Fair Work Australia's position. But, again, I am not a lawyer—thank heavens, most people would say—and I do not want to get into which lawyer was right in the opinion that they gave. What is important is that the government has moved to clarify the situation to ensure that Fair Work Australia can provide any evidence it collects to the police. Again, that is something the opposition want to criticise, but when we go and do it they criticise us for doing it too. It seems you cannot win with this opposition. You are damned if you do and you are damned if you don't.

This issue itself was the subject of a further Senate estimates hearing and Senator Abetz talked about the fact that Mr Doug Williams had said in a memo that there should be an ability to provide some information arising from the investigation to the police. This was portrayed by Senator Abetz and others through the press as a 'smoking gun'. As chair of that committee in estimates, I recalled Fair Work Australia at the request of the opposition to answer more questions about that detail. The smoking gun turned into an empty water pistol. That is all it was. There was no smoke; there was no gun. It was an absolute fizzer. There were three hours of questioning about the smoking gun, as it was portrayed, and it was an absolute fizzle. When the officers were asked about that issue, they answered the questions and left the opposition absolutely flat-footed and with hollow accusations that went nowhere. Senator Abetz now complains, 'Why didn't the press follow that matter and other matters more fully?' It is because the press were watching too and they saw it was a no smoking gun. It was a complete beat-up. The officers acted appropriately in every instance and that was obvious to everyone who was watching the committee. It is important to understand that Senator Abetz wants to argue, as other people who submitted to the committee argued, that registered organisations should be treated the same way as corporations. It has to be understood that these are constitutional matters—again, reminding people I am not a lawyer; I will not give constitutional advice about trading corporations. Even some of the people on the other side will understand that registered organisations are very different to corporations that trade for profit. Unions are organisations that exist to serve their members.

Senator Cash: Oh, really?
Senator MARSHALL: Yes, really, Senator Cash.
Senator Cash: Or to rob them blind.

Senator MARSHALL: If you had any understanding of unions or anything else to do with industrial relations, you would not be so quick to step in with your mocking contributions. You really know very little about these matters at all. Just because you are over the other side and somebody has given you a speech to read out to filibuster for the rest of the evening certainly does not mean that you or many of your colleagues do know about these matters. I see the guilty look on your face; did I get it in one?

The ACTING DEPUTY PRESIDENT (Senator Cameron): Senator Marshall, address your comments through the chair.

Senator MARSHALL: Through you, Mr Acting Deputy President, I think I hit it in one. Someone has given Senator Cash a speech to read out here to filibuster for the rest of the day so that, again, the opposition can get up and complain that, 'We have had 20 speakers on this bill and we do not have time for a committee stage.' For these sorts of bills on any other occasion you would have a couple of speakers and you would support the government because you know the government is actually doing the right thing.

Just for your edification, Senator Cash, let me explain to you how unions are not-for-profit organisations. They do not operate for the purpose of having business or trading at a profit. In the end, the Corporations Law is fundamentally designed to regulate businesses that turn a profit or, even if they are not-for-profit businesses, are otherwise engaged in trading. Unions do not participate in businesses. They are not a business. Unions do not have shareholders and they do not have customers. They have members. Accountability and transparency need to be delivered back to members. That is best done by specialist legislation. It is how it has always been done in Australia. It is best done by having a regulatory regime that is focused on the specific nature of an industrial organisation.

The argument that the opposition runs is that we should, in fact, have registered organisations governed by the Corporations Act. It has millions of businesses within it, but it will somehow deliver greater accountability and greater regulation than a specialist regulator that simply deals with the fewer than 200 registered organisations in this country. It makes no sense and it is illogical to suggest that regulation of registered organisations would be better dealt with under the Corporations Law. It clearly would not. It is simply another furphy.

We also heard Senator Abetz refer to a number of organisations that could have appeared before the committee. He mentioned the MBA. But the Liberal Party only asked for three people to appear before the committee. They asked for Mr Doug Williams, a member of the HR Nicholls Society, they asked for Mr John Lloyd, a member of the HR Nicholls Society, and they asked for Stuart Wood QC, a member of the HR Nicholls Society, to appear. Maybe we could have just asked the HR Nicholls Society to appear in its own right instead of having members of the HR Nicholls Society appear. It was then left to the government members of the committee to actually ask employer organisations and unions to appear. It was left to the government senators to ask for registered organisations to appear. So, in the end, it was the government members of the committee that invited ACCI, the AiG and the ACTU to appear.

The one member of the HR Nicholls Society that took up the offer to appear was Mr John Lloyd. Mr John Lloyd's evidence was quite interesting, but the fact that he came to lecture the Senate on how registered
organisations should govern themselves got a bit problematic for him at the end of it. Mr Lloyd, a prominent member of the HR Nicholls Society, is now a director of the IPA, a right-wing conservative think tank. He was telling the Senate how registered organisations should govern themselves. But when I asked him, 'Who are members of the IPA?' he said: 'They are just people who agree to membership. They are people from anywhere in Australia. They can just donate money. Anyone can join and donate money.' I asked, 'Is it a company?' He said: 'I'm not too sure how it is set up. There is a board of the IPA. I think it is just an organisation. It is not a company, I do not think, but I am not sure of that.' I said, 'You are a director of the IPA and you do not know how it is set up.' Mr Lloyd said: 'I know there is a board. I do not think there is a corporate structure.' Here was a director of the IPA lecturing the Senate on how registered organisations should be set up, but he does not even know how an organisation that he is a director of is governed. He does not know whether it is a company. He does not know whether it is an organisation. He does not know what it is. If you do not know what a company or an organisation is that you are a director of, how do you know what rules govern it? How do you know how to govern yourself? How do you know what rules govern that?

Here was a guy, the HR Nicholls Society champion, John Howard's Work Choices spear thrower, coming here while not knowing how his own organisation is governed. The hypocrisy of the people who the Liberal Party get to come and run their political agenda before Senate committees is absolutely breathtaking. Mr John Lloyd needs to get over himself. He needs to work out how his own organisation is governed and what legal rules apply to it before he comes lecturing us about what we are doing in this place.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (14:00): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to the fact that each tonne of aluminium produces around 16 tonnes of carbon dioxide and that under a $23 a tonne carbon tax our aluminium sector will face a $368 per tonne additional marginal cost. With aluminium prices around $1,800 per tonne, the carbon tax will in effect make Australian aluminium smelters 20 per cent less efficient than smelters overseas. Given that the government claims that a cost impact of this severity did not cause the 244 job losses at Kurri Kurri or the difficulties currently being experienced at Alcoa's Point Henry plant, what other industries does the government believe can suffer a 20 per cent deterioration in their international competitiveness and not lose jobs overseas and still thrive?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:01): I thank Senator Joyce for his question. First, in relation to aluminium, as I said yesterday, notwithstanding the attempt by those opposite to make political capital out of the difficulties in the aluminium sector, we on this side understand the pressures on the aluminium sector. As I referred to in the context of Alcoa yesterday, these pressures relate to the current global market and the price of aluminium on that market and the high dollar, which is having an impact on this sector and on a number of others.

Rather than go into a detailed discussion of aluminium, I will address the question at the heart of it, which goes to the longer term
issue of jobs across Australia. I will make the point in relation to aluminium that, because we are concerned to ensure that we manage the transition to a clean energy economy, the aluminium sector is entitled under the government's clean energy package—as I outlined yesterday—to a very substantial provision of free permits for the core smelting activity. That means that the effective carbon price on those activities is not the amount that Senator Joyce raised but is in fact $1.30 per tonne, which is obviously substantially less than $23 per tonne.

On the broader proposition about jobs, I again make the point that this government intervened to support jobs. While we have been in government, over 800,000 jobs have been created in this country. At a time when we have seen most advanced economies going backwards, Australia has created jobs—no thanks to the opposition, who not only opposed stimulus but are also intent on a scare campaign. I remind the senator that the modelling shows that we can increase jobs with a carbon tax. (Time expired)

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (14:03): Mr President, I ask a supplementary question. I acknowledge that the government accepts that they have put pressure on the aluminium industry.

The President: Senator Joyce, you should come to a question. Statements are not permitted.

Senator Joyce: My question is again to the Minister representing the Minister for Climate Change and Energy Efficiency. I acknowledge that the government accepts that they have put pressure on the aluminium industry. Given that Australia has around one-third of the world's bauxite and abundant reserves of coal and gas, all important inputs in aluminium production, and given that only eight per cent of the costs come from wages, under this modelling will the government accept that the sector will shrink by 50 per cent, putting out of work 16,700 people?

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:04): As I said yesterday and again in the answer to the primary question, when designing this clean energy package the government was very conscious not only of the aluminium industry but of other energy intensive trade exposed industries. That is why there is a substantial provision of free permits contained in the clean energy package. That is why the liability of aluminium smelters for a carbon price is reduced to around $1.30 a tonne and not the figure that Senator Joyce was bandying around in the primary question. The senator referred to modelling. I again remind him that the Treasurer modelling shows that you can put in place a carbon price and jobs will grow by 1.6 million, we can increase our incomes and we can increase the size of our economy. This evidence stands in stark contrast to some of the claims that are being made by those opposite, which are simply part of a scare campaign.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (14:05): Mr President, I ask a further supplementary question. Given that the government continues to blame the woes of the aluminium industry on the fact that the aluminium price is $1,800 a tonne and that the industry needs government assistance at that price, why didn't the Australian aluminium industry need government assistance in 2009 and 2005, when the aluminium price was also at that level?

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:05): I do not have a history of what the dollar was doing in 2005 and 2009 but I can hazard a guess that, given the post-float
average, it was probably lower over the period than it has been recently. Instead of trying to make political capital about the structural changes in our economy occurring as a result of the high dollar, if Senator Joyce really cares about jobs he should be constructive, and I invite him to be so. However, those opposite are not interested in doing anything except try to gain political capital out of people who work in industries that are struggling in the face of a high dollar. I for one find it extraordinary that people could claim to represent the community but simply come in here and try to make political mileage out of the fact that our economy is changing—and it would change regardless of which party was in government—because of what is occurring globally and therefore here in Australia. It is not a case that this should be answered by a scare campaign.

DISTINGUISHED VISITORS

The PRESIDENT (14:06): I draw to the attention of honourable senators the presence in the gallery of the Australian Political Exchange Council's 29th delegation from the United States of America. On behalf of all senators, I wish you a warm welcome to Australia and in particular to the Senate.

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Syria

Senator MARK BISHOP (Western Australia) (14:07): My question is to the Minister for Foreign Affairs, Senator Bob Carr. Can the minister update the Senate on Australia's response to the situation in Syria?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:07): This is a crisis that continues to shock and appal the international community. The UN estimates that more than 10,000 lives have been lost since March last year. The Assad regime continues to ignore its obligations under the six-point peace plan of the UN and Arab League joint special envoy, Kofi Annan. The Senate will recall that the essence of the peace plan is a ceasefire and a political dialogue. Syria's downing three days ago of a Turkish military aircraft reinforces the regime's willingness to provoke the international community. It is imperative that we intensify pressure on Damascus to stop a slow descent into civil war.

Australia continues to urge the UN Security Council to consider chapter VII action and impose international legally binding sanctions. Until this can be agreed by the Security Council, countries like Australia must do all we can through autonomous means. This week I announced a significant expansion of Australia's sanctions. These measures will restrict dealings with Syria's oil and petroleum and with the financial sectors, restrict trade in luxury goods, precious metals and gems, and restrict trade in equipment intended for monitoring or intercepting communications. We already impose an arms embargo. We also have financial and travel sanctions against 106 individuals and 28 entities. We plan to add further names to this list.

The European Union has overnight expanded its own sanctions including by adding new individuals and entities and the banning of insurance for arms shipments to Syria. The United States also has a robust set of measures in place. When I met the President of the Syrian National Council, Abdulbaset Sieda, I underlined Australia's commitment to the Syrian people. (Time expired)

Senator MARK BISHOP (Western Australia) (14:09): Mr President, I ask a supplementary question. Minister, we continue to hear reports of the worsening
humanitarian situation in Syria. Can the minister please update the Senate on the humanitarian dimension of this crisis and what steps the international community is taking to ameliorate the situation?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:09): According to the UN Refugee Agency, almost 80,000 refugees have fled to Lebanon, Turkey, Jordan and Iraq. The UN estimates that as many as 1.5 million people are in need of assistance, including over half a million internally displaced people. Australia has been at the forefront of international efforts to respond to this crisis, having contributed $11 million in humanitarian support. This has helped international organisations to provide medical supplies and evacuate the wounded. It has helped the World Food Program to provide direct food assistance to half a million Syrians. Also, it has helped the UN increase humanitarian access for aid and providers. Australia is now the fourth largest humanitarian donor to the UN Syria Emergency Appeal. The Australian government will continue to show international leadership in responding to the needs of the Syrian people.

Senator MARK BISHOP (Western Australia) (14:10): Mr President, I ask a further supplementary question. As the minister has noted, the crisis has been ongoing for over one year now and as yet no realistic prospect for a resolution appears to be in sight. Can the minister advise the Senate on what is needed to encourage further action by the UN Security Council?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:11): Yesterday I argued that Russia is the key to facilitating political transition in Syria. Russia has a relationship with the Assad regime. It has of course so far resisted UN Security Council measures. However, this places a particular onus on Moscow to use its influence to persuade Moscow to move aside and usher in an inclusive political transition. Russia has an opportunity to demonstrate that it is a global power prepared to show leadership and help resolve this crisis.

The Arab League continues to demonstrate strong leadership, having first proposed a peace plan earlier this year. The Gulf Cooperation Council assisted a transition in Yemen. Australia is willing to support any constructive international efforts to resolve the crisis in Syria. Any such effort should, however, support the UN Security Council's primary responsibility to take collective action. (Time expired)

Carbon Pricing

Senator CORMANN (Western Australia) (14:12): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. Is the minister aware that 97 per cent of the world's carbon trading volume takes place within the European Union Emissions Trading Scheme, where carbon permits are currently trading at around €7, or $9, and that very generous transitional assistance arrangements were provided to carbon price payers in Europe, starting with 100 per cent free permits for emissions-intensive, trade-exposed industries? Also, is the minister aware that, according to research by the major global investment bank UBS, the European emissions trading scheme has cost European consumers $287 billion for, and I quote, 'almost zero impact on cutting carbon emissions'? Why does the Gillard government persist with a carbon tax in Australia that imposes a cost of $23 per tonne of carbon emissions—and rising—which is more than double the European price and makes Australian businesses less
competitive than even their competitors in Europe?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:14): It is groundhog day here in the Senate and it has been for some time. I think I have had precisely that question a number of times from different senators, possibly even the senator in question. I would have to say that at some point they might have to say something different. All they do at the moment, over and over again, is tell everybody that the world is going to end. We will know on Sunday, won't we, whether or not we are going to have parts of Australia obliterated, industries destroyed, the death to manufacturing, Whyalla disappearing off the map and all the various other things they have said.

The PRESIDENT: Senator Wong, you need to come to the question.

Senator WONG: On this occasion, Mr President, I do agree with you. When it comes to the EU carbon price, about which I was asked, I would make the point that despite the fact that Senator Cormann appears to have airbrushed the global financial crisis from the economic history records, he would be aware that there is a wider set of economic circumstances in Europe which is obviously reflected in a range of prices, including the carbon price. We have not seen a market price which has not been affected by these conditions and it is unsurprising that prices in terms of the carbon units in Europe are also affected. We know that the European price has moved around. We saw it above $A23 for most of 2005 to 2009 but I would say to those opposite that whatever the criticisms Senator Cormann might have of the European scheme—and we believe we have certainly made improvements on that scheme—they are nothing compared to the criticisms that economists would make of the scheme he supports. The scheme he supports is a taxpayer funded, bureaucratically driven grants program. (Time expired)

Senator CORMANN (Western Australia) (14:16): Mr President, given the minister's answer, I ask the following supplementary question. Is the minister aware that this USB research also found that had the $287 billion which the European ETS cost instead been invested in direct action to replace the EU's dirtiest power plants, emissions could have been reduced by 43 per cent instead of having almost zero impact on the back of emissions trading? Does that finding not demonstrate that well-targeted direct action is more cost-effective than Labor's great big new carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:16): The answer is no and there is a reason why no credible economist has lined up behind the coalition when it comes to their direct action plan—not a single one.

Senator Cormann: That is just not true.

Senator WONG: Name one, Senator Cormann.

The PRESIDENT: Senator Wong, ignore the interjections. You should address the chair.

Senator WONG: I was invited, Mr President. We are still waiting. There is a deathly silence on that side because everybody knows that what they have signed up for is a taxpayer-funded, grants based scheme run by a bureaucracy. Who would have thought that the party of free markets, supposedly the Liberal Party, does not like a price signal but wants a bunch of bureaucrats here in Canberra to dole out money? So we would take money from punters, money from Australian households and we give it to Canberra to dole it out. That is your policy, Senator Cormann.
Honourable senators interjecting—

The PRESIDENT: Order! Debating across the chamber at this time is disorderly.

Senator CORMANN (Western Australia) (14:18): Mr President, I ask a further supplementary question. Why would the Gillard government persist with following the European bureaucratic example on pricing carbon when clearly that has been a recipe for disaster for both the European economy and European consumers?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:18): Why would the Gillard government persist with pricing carbon, which was the advice received by Prime Minister Howard? Why would the Gillard government insist on pricing carbon, which was the policy the Liberal Party took to the election in 2007? Why would the Gillard government insist on pricing carbon when we know that Mr Turnbull and others on that side, honest enough—

Honourable senators interjecting—

The PRESIDENT: Order! The time to debate this is at the end of question time. The minister is entitled to be heard in silence.

Senator WONG: Why would we persist with pricing carbon when those on that side who are honest enough to tell the truth have also said it is the most efficient way? The real question here, Mr President, is why those on that side have signed up to the same targets as the government—

Honourable senators interjecting—

The PRESIDENT: Senator Wong is entitled to be heard in silence.

Senator WONG: The real question is why those opposite have signed up to the same target but are persisting with a policy which costs taxpayers more, costs Australians $1,300 more in tax for every household in this country. That is the policy of the Liberal Party and the National Party. (Time expired)

Live Animal Exports

Senator RHIANNON (New South Wales) (14:20): I direct my question to the Minister for Agriculture, Fisheries and Forestry. My question relates to breeder livestock exported from Australia to overseas countries, such as dairy cows exported to China, which are not currently covered by the new Exporter Supply Chain Assurance System and which face eventual slaughter in overseas abattoirs which use the cruel practices exposed by animal rights activists. Considering that the Farmer Review of Australia's Livestock Export Trade recommended that the government clarify the position on additional conditions for the trade in breeder livestock animals and that the ESCAS for slaughter of livestock will be fully in place by the end of the year, can you commit to including breeder livestock in the ESCAS sometime in the near future and will you include those countries that Australia exports breeder livestock to which are not currently in the ESCAS such as China and Mexico?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:21): I thank Senator Rhiannon for her interest in the live animal export industry. In 2011, I commissioned the first complete review of the export of Australian livestock. This review made a number of recommendations, which this government accepted. Many of those recommendations have already been acted on, such as the rollout of the Exporter Supply Chain Assurance System and the review of Australian standards for the export of livestock.

The new framework for exports requires evidence that animals will be processed and
handled in accordance with internationally agreed standards and also enables the continuation of the highly valuable trade by placing it on a sustainable footing and by ensuring that the Australian livestock industry meets the community's expectations. The framework provides an increased level of transparency and accountability from the point of export to the point of processing, and exporters must show they have a supply-chain assurance system that delivers internationally agreed standards of control, traceability and independent auditing.

Mr Farmer, in his review, also made a recommendation that the federal government should look at the conditions for the export of breeder animals and determine if any further conditions should be placed on this trade. As part of the government's response to the Farmer review recommendations, we will review conditions for the export trade in breeder livestock. The review found that breeder animals are a different class of animal from feeder or slaughter livestock and are exported for different purposes. They are inherently more expensive animals, and they are intended to improve the productivity and genetic pool of livestock in the importing country and to maximise returns on the initial investment.

(Time expired)

Senator RHIANNON (New South Wales) (14:23): Mr President, I ask a supplementary question. Senator Ludwig, thank you for your response. You said there would be a review of the conditions with respect to breeder livestock; when will that occur, and will it be publicly released? And can you reassure the Australian public that cattle being exported to Indonesia right now—in the category of breeding animals—are not being slaughtered at inappropriate and inhumane slaughterhouses?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:23): All of these matters will be provided publicly once we have followed through on what I indicated is a review of the conditions. We have continued to ensure transparency. At the end of any import quarantine period, it is important to realise, breeder livestock are often sent to different markets from those which feeder or slaughter stock are sent to. China, Mexico and Russia are three major markets for breeder cattle; few slaughter cattle are sent to those markets. Again, at the end of any import quarantine period—that is, for breeder cattle—any breeder animals will have the same health status as the local herd and may freely move within the importing country. For that reason, breeder animals tend to be held for a number of years prior to their eventual death. In terms of Indonesia, it is a quickly developing country with growing numbers of breeder cattle. It is increasing the demand for their own livestock—(Time expired)

Senator RHIANNON (New South Wales) (14:24): Mr President, I ask a further supplementary question. Minister Ludwig, thank you for your response, but I ask again: when will the review be released? And is your vagueness about when the review will be released because there is a potential loophole that can be exploited here, whereby one set of animal welfare standards applies to export animals headed for slaughter yet industry is exempt from meeting those same standards for exported breeder animals?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry and Minister Assisting on Queensland Floods Recovery) (14:25): I do not accept the premise of the question that has been put by Senator Rhiannon. It is a valuable trade. Breeder cattle are different from slaughter and feeder cattle. Clearly, they are there to build up domestic herds'
genetic pool, plus provide animals over a longer period. They are usually there until their death. Many in fact do not end up in a slaughter yard because they may suffer a different fate in a particular cattle yard. What I can say, though, is that we continue to look at this issue, and when the review is finalised we will obviously make it public. But it is important to go back to the Greens on this issue and ask them if they will commit to continuing this valuable trade. It is one that has a bright future. It is one that supports hundreds of jobs in the north and continues to play a vital role in the Top End. (Time expired)

Carbon Pricing

Mining

Senator SMITH (Western Australia) (14:26): My question is to Senator Wong, the Minister representing the Minister for Climate Change and Energy Efficiency. 

Honourable senators interjecting—

The PRESIDENT: Order! Senator Smith, ignore the interjections around you.

Senator SMITH: I refer the minister to the impact of Labor's carbon tax and mining tax on the community of Kalgoorlie-Boulder in the Western Australian Goldfields region.

Government senators interjecting—

The PRESIDENT: Order! Senator Smith, ignore the interjections around you.

Senator SMITH: Has the government calculated the costs—

Government senators interjecting—

The PRESIDENT: Order! Order on my right! I will give Senator Smith the call when there is silence. Order on my right! Senator Smith.

Senator SMITH: Has the government calculated the costs that will be imposed on households and businesses following the introduction of the carbon tax and the mining tax, as well as increases to local council rates, given that the council has been named and shamed as a big polluter by the Gillard government's carbon tax cop?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:29): I thank Senator Smith and congratulate him on his first question in this place. He is a senator from a state which is certainly enjoying a substantial investment boom, and the Kalgoorlie-Boulder and Goldfields region is no exception to that. I assume he would know this region very well and would know we have a very substantial amount of investment going into that region, into Western Australia more generally and into this country. If you look at the recent figures for investment in the resources sector, that pipeline has continued to increase notwithstanding the mining tax and carbon tax scare campaign. From memory—I could be wrong and I will correct this if I am—between 2010 and 2012 investment in the resources sector has increased 2½ times. One would have thought that sort of multiple would suggest that the scare campaign about there being an investment strike in the resources sector as a result of the mining tax and the carbon price is simply false.

I am asked about price increases, and as the senator might have heard previously the government has modelled price increases. The CPI impact will be substantially less than was the CPI impact for the GST—about 0.7 per cent—and the government is ensuring it provides substantial assistance through tax reform and increases to pensions. Senator Smith might like to know that from 1 July we will also see a tripling of the tax-free—

Honourable senators interjecting—

The PRESIDENT: Order! Senators wishing to carry on a conversation can go outside the chamber. I need to hear the
minister, and Senator Smith is entitled to hear the answer to this question.

Senator WONG: Thank you, Mr President. As I was saying, we are reforming the personal income tax thresholds, tripling the tax-free threshold. This will give Australians earning up to $80,000 a year a tax cut. We are also increasing various government payments such as the pension.

Senator SMITH (Western Australia) (14:31): Mr President, I ask a supplementary question. Is it not the case that the government’s compensation package will assist households to meet the 12.6 per cent increase in electricity charges for the first year only? How are Goldfields families expected to survive the added household costs of food, water, transport and council rates from day one and even higher power charges from 2013?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:32): If the senator is concerned about electricity prices he might have a chat to the Premier of Western Australia about the price increase seen there as a result of state government decisions. That is something he should raise with his colleague. In relation to what the government is proposing, I again remind him of the substantial assistance that we have committed to—it is permanent and the government will review the adequacy of the assistance each year and increase it further if necessary. In the 2011-12 budget and the 2012-13 budget this government is providing a very large amount of investment into regional investment—far more than when the doormats were in coalition government. There is far more investment into health and hospitals in regional Australia, investment into education in regional Australia and investment into the Regional Development Australia Fund, and there are priority employment area initiatives. So there has been substantial investment by this Labor government into regional Australia. (Time expired)

Senator SMITH (Western Australia) (14:33): Mr President, I ask a further supplementary question. Can the minister advise of any other punitive measures the government has in the pipeline to further penalise the families and businesses in the resource rich areas of Western Australia, including the Goldfields?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:33): I am asked about punitive measures. The punitive measures come from those on the other side who want to reverse the increase of the tax-free threshold—that is, give everybody in Australia earning under $80,000 a tax hike. That is the Liberal Party policy.

Senator Abetz: Ha, ha, ha!

Senator WONG: Perhaps Senator Abetz should have a chat to Mr Hockey, because that is what Mr Hockey has committed to—he will roll back the increase to the tax-free threshold. I suggest Senator Smith goes to Kalgoorlie and tells the people that, guess what, under Liberal Party policy anybody earning under eighty grand a year will get a tax hike because they are going to roll back the tax breaks, the increase to the tax-free threshold, that the Gillard government is rolling out. He should also say to pensioners in Kalgoorlie, guess what—the Liberal Party is going to claw back the pension increase that this government has put in place. Those are the punitive measures Senator Smith should be worried about.

Carbon Pricing

Senator THORP (Tasmania) (14:34): My question is to the Minister for Human Services, Senator Kim Carr. Can the minister respond to claims that operating medical
devices will be too expensive for people once the carbon price begins?

Senator KIM CARR (Victoria—Minister for Human Services) (14:34): I thank Senator Thorp for her first question. I hope she will enjoy a long and distinguished career in this chamber serving the people of Tasmania. The concerns that she has drawn attention to have been raised with my office by several callers in recent days following reports on the ABC. Let me assure the Senate that the government is deeply aware of the needs of the most vulnerable Australians. The rationale for our climate change policy is that pricing carbon will change people’s behaviour. We want to help people be prepared for the reality of a low-carbon world. The fact remains that some citizens need additional support.

Equity is Labor’s first concern. That is why the household assistance packages include a special $140 payment for people who need to use essential medical equipment at home. That is on top of the $1.3 billion in clean energy advances that have been sent to 6.5 million bank accounts since May. If people require two devices or if they live in two houses, they can claim the payment twice. The new entitlement will be paid every year, indexed annually against the CPI. All they need to do is make the initial claim. It is vital for this message to break through the fear mongering and the lies of the opposition. Let us not forget: this is about children and other people with serious medical conditions; about people using heart pumps, respirators and dialysis machines. It is about people who are paralysed or affected by stroke who need to heat their homes. This is practical assistance for them. (Time expired)

Senator THORP (Tasmania) (14:37): Mr President, I ask a supplementary question. Can he advise the Senate how the government has taken into account the needs of older Australians?

Senator KIM CARR (Victoria—Minister for Human Services) (14:37): This is a group the coalition want to target with their fear and smear campaign. The government is absolutely committed to assisting older Australians. It is the opposition that wants to withdraw support from older Australians. Let me enlighten those opposite about the measures they have opposed. The clean energy advances have already arrived in the bank accounts of age pensioners. Yesterday, people who receive the seniors supplement also saw their payments. The supplement is open to people with a Commonwealth seniors health card, including self-funded retirees. There are separate arrangements to look after people living in aged-care homes. I encourage seniors to contact the Department of Human Services for any assistance they require to ensure they have received those payments—or they are welcome to contact the office of their local Liberal member and ask them, ‘Why do you oppose these payments?’ (Time expired)

Senator THORP (Tasmania) (14:38): Mr President, I ask a further supplementary question. Can the minister inform the Senate what is being done for families who do not receive pensions or benefits but make do on a low income?

Senator KIM CARR (Victoria—Minister for Human Services) (14:38): Once again, the government is providing for these families. For a start, we have tripled the tax-free threshold. That means that one million people will no longer be required to lodge a tax return and that there will be a tax cut for anyone earning less than $80,000 per year. This is money in the bank for families who are doing it tough. On top of that support, there is a general low-income supplement for
low-income householders who do not receive sufficient assistance through other measures. There is an annual tax exempt payment of $300 and claims against this can be submitted from 1 July this year. There are also specific payments for single parents or families with only one breadwinner. If household income is less than $150,000, they can apply for up to $300. It will be delivered automatically to any families receiving the family tax benefit. Other families simply need to lodge a claim. This is the reality.

(Time expired)

Carbon Pricing

Senator EDWARDS (South Australia) (14:39): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to the Department of Climate Change and Energy Efficiency's report entitled Energy use in the Australian government's operations 2009-10. Is the minister aware that the report showed that energy use and intensity in the Department of Finance and Deregulation has grown by nearly 28 per cent from 1999-2000 levels? How does the minister expect average Australians to reduce their energy use when her own department cannot manage theirs?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:41): I thank the senator for his question and welcome his new-found interest in energy efficiency, which I am sure will be very useful in the coalition party room. I do not have a copy of the report to which he refers with me, but I am sure he has studied it in great detail for the purposes of drafting this question. The 2009-10 report on energy efficiency in government operations outlined, I understand, government department energy use against voluntary targets. It shows that, whilst there has been an increase in energy use, we are in fact using less energy per person for light and power in 2009-10 than in the previous decade. Overall, energy use within Australian government operations is 25 per cent lower than it was in 1999-2000.

The senator might also like to be informed that around three-quarters of government energy use is by the Department of Defence. This includes defence operational fuel, which, I am advised, accounts for over half of Australian government energy use. The 11 per cent rise in total energy use in the period 2008-09 to 2009-10 was largely due to an increase in defence operational fuel.

In relation to my own department, I do not have detailed figures in front me. I would have to have a look at what the baseline of that was and what additional functions have been added to the Department of Finance and Deregulation over the period of my two predecessors, Senator Minchin and Mr Tanner.

Senator Ian Macdonald: So it is their fault!

Senator WONG: No, I am simply saying that we might have more people employed, Senator Macdonald. My recollection is that there were a range of functions added to the department, perhaps under Senator Minchin. But I will find out about that issue and come back to the senator if I obtain any further information.

Senator EDWARDS (South Australia) (14:43): Mr President, I ask a supplementary question. I refer the minister to the fact that the report—that same report—also showed that energy use and intensity in the Department of the Prime Minister and Cabinet grew by nearly seven per cent from 2008-09 levels. If the Prime Minister cannot control her own department's energy use, why should she expect Australian taxpayers to shoulder the entire burden of this suffocating carbon tax?
Senator WONG (South Australia—Minister for Finance and Deregulation) (14:44): That was more about making a political statement and engaging in rhetoric than it was a question. I do not think anyone in this chamber seriously thinks Senator Edwards was asking me for any information. He is making a political point.

The political point I make in response to that political point is this: if you care about suffocating policies, surely a $1,300 tax on every household in Australia—which is what you are proposing—is far worse for the economy and far worse for Australian households. Surely, reducing the incentive to work by increasing taxes on those earning under $80,000 is precisely the sort of suffocating economic policy that you would think the Liberal Party would oppose, but no. This is their policy. The senator can come in here and again try to run a scare campaign tactic when it comes to carbon pricing, although I now note it is 'suffocating' as opposed to some of the more outlandish claims, but the fact is, his policy will cost more. (Time expired)

Senator EDWARDS (South Australia) (14:45): Mr President, I have a further supplementary question. Given that the report also showed that the total Australian government energy use and intensities rose by 11.45 per cent from 2008-09, can the minister confirm whether the government has calculated the extra cost to taxpayers from this government’s own spiralling emissions during the planning of this pointless tax? If the Australian government cannot get its own house in order, is it not hypocritical to expect everyday Australians to do the same?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:45): We have a comedian in our midst, clearly. If the senator had listened to my first response, I actually gave him the 11 per cent in my first answer—that is the problem with getting a supplementary that someone else wrote, without listening to the answer. The second point I would make about hypocrisy is the hypocrisy of those opposite worrying about costs and jobs as they support a policy that taxes people more and taxes low-income Australians more. That is their policy. I make this invitation to the senator. He is from my state of South Australia: I invite him to go to Whyalla on Sunday or Monday and have a look if it is still there, because I reckon it will be. But that is the town that is supposed to be wiped off the face of the map according to you and your disgraceful, ridiculous scare campaign.

Great Barrier Reef

Senator WATERS (Queensland) (14:47): My question is to the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, Senator Conroy. This week, the World Heritage Committee is meeting to discuss UNESCO’s draft decision about the state of our Great Barrier Reef. The draft decision says the reef is on track for World Heritage in Danger listing—

Honourable senators interjecting—

The PRESIDENT: Order! Wait a minute, Senator Waters. You are entitled to be heard in silence. There is talk going on on both sides of the chamber. It makes it difficult to hear.

Senator WATERS: Thank you, Mr President. The draft decision said that the reef was on track for World Heritage in Danger listing within eight months if current developments proceed. It said there should be no new ports, no port expansions that would harm the values of the reef, no new development approvals before the strategic assessment of the reef is finished, and that

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independent science is needed into the Gladstone harbour—

Opposition senators interjecting—

Senator WATERS: Excuse me, Mr President, this is ridiculous.

Honourable senators interjecting—

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

Senator WATERS: Thanks, Mr President. Given this slap in the face, will the minister now do as UNESCO asks and put a moratorium on new development affecting the reef and stop approving the frenzy of dredging—

Senator Ian Macdonald: Let UNESCO run Australia.

Honourable senators interjecting—

The PRESIDENT: Order! Senator Waters, cease asking your question because there is noise which prevents me from hearing the question, which is not fair to you and not fair to the minister who has to answer the question.

Senator WATERS: Will the minister now do as UNESCO asks and put a moratorium on new development affecting the reef and stop approving this frenzy of dredging, dumping and shipping for coal and coal seam gas to avoid the international embarrassment of a World Heritage in Danger listing?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:49): I thank the senator for her question. The Great Barrier Reef is one of the world's greatest treasures. It is one of Australia's most significant environmental places and has been recognised as one of the healthiest coral reef ecosystems and best managed marine areas in the world. The Gillard government is acutely aware of the challenges facing the reef, such as climate change and the impacts of coastal development. The threats to the reef and the issues impacting on it, highlighted in the mission's report and the draft state of consultation report, are clearly acknowledged in the outlook report of the Great Barrier Reef prepared by the GBRMPA in 2009. While these issues are complex—

Senator Fifield: What does that stand for, Stephen?

Senator CONROY: we are committed—Great Barrier Reef Marine Park Authority, for you—to addressing them.

Opposition senators interjecting—

The PRESIDENT: Senator Waters is entitled to hear the answer to the question. Those on my left will remain silent.

Senator CONROY: While these issues are complex, the government is committed to addressing them through a range of approaches both on land and in the marine environment. The UNESCO mission in March acknowledged that our management of the Great Barrier Reef World Heritage area is still considered to be best practice. The state of conservation report also made some recommendations for the comprehensive strategic assessment of the Great Barrier Reef currently being undertaken by the Australian and Queensland governments. This will be by far the largest and most comprehensive and complex assessment undertaken in Australia, and is still in its early stages. Minister Burke welcomed the mission's feedback when they were here in March. (Time expired)

Honourable senators interjecting—

Senator WATERS (Queensland) (14:52): I am so pleased the chamber is so excited
about the Great Barrier Reef—that is wonderful. Mr President, I have a supplementary question. Given that our reef is being treated like a coal and gas highway, having its guts ripped out by mass dredging—

Opposition senators interjecting—

Senator WATERS: It is, guys; I hate to tell you.

Opposition senators interjecting—

The PRESIDENT: Order!

Senator WATERS: and being used as a rubbish tip for offshore dumping, when will the federal government enable the strategic assessment to which the minister referred to actually stop current development proposals in the reef, and when will it reverse its decision to give Premier Newman power over the reef once the strategic assessment is done?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:54): I utterly reject the premise of that question. Let me be very clear: I reject the premise. As I was saying, the minister welcomed the mission's feedback when they were here in March and it will be taken into account when finalising the terms of reference of the strategic assessment. There were no surprises in either report's findings to the Australian government. The threats to the reef highlighted in the reports are clearly acknowledged in the Great Barrier Reef Outlook Report that was prepared by the Great Barrier Reef Marine Park Authority in 2009. UNESCO continue to acknowledge that the government's management of the Great Barrier Reef World Heritage area is considered to be international best practice in many areas. We do not just operate on the basis of text messages being sent around the place. Let us be clear: the mission report recognised the excellence of many aspects of the management— (Time expired)

Senator WATERS (Queensland) (14:55): Mr President, I have a further supplementary question. What is the environment minister doing about Clive Palmer's proposals to dump millions of litres of contaminated water from his Yabulu nickel refinery into the Great Barrier Reef World Heritage area, despite installing a wastewater treatment plant seven years ago which was meant to avoid the tailings dams overtopping? Is the minister really going to let Clive Palmer turn the reef into his own personal rubbish dump?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (14:55): The government are aware of the importance of preserving water quality throughout the Great Barrier Reef Marine Park. The Great Barrier Reef Marine Park Authority's proposed approach has the government's full support. The matter can best be resolved through a transparent, comprehensive and cooperative consideration of the alternatives to the disposal of this untreated water, including the option of discharging treated water from the tailings dams. QNPL does not have a Great Barrier Reef Marine Park permit to discharge waste water from the tailings dams. If there is anything further that the minister would like to add, I will take that on notice.

Carbon Pricing

Senator BOSWELL (Queensland) (14:56): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to reports that the Teys Australia meat group could shut one of its
Queensland meatworks for several weeks so that it would not qualify for the government's 25,000-tonne threshold for paying the carbon tax. Does the minister concede that Australian businesses are having to take drastic actions to avoid paying the increased costs from the toxic carbon tax? Why should Australian businesses miss out on several weeks production and meatworkers miss out on several weeks of pay because of the government's inept design for a carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:57): I thank the senator for the question. I think he, or perhaps it was Senator Williams, has previously asked me about abattoirs. I am advised that Minister Combet has met with a number of industry participants as well as the Australian Meat Industry Council to discuss the meat-processing sector and their opportunities under the government's policy package. I am also advised that officials from the Department of Climate Change and Energy Efficiency have visited a number of sites to explain the details of the government's policies, including Bindaree Beef in Inverell and the JBS Australia plant in Dinmore, Queensland.

I understand many meat processors have already investigated opportunities to become more energy efficient and reduce emissions from their sedimentation ponds. Opportunities would include capturing methane from these ponds to generate electricity, which would reduce the need to buy grid electricity and would create renewable energy certificates. Some meat processors will be able to take sufficient actions to fall below the thresholds for direct emissions, which will significantly reduce their exposure to a carbon price.

The senator might also be aware of the government's $200 million Clean Technology Food and Foundries Investment Program, which is intended to provide grant funding for investment in equipment and processes to reduce emissions and increase energy efficiency. The government continue to work with the meat processing industry to ensure it achieves the best outcomes throughout this industry, and we are considering some of the issues raised. Regrettably, I think that the senator is probably not interested in the other answer to the question: that he would be aware of what the Treasury modelling shows in terms of not only the increase in jobs but also— (Time expired)

Senator BOSWELL (Queensland) (14:59): Mr President, I ask a supplementary question. I refer the minister to reports in the Sunday Telegraph that other meatworks may also be considering temporary shutdowns to avoid the tax. Is the government aware of any other meatworks considering this action, and if so will the government be prepared to again make changes to its carbon tax and provide relief to these meatworks as well?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:59): As I said, the relief or the assistance the government is providing includes the $200 million Clean Technology, Food and Foundries Investment program to provide meat processors with grants to help with the cost of installing new equipment and technology to reduce emissions. I have also referenced the potential for capture of methane from sedimentation ponds and utilising that to generate electricity, which, of course, would itself generate a Renewable Energy Certificate—that is, another income stream. So there is a range of mechanisms, Senator, which are available and, as I understand, the department has been engaging with the sector on these issues.
Senator BOSWELL (Queensland) (15:00): Mr President, I ask a further supplementary question. Can the minister explain why the government is putting at risk tens of thousands of meatworkers’ jobs whose livelihood depends on the future of the meat-processing industry by introducing the world's biggest carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:00): I will not go through again, because I have gone through in great detail on many occasions, the response to the false proposition in relation to the carbon price. I would refer the senator again to the assistance for the industry that I have outlined in previous answers.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (15:01): I move:

That the Senate take note of the answers given by the Minister for Finance and Deregulation (Senator Wong) to questions without notice asked by Opposition senators today.

They talk about a spring in their step. I do not think there is much spring in the step of the Australian economy at the moment. There is not much spring in the step of aluminium workers at the moment. I do not think there is much spring in the step of the meatworkers of Australia at the moment. In fact, I do not think there is much spring in the step of those who are working in the fourth estate, in the media. There is not much spring in the step going around at the moment, because of the complete and utter incompetence of people such as Minister Wong and the ludicrous position that we are now modelling the loss of Australian jobs. We have someone who is supposed to represent the Construction, Forestry, Mining and Energy Union—Minister Wong. What a joke! What a ludicrous proposition that she would represent any of those unions or any of those people. What is it that she is doing for the construction workers of Australia? What is she doing to the price of aluminium? What is she doing for the price of steel? What exactly is she doing to the Australian economy? What does she care? That is the point.

When was the last time we heard them talking about helping forestry workers? When was the last time their representative, who is now walking out the door, was going to help forestry workers or mining workers or energy workers in this nation? They do not care about it. They have evolved into a higher species; they are beyond looking after workers nowadays. It does not matter anymore. They now look after the eyrie realms of the inner suburbs. They do not care if in their own modelling we are faced with the loss of over 16,000 jobs in the aluminium industry. But what does it matter? Why are we doing this? We are doing this because on a certain day a certain prime minister, Prime Minister Gillard, sat in front of the registry book with Senator Bob Brown—he had a bit of wattle in his lapel. It was such a beautiful day; they had the support of their coterie. In the bridal party behind them stood Tony Windsor—I do not know what he was; perhaps the second best man—and Mr Rob Oakeshott, who looked like he just came out of a cave with a big beard. They all stood around, looking so happy. They were happy that they had just signed the death warrant for large sections of Australian manufacturing.

There is not much spring in the step of people who have been decimated by the live
cattle trade. There is not much spring in the step up there in the Northern Territory. Perhaps it is a better gait, but still there is not much spring in the step. Then we had the small retailers. I have been talking to them. After you buy a shirt, they almost chase you around the block trying to sell you a pair of socks. Not much spring in the step there. We have been talking to the people of the Murray-Darling—in town after town they are thinking about their livelihoods that are about to be taken away. There is not much spring in the step there, either. But, apparently we have the Prime Minister coming out and saying, 'Don't worry about a carbon tax, because 850 million people in the world have one already.' It makes abundant sense with 7.05 billion people in the world; we just have to work out why the other six-plus billion people do not want one. It is all right, because even though 850 million people have got a carbon tax, apparently about 900 are still using camel dung as a mechanism for cooking. Maybe we should do that. It is just as logical. That is what it is all about. It is the Labor Party taking us back to the dark ages with the Greens, because the Greens told them to.

I know what is going to happen at the next election: we will see the Labor Party, they will all be wandering around like the burghers of Calais as a dance sculpture. They will be moping and gnashing their teeth—asking, 'Where did it all go wrong?' It might have been when they decided that they were more fascinated with the Manic Monkey Cafe of inner suburban Nirvanaville than with their own people, or the people who used to their people, the workers—when Labor used to care about the workers, people who worked for a living, those people out there with the reflecto jackets on. You should go and talk to them one day. They are sort of keen about keeping their house. They have a desire that they want to keep the dignity of having a job. They would not mind going fishing. But now you are waltzing with a group that wants to shut down the fishing zone and shut down forestry. What is your ideal town: Smithton in northern Tasmania with 30 per cent unemployment? Is that what you want? Shut down the manufacturing industry, shut down rodeos— (Time expired)

Senator SINGH (Tasmania) (15:07): Now that Senator Joyce has finished his metaphorical rant, we can put clearly on the record the care factor on this side compared to the care factor of Senator Joyce. The care factor of Senator Wong is 100 per cent compared to the care factor of Senator Joyce when it comes to workers, when it comes to climate change—in fact, when it comes to any policy that you want to name. The fact is that Senator Joyce and the coalition have refused time and time again to act on climate change, to act on so much of what is going to be introduced on 1 July that is going to provide support to Australian families, in the sense of tax cuts through the tax-free threshold. Something like the tripling of the tax-free threshold will be undone by those opposite. And you call yourself a friend of the worker, when those workers earning up to $80,000 will be worse off under the coalition because the coalition will end the tax-free threshold, let alone the increases to pensioners, let alone the increases to families receiving household assistance packages through our carbon tax reform package.

One thing we do know is that, come 1 July, a number of coalition senators and members—maybe all of them—will be burying their heads in the sand, because what is going to happen? The world is not going to end. The world is not going to end at all. Here they are throwing as much fear, as much smear, as much scaremongering that they can possibly throw. I have to give it to him: Senator Joyce does it so well through
the metaphorical rants that he continues to display, whether in this place or through the media, that we all have a bit of a giggle. We all have a bit of a laugh at Senator Joyce because he is pretty funny with his metaphorical rants, but it is all rubbish—it is absolutely rubbish! We all have a bit of a giggle at Senator Joyce because he is pretty funny with his metaphorical rants, but it is all rubbish—it is absolutely rubbish!

To think that the Australian people will just buy everything that you say—that they do not actually look beneath the very, very thin surface of what you are saying to realise that it is completely rubbish—just shows the contempt that you have for the Australian people and for their intelligence in knowing that we have got to act on the science of climate change. The science of climate change is that sea levels are going to rise and that agricultural land is going to degrade. We have got to act to support those sectors, and that is exactly what we are doing through this climate change package.

Let us think for a minute about what would happen if the coalition got their way. What would happen if the Direct Action Plan that they propose came into effect? One thing we already know, as Senator Wong has shared with us today during question time, is that there is not one economist out there that supports it. You have the support of zero economists, no economists, yet you continue on with your direct action package as though it is going to be the best thing ever compared to an emissions trading scheme, which the rest of the world is going with. Not only that, the direct action package is actually going to tax individuals, tax households. As opposed to taxing 500 of the biggest polluters in this country to ensure that they start changing their behaviour, in effect reducing our emissions, the coalition are going to tax individuals. What are they going to do with that tax? They are then going to give it to the big companies. They are going to do the reverse of what we are doing. Instead of this household assistance package, supporting families using the funds that we get from the biggest polluters, the direct action package is going to do the reverse. It is going to take from individual families and give to the biggest companies in Australia. What a joke. What a joke of a policy. It is the most convoluted, inefficient emissions reduction policy that I can think of. In fact, I would call the opposition's policy a Clayton's policy. That is what it is. The coalition are not willing to support any change that our economy or our communities need. (Time expired)

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (15:12): What a show we have seen here today from the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong, trying to convince us that the carbon tax is a great thing for Australia, that it is going to create jobs. There is just one question I have got for the minister. If this carbon tax is so good, why did the Prime Minister say before the last election that she would not give the Australian people a carbon tax? If this carbon tax is so good, why did the Prime Minister, Julia Gillard, say, ‘There will be no carbon tax under the government I lead’? It stands to reason that we might question that, colleagues. Here we are being told today by the minister, Senator Wong, that the carbon tax is such a good thing. Well, clearly before the last election the Prime Minister recognised that it was anything but a good thing.

Let us look at it. The carbon tax is going to put a huge financial impost on people right across this country, particularly in regional communities. And what is it going to do? It is going to increase emissions. It is going to increase emissions from 578 million tonnes to 621 million tonnes. What sort of stupid policy is that? This carbon tax, which we do not agree with, is not even going to do
what the government is intending to do: reduce emissions, change the temperature of the globe—as my good colleague here, Senator Joyce, often says—by flicking a switch in Canberra. It is not going to work. It is the most stupid piece of public policy we have ever seen in this place, and that is saying something. It is not going to change the climate one little bit.

Those on the other side accuse the coalition of scaremongering. It is not scaremongering. People are genuinely scared about what this carbon tax is going to do to them. They know it is going to increase the price of electricity, they know it is going to increase the price of transport and they know it is going to increase the price of fuel. This carbon tax is going to hit regional Australia harder than anywhere else, particularly farmers, with those increased costs in fuel, electricity, transport and fertilisers. And guess what? Farmers—and I declare an interest: I am one—are the bottom of the food chain. There is nowhere for those costs to be passed on.

Farmers are going to wear it, and not only that. They are going to take a hit from the increased costs that are going to apply to abattoirs. An abattoir up on the north coast recently said it was looking at an extra cost of $500,000 a year for electricity. How can this minister, Minister Wong, sit on the other side of this chamber and tell us this is a good thing for the Australian people? It is an absolute furphy and they know that this carbon tax is a dog. It is a bad tax that is going to hit regional Australians harder than anyone else. Farmers are going to have to compete in a world market with companies that do not pay this carbon tax, and for what?

Senator Cash: For nothing.

Senator NASH: It is not going to change the climate one little bit. I will take that excellent interjection from my excellent coalition colleague over here, Senator Cash. It is for nothing. It is not going to do a thing. How stupid is it that the government has a policy to do something that will have no effect? Not only can the government not do what it is trying to do; it is actually going to make things worse. Emissions will go from 578 million tonnes to 621 million tonnes and the Labor government under Ms Gillard says this is a good thing. How incredibly stupid.

Electricity prices are set to rise 18 per cent in New South Wales under the IPART determination and nine per cent of that is the carbon tax. That is a fact. It is going to hit people right across the state, and figures like that are going to be reflected right across the country. And what for? The impacts on regional communities are going to be severe. Our dairy industry is going to be hit, and so will rice farmers and irrigators. Irrigators' electricity bills are going to go through the roof. This government just do not care about rural Australia. They do not have a clue. They are so disconnected from people outside the cities that they simply cannot understand what is needed out there. I can tell you, Mr Deputy President, that what is not needed is a carbon tax. We on this side of the chamber will not stand by. We will get rid of it in government for all Australians. 

(Time expired)

Senator CROSSIN (Northern Territory) (15:17): What is extraordinary in this chamber day after day is the group of people across the other side in the coalition wanting to rehash the arguments about tackling climate change. That is really the fundamental grassroots problem that we have with the people opposite.

Senator Abetz: No, it's the promise of no carbon tax.

Senator CROSSIN: Senator Abetz, you would be the best of them. The problem is that you do not actually believe there is any
need to take action on climate change at all. That is the problem—that we still have opposite us a bunch of deniers, a bunch of people who do not believe there is a need to take any action on climate change at all, despite the fact that prior to the 2007 election Mr Howard's and the coalition's policy was to take action.

We have been in this chamber since question time, and 20 minutes have passed since question time expired. We have seen a hopping Senator Joyce, hopping all the time. The only difference between you and Danny Kaye, Senator Joyce, is you do not wear a court jester outfit like Danny Kaye used to do in the movies.

But we never really hear any explanation from the other side about what they might do. What they fail to tell the Australian public is that they have a target of five per cent by 2020. You have a plan to introduce legislation that replaces our legislation. So let us be honest about this. Instead of playing to the little audience of six around you, let us play to the gallery. Let us play to the people listening to the broadcast. What you do not tell the Australian public is that you plan to replace this legislation.

You will take money off families. You will slug families $1,300 a year. You will expect your farmers, Senator Nash, and your aluminium workers, Senator Joyce, to dip into their pockets, into their household budgets, to pay you $1,300 a year so that you can pass that on to the big polluters. You actually think that by giving the big polluters more money in their budgets somehow you will magically change their behaviour. Your policy is to reward the big polluters in some magical hope they will say: 'Thanks for the cash from families. We'll now try and reduce our carbon emissions.'

You are totally dishonest with the Australian public. You are totally dishonest with the people who are listening to you on the broadcast. You talk about repealing this legislation but you never, ever mention the 'PS' at the bottom of the piece of paper, the fine print that says: 'We're going to replace it with our own plan.' You have a five per cent reduction target by 2020, the same as us. You never stump up and admit that. The hopping little Senator Joyce never, ever admits that. The other thing you do not admit is that you are going to slug families. You are going to make families pay for your plan. What you are hoping is that when big polluters get this bucket of money they will suddenly say, 'Thanks for the cash—now we're going to change our mind and change what we do.'

What we have decided to do is to force the big polluters to change their behaviour, and the way we do that is by pricing carbon. They are going to pay for the carbon they put into the atmosphere. We have said that we will compensate and we have started to compensate households, families and pensioners around the country. After all the scaremongering that you do, all the diatribe that we hear in this chamber, it is time for you to stump up and be honest with the Australian people about exactly what you are planning to do.

Come next Sunday, people will realise that the plan we have in place is smart, is sensible. People, particularly young people, said that they wanted a government to tackle the big reforms in this country. They want a government that is going to protect the environment. They want a government that is going to embark on tackling climate change and they will realise that this is the way to do it. Your plan is to unwind all the assistance, take it off them, slug them even further and somehow think that magically big polluters will change their behaviour. Senator Nash, that is what is stupid. (Time expired)
The DEPUTY PRESIDENT: Before I call Senator McKenzie, I remind senators to direct their comments to the chair and not across the chamber.

Senator McKENZIE (Victoria) (15:22): Through you, Mr Deputy President, I rise to take note of all answers to all questions asked by coalition senators. With five days to go, the continuing denial and arrogance of this Labor government beggars belief. I would like to draw the attention of the Senate to the young people Senator Crossin mentioned and how they feel about this tax and our plans for addressing climate change.

What the government needs to understand is that Australians actually do not want the carbon tax. They did not vote for it. They are screaming from their rooftops and through poll after poll and letters to the editor that they do not want it. What the young people here today in our parliament are here to learn is that we live in a democracy. Our role as representatives in our democracy is to reflect the will of the people and conduct ourselves in a way that allows the will of the people to be expressed. Time and time again, this Labor government simply does not get it right.

Small business is nowhere in the government's response to this. In fact, they are trying to gag small business on the very real impacts that this tax will have on running a small business in this country, with fines of $1.1 million.

Senator Crossin interjecting—

Senator McKENZIE: Dairy farmers are nowhere, Senator Crossin, and you know it. You know the impost that this particular tax will have on that sector of the agricultural industry, a huge contributor to exporters in my own state, and you have nothing for them—$5,000 to $7,000 per year just for getting the milk out the farm gate, let alone the processing costs, the transport costs and the refrigeration costs come 2014. Employees in the food-processing sector and employees in trucking from 2014 are nowhere in your plan.

A third of Australians live outside the capital cities and, once again, Labor have demonstrated so clearly that they do not get us. They demonstrate that they simply do not get us in policy after policy. Whether it is youth allowance, education or health, they have nothing for us outside capital cities. We are passionate about our environment. We live in it and we work with it every single day of our lives, and yet here we are bearing the brunt yet again of Labor's failed policies.

Our councils are bearing the brunt of your policies. For Wagga Wagga it is $660,000. In Bendigo in my own home state it is $1.2 million, reflective of a potential 1.7 per cent increase in rates for local Bendigonians.

This will affect our exporters. Forty thousand people are directly employed by the dairy industry, and the largest exporter off our docks every day in Victoria—and I see Senator Kroger and Senator Fifield, fellow Victorians, are here—is Murray-Goulburn, a dairy producer. This will affect our social way of life out in the regions. We
use our cars a lot to get to football games, hospitals and community meetings. We use a lot of petrol or diesel. This will impact on our social way of life. Most importantly for us, our industries, such as our abattoirs and the food-manufacturing sector—the largest manufacturing sector in Australia with 225,000 employees, most of them located in the regions—will be severely impacted by this Labor Party policy.

Minister Wong skiting about ALP investment in regional Australia is a farce because when you are on the side of politics that counts everywhere as regional Australia it just makes the comment a real joke. I love the Cats, but $10 million for Skilled Stadium just does not fly in Strathfield or Seymour. We are over it. Australians know the carbon tax is a con. It is not going to change behaviour. Most concerning is that it is not going to assist the environment or change the climate.

Question agreed to.

Great Barrier Reef

Senator WATERS (Queensland) (15:27): I move:

That the Senate take note of the answer given by the Minister for Broadband, Communications and the Digital Economy (Senator Conroy) to a question without notice asked by Senator Waters today relating to the Great Barrier Reef.

The minister attempted to answer me, although the pre-written response on his computer screen did not actually address the question that I had. He made some comments about the strategic assessment, and I am really pleased he raised those because there seems to be a bit of a misunderstanding in the government ranks about the real effect of this so-called comprehensive strategic assessment of the reef. It actually is not comprehensive at all and will ultimately result in accrediting state laws, meaning Premier Newman will be in charge. This is the guy who has described World Heritage as a problem for the Queensland coast rather than acknowledging the fact that it brings in $5.1 billion in tourist revenue and employs 54,000 people.

So I was a bit bemused that Senator Conroy rejected the premise of my question when I asked him whether or not the government were finally going to strengthen this so-called comprehensive strategic assessment to make sure that it can apply to development applications that are currently on foot. Of course, it will not, making it a completely toothless tiger and making a mockery of the term 'comprehensive'. So I would be pleased if Senator Conroy could take that up with Minister Burke, because it really goes to the heart of whether, in response to UNESCO's extreme concerns and the very strong decision that the World Heritage Committee are voting on tomorrow night, the government is properly responding. This is potentially an international embarrassment in the making. This is perhaps one of the strongest draft decisions that we have seen from the World Heritage Committee. It says that we are on track for World Heritage in danger with our reef in eight months if we do not turn around current activities. That would put us in the ranks of Afghanistan, Yemen and the Congo. We are a rich country and I think we can do a little bit better with our World Heritage than those war-torn nations. So I am hoping that Minister Burke and Senator Conroy can confer and strengthen this strategic assessment, make sure that it is genuinely comprehensive and, for a start, make sure that it can actually apply to the current port expansions that are on the books—all seven of them—in our precious Great Barrier Reef World Heritage Area, with all of the dredging, dumping and shipping that they will entail, not to mention all the climate impacts from the coal and coal seam gas that those ships will ship out

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to the world. I am really pleased that the chamber was given some mirth about this issue. I just hope it does indeed focus our attention on how important the reef is to our economy and to the beautiful biodiversity that gives Queenslanders and Australians such joy.

I also asked the minister about Clive Palmer’s proposal to dump millions of litres of contaminated water into the Great Barrier Reef. It seems remarkable that, just because the man has a few dollars, he thinks he can treat the reef like his own personal rubbish dump. I would hope that the law is a little bit stronger than that, and I would certainly hope that, despite Clive Palmer being the LNP’s biggest donor, Premier Newman can see the ridiculousness of Clive Palmer allowing his tailings dams to fill up and then attempting to exploit a loophole that would allow him to dump that contaminated water when there is danger to human safety because the tailings dams are going to overtop. I think it is a real abuse of process that Clive Palmer has been able to mismanage his nickel refinery in the seven years since he built a waste water treatment plant that was supposedly meant to avoid this situation—and clearly has failed—and now he is going to try and abuse that loophole because the tailings dam might collapse.

I was a bit alarmed to hear Minister Tony Burke say that he thought somehow a slower release of these millions of litres of contaminated water might be all right. I do not think it will be. I am very pleased that GBRMPA has so far refused Clive Palmer’s urgings, despite the fact that Mr Palmer has sat down with them several times this week. You just cannot put nitrogen and heavy metals into pristine World Heritage Area Great Barrier Reef waters. I am afraid the two just do not mix. Mr Palmer is not short of a buck. I am certain that, with a little nous and some of the copious dollars that he has at his disposal, he can find somewhere else to put his contaminated waste water. Gee, he might even plan ahead so that we do not get into this situation again. Certainly that is the message for both Premier Newman and Minister Burke: let us make sure, with the conditions that we place on these sorts of developments, that this will not happen again and that tailings dams and storage facilities are big enough to cope with a little bit of rainfall in North Queensland, because, hey, it is going to keep on happening, particularly with climate change. I am pleased that the chamber has turned its mind to the Great Barrier Reef and I really hope that the government strengthens the strategic assessment and we can protect the reef’s World Heritage values.

Question agreed to.

PETITIONS

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

Exports

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

The petition of the undersigned shows:

We the undersigned wish to express our disgust and insist on change & revision of the current legislation in place, in regards to the export of Kangaroo hide product. Your petitioners ask that the Senate:

We the undersigned ask that the Senate address the prejudice + impracticality of current exporting legislation. This absurd legislation has single-handedly killed the hobbyist craftsman from exporting, and made the export for the professional sector of the industry an expensive, time consuming, lengthy process between two different government departments. We ask that your
immediate attention is given to this situation and 'industry practical' changes made.

by Senator Colbeck (from 46 citizens).

**Medical Services**

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

The petition of the undersigned shows:

That since the closure of the Princess Road Medical Practice in April 2012 the residents of the suburb of Balga have no local doctors to service our health needs in our suburb.

Many of the residents of Balga have significant health concerns and are now having to wait up to a month to see a Doctor placing our health and wellbeing at risk. Further, the need to travel outside of our neighbourhood to access health services is a difficult both in the cost of transport and the timeliness of being able to access public transport.

Your petitioners request that the Senate:

Investigate the medical needs of the residents of Balga and make favourable representation to the Commonwealth Government to ensure that they offer any assistance possible, including the allocation of a District of Workplace Shortage status, to deliver a medical service back to the Balga community.

by Senator Pratt (from 283 citizens).

Petitions received.

**NOTICES**

**Presentation**

Senator Colbeck to move:

That the time for the presentation of the report of the Select Committee on Australia's Food Processing Sector be extended to 16 August 2012.

**Senators Boyce and Fifield** to move:

That the Senate—

(a) recognises that:

(i) the proposal of a National Disability Insurance Scheme (NDIS) is a once-in-a-generation landmark reform that has the potential to deliver better quality of life outcomes for Australians with disabilities,

(ii) the schedule for implementation of the NDIS, as proposed by the Productivity Commission, will take 7 years, spanning the life of three Parliaments, and

(iii) the NDIS is a reform that involves the cooperation and support of state and territory governments, the disability support services sector, people with a disability and their families and carers;

(b) notes the bipartisan and cross-party support for the implementation of the NDIS; and

(c) declares its support for policy stability on the NDIS over the life of those three Parliaments and until the scheme's full implementation.

**Senators Boyce and Fifield** to move:

(1) That a joint select committee, to be known as the Joint Select Committee on the National Disability Insurance Scheme be established to oversee the implementation of the National Disability Insurance Scheme.

(2) That the committee be subject to terms of reference and reporting dates, to be agreed upon by the Prime Minister and Leader of the Opposition and agreed to by both Houses of Parliament.

(3) That the committee consist of 10 members, two Government members and two Opposition members, two Government senators and two Opposition senators, one Australian Greens member or senator and one independent member or senator.

(4) That every nomination of a member of the committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(5) That the members of the committee hold office as a joint select committee until the House
of Representatives is dissolved or expires by effluxion of time, whichever is the earlier.

(6) That the committee elect as its joint chairs a Government member appointed to the committee on the nomination of the Government Whip or Whips or the Leader of the Government in the House of Representatives or the Leader of the Government in the Senate, and an Opposition member appointed to the committee on the nomination of the Opposition Whip or Whips or the Leader of the Opposition in the House of Representatives or the Leader of the Opposition in the Senate.

(7) That three members of the committee constitute a quorum of the committee provided that in a deliberative meeting the quorum shall include one Government member of either House and one Opposition member of either House.

(8) That the committee have the power to call for witnesses to attend and for documents to be produced.

(9) That the committee may conduct proceedings at any place it sees fit.

(10) That the committee have the power to adjourn from time to time and to sit during any adjournment of the House of Representatives and the Senate.

(11) That the committee report to both Houses of Parliament from time to time.

(12) That the provisions of this resolution, so far as they are inconsistent with the standing orders, shall have effect notwithstanding anything contained in the standing orders.

(13) That a message be sent to the House of Representatives acquainting it of this resolution and requesting that it concur with the action accordingly.

Senator Collins to move:
That the order of the Senate agreed to on 19 June 2012, relating to the hours of meeting and routine of business, be varied to provide that:
On Thursday, 28 June 2012:
(a) the hours of meeting shall be 9 am to 6 pm and 7 pm to adjournment;
(b) the routine of business from 9 am to 2 pm, and from 7 pm, shall be the following government business orders of the day:
Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 and a related bill, and
Social Security Legislation Amendment Bill 2011 and 2 related bills;
(c) the routine of business from after motions to take note of answers to not later than 4.30 pm shall be:
(i) petitions,
(ii) notices of motion,
(iii) tabling and consideration of a report of the Selection of Bills Committee,
(iv) postponement and rearrangement of business,
(v) discovery of formal business, and
(vi) tabling of Clerk's documents;
(d) the order of general business shall be:
(i) general business order of the day no. 20 (Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010), and
(ii) orders of the day relating to government documents;
(e) divisions may take place after 4.30 pm; and
(f) the question for the adjournment of the Senate shall not be proposed until a motion for the adjournment is moved by a minister.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (15:33): I give notice that, on the next day of sitting, I shall move:
That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Financial Framework Legislation Amendment Bill (No. 3) 2012, allowing it to be considered during this period of sittings.
I also table a statement of reasons justifying the need for this bill to be considered during
these sittings and seek leave to have the statement incorporated in Hansard.
Leave granted.

The statement read as follows—

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2012 WINTER SITTINGS

FINANCIAL FRAMEWORK LEGISLATION AMENDMENT BILL (No. 3) 2012

Purpose of the Bill

The Financial Framework Legislation Amendment Bill (No. 3) 2012 will:
- amend the Financial Management and Accountability Act 1997 (FMA Act) to:
  - clarify that Chief Executives of FMA Act Agencies have power to make, vary and administer arrangements, on behalf of the Commonwealth, in relation to the affairs of their Agencies; and
  - establish specific legislative authority for the Commonwealth to make, vary and administer arrangements and grants and make payments under certain programs that are prescribed in the Financial Management and Accountability Regulations 1997 (FMA Regulations);
- amend the FMA Regulations to:
  - establish a new Schedule in which to prescribe arrangements, grants and programs under which payments can be made; and
  - prescribe a list of arrangements and programs in this new Schedule;
- amend the FMA Act to enable Ministers to delegate the power to make, vary or administer an arrangement to officials;
- amend Schedule 1 of the Administrative Decisions (Judicial Review) Act 1977 (ADIR Act) to exempt from review under the ADIR Act decisions to make, vary and administer certain arrangements, grants and programs in accordance with the new legislative authority in the FMA Act;
- establish transitional arrangements to provide legislative authority for prescribed programs and arrangements that are in force immediately before the FFLA Bill commences; and

Reasons for Urgency

It is important that the Bill be passed in the Winter 2012 sittings to provide specific legislative authority for the Commonwealth to fund existing programs, and to enter into arrangements for expenditure.

The FFLA Bill responds to the decision of the High Court on 20 June 2012 in Williams v Commonwealth [2012] HCA 2, which found that the Commonwealth executive government could not enter into agreements and make payments without legislative authority. Appropriation legislation and subsection 44(1) of the FMA Act are not sufficient. Many existing programs, without clear legislative authority, are in real peril. The FFLA Bill seeks to ensure that the status quo can be maintained and that recipients of Commonwealth funding will not be detrimentally affected.

Postponement

The following items of business were postponed:

Government business notice of motion no. 2 standing in the name of the Parliamentary Secretary for School Education and Workplace Relations (Senator Collins) for today, relating to the consideration of legislation, postponed till 27 June 2012.

General business notice of motion no. 438 standing in the name of Senator Siewert for today, relating to the North West Slope Trawl Fishery, postponed till 15 August 2012.

General business notice of motion no. 442 standing in the name of Senator Siewert for today, proposing the introduction of the Fisheries Management Amendment (North West Slope Fishery Partial Closure) Bill 2011, postponed till 15 August 2012.

General business notice of motion no. 781 standing in the name of Senator Hanson-Young for today, proposing the introduction of the Migration and Security Legislation Amendment

General business notice of motion no. 815 standing in the name of Senator Rhiannon for today, relating to domestic and family violence, postponed till 27 June 2012.

BUSINESS

Rearrangement

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (15:34): I move:

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

(a) the hours of meeting shall be 12.30 pm to 6.30 pm and 7.30 pm to adjournment;
(b) the routine of business from not later than 7.30 pm shall be government business only; and
(c) the question for the adjournment of the Senate shall be proposed at 10 pm.

Question agreed to.

COMMITTEES

Cyber-Safety Committee

Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (15:35): At the request of Senator Bilyk, I move:

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

Question agreed to.

Education, Employment and Workplace Relations References Committee

Reporting Date

Senator McEWEN (South Australia—Government Whip in the Senate) (15:35): At the request of Senator Marshall, I move:

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

Question agreed to.

Migration Committee

Meeting

Senator McEWEN (South Australia—Government Whip in the Senate) (00:00): At the request of Senator Singh, I move:

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

Question agreed to.

Foreign Affairs, Defence and Trade References Committee

Reporting Date

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:35): At the request of Senator Eggleston, I move:

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

Question agreed to.

Law Enforcement Committee

Meeting

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:35): At the request of Senator Nash, I move:

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

(a) on Wednesday, 27 June 2012; and
(b) on Wednesday, 22 August 2012.

Question agreed to.
Education, Employment and Workplace Relations References Committee

Reference

Senator LUDLAM (Western Australia) (15:36): At the request of Senator Milne, I move:

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

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

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

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

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

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

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

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

(ii) over and underpayment of allowances to recipients.

Question agreed to.

MOTIONS

International Day in Support of Victims of Torture

Senator WRIGHT (South Australia) (15:37): I move:

That the Senate—

(a) notes that:

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

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

(b) recognises that:

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

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

(c) calls on the Government to conduct an independent inquiry into the former Australian Government's role in Mr Hicks' detention, treatment and unfair trial.

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

The Senate divided. [15:41]

(The Deputy President—Senator Parry)

Ayes ...................... 8
Noes ...................... 37
Majority .................. 29

AYES

Di Natale, R
Ludlam, S (teller)
Rhiannon, L
Whish-Wilson, PS

Hanson-Young, SC
Milne, C
Waters, LJ
Wright, PL

NOES

Bilyk, CL
Boyce, SK
Cash, MC

Bishop, TM
Cameron, DN
Colbeck, R
Tuesday, 26 June 2012

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (15:44): I move:

That the Senate—

(a) notes findings by Fair Work Australia that Mr Craig Thomson misused Health Services Union members’ funds for sexual services, personal travel and entertainment and to secure a seat in the Federal Parliament; and

(b) condemns the misuse of union members’ funds as found by Fair Work Australia.

Senator WRIGHT (South Australia) (15:44): Mr Deputy President, I seek leave to move an amendment to the motion.

Leave not granted.

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

The Senate divided. [15:49]

(The President—Senator Hogg)

Ayes....................28
Noes....................34
Majority................6

AYES

Abetz, E
Bernardi, C

NOES

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

AYES

Birmingham, SJ
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Humphries, G
Joyce, B
Macdonald, ID
McKenzie, B
Parry, S
Rondaldson, M
Sinodinos, A

NOES

Boswell, RLD
Cash, MC
Cormann, M
Eggleston, A
Ferran, W
Johnston, D
Kroger, H (teller)
Mason, B
Nash, F
Payne, MA
Scullion, NG
Smith, D

NOES

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

PAIRS

Back, CJ
Boyce, SK
Brandis, GH
Fisher, M
Ryan, SM
Williams, JR

Siewert, R
Evans, C
Conroy, SM
Brown, CL
Wong, P
Carr, KJ

Question negatived.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (15:51): Mr Deputy President, I seek leave to make a brief statement.
The DEPUTY PRESIDENT: Leave is granted for two minutes.

Senator JACINTA COLLINS: Thank you. The government have been consistent in our approach to the Fair Work Australia investigations into the Health Services Union. It is our position that all registered organisations, whether trade unions or employer associations, should not misuse the money of their members for any reason—full stop. We consistently stated our view that Fair Work Australia investigations must be allowed to conclude without political interference, that Fair Work Australia is an institution independent—I stress 'independent'—of the executive and we did not resile from the fact that the reports into the Health Services Union Victoria No.1 Branch and the national office contained serious and disturbing material, which we have said should be tested in the courts.

Those opposite have tied themselves in knots and repeatedly contradicted themselves in an unedifying spectacle of amateurish politicking. They accused us of political interference but then praised the reports that were released as thorough, respected and methodical. But they misrepresented the content, as explained by the amendment that occurred in this motion. They have fallen over themselves raising pseudolegal arguments to criticise the actions of the general manager, but then refused to acknowledge the basic principle at stake here—and that is that allegations like these must be tested and determined in the courts.

Senator ABETZ: Mr Deputy President, I seek leave to make a brief statement.

The DEPUTY PRESIDENT: Leave is granted for two minutes.

Senator ABETZ: I thank the Senate. The Greens-ALP alliance have just voted against a motion that was as innocuous as 'noting' the findings by Fair Work Australia that Mr Craig Thomson misused Health Services Union members’ funds and 'condemns' the misuse of union members’ funds as found by Fair Work Australia.

Can I clear up an issue: Fair Work Australia are empowered to make findings. Indeed, their report talks about findings—181 separate findings and then, when one reads through the legislation, section 336, following, it says:

If, at the conclusion of an investigation, the General Manager is satisfied that the reporting unit concerned has contravened—certain matters, then the 'General Manager' may do a number of things, and then it states that the 'reporting unit must comply'. So this is not a situation of allegations only being made by Fair Work Australia; Fair Work Australia has made findings. We did not ask the Senate to agree with the findings; all we
did, very innocuously, was say 'note' the findings. The fact the Greens-ALP alliance cannot bring themselves to 'note' the findings tells us everything we need to know about the Greens-ALP alliance deliberately seeking to cover for Mr Craig Thomson, the member for Dobell. To refuse to 'note' is completely and utterly unacceptable and is indicative of the game the Greens-ALP alliance are playing with this very important public interest matter.

Senator WRIGHT (South Australia) (15:56): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for two minutes.

Senator WRIGHT: Thank you, Mr Deputy President. I must say that the term, or the expression, or the description 'innocuous' is not one that readily springs to mind when I think about Senator Abetz. He may indeed be suggesting that it was an innocuous motion that was put before the Senate today, but I would like to place on the record the amendment that I sought to move, which I think was truly innocuous and actually appropriate in terms of looking at the way the law should be dealing with this particular unfortunate incident that we are all aware of. The amendment that was sought to be put to the chamber today was that the Senate 'reaffirms that union members' funds should only be spent in pursuit of the advancement of union members' interests'—and that is exceedingly clear to everybody who has been watching this tale.

The second part of the amendment supported 'enshrining in federal law high standards of accountability for the expenditure of union members' funds', and I do not think anybody could possibly disagree with that proposal. I disagree with any logic and any consistency in opposing that proposal, although that actually has been disagreed with today by the coalition, who voted against the amendment.

Finally, the amendment sought to note:

... that the role of Fair Work Australia is to investigate any allegations of breaches of the Fair Work (Registered Organisations) Act 2009 and that it is then the role of courts—

and it is the proper role in a democracy—

to make findings as to whether those allegations are proven.

Unfortunately, the coalition could not bring themselves to support what I think was truly a reliable, logical and innocuous amendment to what was a very political motion moved today. Thank you.

MINISTERIAL STATEMENTS

Inspector of Transport Security


AUDITOR-GENERAL'S REPORTS

Report Nos 51 and 52 of 2011-12

The DEPUTY PRESIDENT (15:58): In accordance with the provisions of the Auditor-General Act 1997, I present the following reports of the Auditor-General:

Report No. 51—Financial statement audit—Interim phase of the audits of the financial statements of major general government sector agencies for the year ending 30 June 2012.

Report No. 52—Performance Audit—Gate reviews for Defence capital acquisition projects: Department of Defence.

Senator FAWCETT (South Australia) (15:59): by leave—I move:
That the Senate take note of report no. 52.

I wish to take note of the Auditor-General’s Report No. 52 of 2011-12, *Performance audit—Gate reviews for Defence capital acquisition projects: Department of Defence*. It was forecast during a Senate inquiry into defence procurement by the ANAO. I would like firstly to put on record my appreciation for the work of Mr Ian McPhee, the Auditor-General, and his team, particularly Ms Fran Holbert. Over nearly 30 years of working across Army, Navy and Air Force, the Defence Acquisition Organisation and industry, I have seldom come across someone who has gained such insight as Ms Holbert. She has added considerable value to the Senate committee’s inquiry into defence procurement and other defence matters, and I wish to place on record our appreciation of her contribution.

I have a couple of comments regarding ANAO and their audits, and the potential value they add to Defence. Currently their audits are predominantly post facto; they occur after the event. They offer a lot of insight, and they are currently limited by the terms of reference they are given by the government. One of the things I would encourage the government, and also ANAO, to consider is whether changes to the Auditor-General’s Act 1997 or other legislation could give them the opportunity to become an enabling element, whereby rather than conducting audits after the event they actually provide the level of insight and skill that their organisation brings during the actual process, in the case of Defence, of procurement projects. As such, the lessons learned, the inquisitive external eye on adherence to process, or compliance with other requirements, actually help people manage the process and retire risk earlier rather than later.

The subject of this audit on which we have had some extensive discussions with DMO and Defence are the gate reviews. Essentially the focus of a lot of this inquiry into Defence procurement is how Defence and government go about managing risk. Currently it appears that we have extensive amounts of process. There are people who are well meaning but not necessarily particularly skilled in technology, and in some cases not particularly experienced in commercial practice, who apply large amounts of process in order to minimise risk associated with the project, whether that be technical or commercial, and risk associated with schedule or capability that may be delivered, such that when they finally put up a cabinet submission there is minimum risk that the minister needs to deal with.

To adequately manage risk as opposed to avoiding it, however, we need processes and we need people who can identify risk, people who can quantify what impact that risk may have on the defence capability being sought and, most importantly, people who can address that risk. That means we need the skill sets—for example, people pre first pass, who can look at a project and very quickly see through claims that may be made with the conspiracy of optimism that tends to envelop people from the Capability Development Group at times, but particularly the manufacturers, who will make claims around something being an off-the-shelf purchase. We have examined a number of classic examples where the programs have in actual fact turned out to be quite developmental. The ability of appropriately trained people, whether from a scientific background or specifically from a test and evaluation background—where you have the blending of both operational and engineering skills—to test the claims made by a manufacturer is important. As such, we can have an accurate identification of the level of technical maturity around a product that is being offered to Defence so we can
quantify what impact that may have in terms of the time required to develop it or accept it into service.

Lastly, the process needs to have a transparent closed-loop feedback system so that that information from the subject matter expert is accurately relayed to the decision makers. Far too often we have seen examples whereby something that has a red light at the level of the subject matter experts then has, after it has gone through various layers, a green light when it hits senior levels of Defence or the parliament. That system needs to change. We need to have a process that is used to inform decision makers rather than a process that is followed in order to try to minimise risk.

The Senate inquiry into defence procurement welcomes what we have heard so far around gate reviews. They certainly appear to be beginning steps down the right path. They go some way to providing people who are independent and knowledgeable and who can shed some light onto commercial or technical risk throughout various stages of the project. Particularly pre first pass, there is a role to expand the gate reviews, as they have currently been described to us, such that we have people who can look at what is being proposed and who can cut through that conspiracy of optimism to say, 'In our experience, this kind of a project—particularly if it is a software-intensive project—'has had delays of whatever period', or that it requires certain kinds of skill sets on the project team. Thus appropriate recommendations can be made to government at first pass that have a realistic estimation of cost and of schedule and, importantly, of the kinds of skill sets the Commonwealth, if it is to be an informed customer, should have working on that project and working with the manufacturer as part of the resident team.

Pre second pass, the same kind of methodology should be used—again, bringing in these independent and knowledgeable experts who have a transparent way of conveying their findings to decision makers—around the suitable contracting method. One of the bits of feedback we have had consistently through this Senate inquiry is that at various times Defence has sought to put in place commercial arrangements that have pushed risk onto the provider of equipment, as opposed to looking at the nature of the program and the level of maturity and having an appropriate risk-sharing commercial arrangement such that we do not artificially inflate the cost, because contractors will always, quite rightly, factor risk into the price. At the same time, we do not want to be paying more than we need to. That is one of the areas where industry skills and expertise could be used through the gate review process if it were applied as a matter of course—pre first pass and pre second pass and even during the project's life on a periodic basis—in relation to the level of compliance with the agreed scope, with agreed processes and in terms of making sensible decisions around the relationship between the Commonwealth and the contractor. This is an area where, if ANAO were able to conduct their audits—or, indeed, if defence had an organisation similar to ANAO which could provide a through-life audit of project processes and the compliance of people with agreed scope and financial controls—we could well see a far better outcome. Certainly there is an existing model within the airworthiness system of defence by which all three services operate their aircraft—they have their own pilots and engineers and different aircraft types—but are held to a high standard by the two regulators, both operational and technical. There are auditors who come in
and mentor people about what will be expected in the audit. They then conduct the audit, and the results come back to the airworthiness board, which is made up of retired subject matter experts. Being retired, they are independent of the system; being subject matter experts, they have been around that boy half a dozen times and know the questions to ask and how to probe issues, and they can report without fear or favour to the appropriate decision-making authorities. This model is one of the reasons that we still maintain a safe and effective air capability in Australia's Defence Force. It is a model that can and should inform our capability development and procurement process, and I believe that a combination of a group such as ANAO and the gate review process could be developed to have the same outcome. I look forward to reading the report and commend it to the Senate.

The DEPUTY PRESIDENT: Senator Fawcett, do you wish to seek leave to continue your remarks later?

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

Leave granted; debate adjourned.

COMMITTEES

Procedure Committee

Report

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (16:09): On behalf of the Chair of the Procedure Committee, I present the first report of 2012 of the Procedure Committee.

Ordered that the report be printed.

Senator KROGER: by leave—I move:

That consideration of the report be made a business of the Senate order of the day for the next day of sitting.

Question agreed to.
report of the Legal and Constitutional Affairs References Committee on the prospective-marriage visa program together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator WRIGHT: by leave—I move:

That the Senate take note of the report.

The marriage visa inquiry was referred to the Legal and Constitutional Affairs References Committee on 25 November 2011 to examine the particular aspects of the prospective-marriage visa program. The committee received nine submissions and held one public hearing in Canberra, on 25 May 2012. Overall, the committee considered that there was a high level of integrity within the program and that there was no need for wide-scale reform, which was reassuring. However, evidence presented to the committee suggested that some aspects of the prospective-marriage visa program could be improved, especially to better protect young applicants and their intended spouses at risk of forced marriages or people trafficking. Unfortunately, there is a shortage of empirical data in this area, but the committee considered forced marriages to be an abuse of human rights for which safeguards could be established within the visa program. Certainly there has been some anecdotal evidence circulated within the Australian community which raised concerns about this potential abuse of human rights.

To minimise the risks, the committee recommended a formal policy of separately interviewing all applicants and sponsors under the age of 18 years as well as increasing the minimum age criterion for visa holders to 18 years. These two recommendations, if adopted, will allow DIAC to more accurately explore issues of intention and consent by having a formal interview process; they will also allow applicants and sponsors more time to consider their options and to seek help.

In its submission, the Australian Law Reform Commission highlighted that prospective-marriage visa holders cannot currently access the family violence exception contained in the Migration Regulations 1994. The committee agreed that visa holders should not remain in abusive relationships just because they believe that they will be deported if the relationship is terminated; clearly that would be a very unfortunate consequence. Therefore, the committee has recommended that the Australian government extend the family violence exception to prospective-marriage visa holders, as was also recommended by the Australian Law Reform Commission. DIAC was not able to report statistically on the incidence of fraud within the prospective-marriage visa program. The committee believed that in future DIAC's electronic database should contain the facility to do this and recommended accordingly. While no evidence was available concerning the number of fraud prosecutions, the committee noted a number of statutory offences in the Migration Act 1958 specifically relevant to the prospective-marriage visa program. The committee has therefore recommended the development of a specific prosecution policy for these offences.

DIAC advised that arranged marriages are an unquantifiable part of the prospective-marriage visa program. The committee noted, however, the importance of distinguishing between arranged and forced marriages. We understand that arranged marriages are culturally appropriate, worthy of great respect and often extremely successful. They are fundamentally different from forced marriages, which are abhorrent to all of us. The committee emphasised the need to ascertain the full and free consent of
prospective-marriage visa applicants and their intended spouses to identify those marriages which are in fact forced marriages. The committee has recommended that DIAC's decision makers expressly consider the issue of real consent and record the non-consent of a party in such a way as to protect against adverse repercussions associated with any disclosure.

A consistent theme in the inquiry was a lack of knowledge about forced marriages in Australia, including within the prospective-marriage visa program. The committee has acknowledged recent research endeavours, including by the Australian Institute of Criminology, and has recommended an Australian government working group investigate the incidence of forced marriages in Australia and explore options for assisting victims.

Finally, the committee has endorsed the suggestion from some submitters that an information package should be provided to newly arrived migrants on a prospective-marriage visa or partner visa, recommending that such migrants be advised in an appropriate language of the law in Australia in relation to family violence and forced marriage and how victims can seek assistance.

I would like to take this opportunity to thank all those persons and organisations who made submissions to the inquiry and enriched our understanding of this area and informed our recommendations. I would also particularly like to thank the staff of the secretariat, who did their usual sterling work in managing the inquiry, dealing with the submissions received and drafting the committee report. I commend the report to the chamber.

Senator CASH (Western Australia) (16:17): I too rise as a member of the Senate Legal and Constitutional Affairs References Committee to comment on the prospective-marriage visa program report. In summarising the evidence, the committee came to the conclusion that there was no need for a wide-scale reform of the prospective-marriage visa program. However, notwithstanding this view, the committee, based on the evidence that was presented to it, came to the determination that some aspects of the program can be improved to provide in particular greater protections to applicants who, on account of their young age, could become victims of forced marriage and/or people trafficking. I do not think that anyone in this place would ever condone a young girl or a young boy becoming subject to this.

In terms of the age criterion for the prospective-marriage visa, the committee agreed with the evidence that we received from the organisation CATWA that the age criterion should be increased to at least 18 years. A number of issues in relation to the potential consequences of raising the age to 18 years were canvassed in evidence. One was that there was the potential for this to increase the instances of documentation fraud. The committee, however, determined that this is something that would not outweigh the benefits gained from raising the age limit. In the committee's opinion it was a risk that could be addressed.

The committee also noted in its report that the department does not support this proposal on the basis that it would not be reasonable for the program to impose an age restriction for a visa that enables a person to enter Australia and marry lawfully. The committee, however, based on other evidence that it received did not accept the rationale provided by the department. It considered it to be perfectly reasonable to require an applicant to be of lawful marriageable age when granted a visa to enter Australia in order to marry an intended
spouse. In coming to this conclusion, the committee relied on the evidence from other jurisdictions that have this age limit in place. In particular, we relied on evidence from the United Kingdom and from Norway.

The department, along with a number of other submitters to the committee, expressed concern regarding the practice of forced marriage and the consequences for its victims. The committee agreed without a doubt that a single case of forced marriage constitutes a gross abuse of that victim’s human rights. Such abuses should never be tolerated. The committee considers that appropriate safeguards should be established within the prospective-marriage visa program to provide as much protection as possible to visa applicants who could fall victims to this despicable practice.

The committee acknowledged a number of the submissions that it received from and the evidence that was given by the AIC, Ms Emma Davidson, legal practitioners and the CATWA organisation, all of whom advocated the provision of further information and education to the wider Australian community and migrant women to empower potential and actual victims and to maximise the opportunities for victim support. Based on the evidence that we received, the committee came to the conclusion that this would be a worthwhile initiative for prospective-marriage visa holders and other partner visa holders that could be instituted either at interview or upon arrival in Australia. I strongly endorse the recommendation that the committee came to. I do so based on a number of meetings that I have had as the coalition spokesperson for the status of women in relation to the development of an information package for newly arrived migrants on the prospective-marriage visa or the partner visa. The committee received evidence that such an information package can be readily produced. It is given out in other countries that are already facing problems in relation to their prospective-marriage visas. It was suggested that the information should include details of the law in Australia with respect to family violence and forced marriages, including factors that might indicate the existence of a forced marriage and how migrants experiencing family violence or a potential or actual forced marriage can seek assistance. The information package should be provided to migrants in an appropriate language, either in their first language, as indicated on their visa application form, or in the official language of their country of origin.

In conclusion, if women who come to this country—and men, but in particular the evidence we received was in relation to women—are doing so because they are being forced into marriage, this parliament should take steps to ensure that this does not occur. Where appropriate, we should provide protection to those women in the event that they are abused. The one thing we as women hold dear in this country is the ability to consent. When that ability is taken away, the parliament should ensure that appropriate steps are in place to address it.

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (16:23): I rise to speak on the Senate Legal and Constitutional Affairs References Committee prospective-marriage visa program report. The previous two senators who spoke articulately covered aspects of particular concern the committee dealt with. I would like to mention that the genesis of the report was the many representations made to me and other senators and, in particular, reports in the media last year in relation to young women who had been abused and not provided with proper protections through the visa process. So I was very pleased to have an opportunity to co-author this inquiry, with
Senator Cash, because it is something of particular concern to us.

The inquiry demonstrated through the submissions we received that there was overall integrity in the visa process. I really do want to make that point, because I think I have been very public in my condemnation of possible breaches of faith to young women being brought into this country. The inquiry demonstrated that in the main there was strong integrity in the system. Over 99 per cent of visa applications that fall in subclass 300 are for those who are over 18.

As Senator Cash highlighted, our concern is that if there is only one young woman under 18 brought to this country in a way that leads to her personal abuse, in whatever form that is, it is one too many. There were 227 girls under the age of 18 who fell into the category of having a visa that allowed them to come to this country for nine months prior to their betrothal. There are three things I want to raise that I think must be pursued by the government. Firstly, not all of these 227 were interviewed in the country they were seeking to leave—it can be a matter of being considered through paperwork. Through the submissions we have recommended that every single young woman under the age of 18 be personally interviewed on their own. Part of the process for those who are trying to assess whether or not an application is legitimate is the difficulty they have in assessing whether or not it is a forced marriage arrangement. Further guidelines, procedures and education need to be given to the officers in the countries of origin so that they can make a greater assessment, with stronger guidelines and improved integrity.

The department stated that the information collected for each individual is not centrally recorded. On this incredibly emotive subject—and we heard in the submissions that it really does exercise the emotions—there is a tremendous paucity of statistical information on it. We have therefore recommended that there be central recording of all relevant information so that proper statistical analysis can be undertaken over time. This will help us to get a sense of the extent of the incidence of forced marriages here, and even human trafficking, of which there is essentially no statistical recording or analysis whatsoever. So it is very hard to assess whether or not this is an issue in Australia. On the basis of the evidence we heard from witnesses, yes, it is a concern. They believe it is happening here, but there is no statistical information available to provide any backing for that assessment.

Finally, the committee unanimously agreed that the age should be increased to 18 for prospective-marriage visas. At the very least this provides another eight months for girls to develop a little bit more maturity so that they may have the independence and capacity to understand what it is they are doing in coming to Australia. What came out of this inquiry is that a working group should be established to look into the incidence or otherwise of forced marriages and whether in fact forced marriages and human trafficking are real issues here. There is no information on that and that is something we strongly supported, along with information packs to be put together by DIAC.

It is a great report. I commend it to the Senate and I commend it to senators to read because it was a very interesting inquiry and we believe some very good recommendations came out of it. I commend the report and I seek leave to continue my remarks later.

Leave granted; debate adjourned.
BUDGET

Consideration by Estimates Committees

Senator POLLEY (Tasmania—Deputy Government Whip in the Senate) (16:30):
Pursuant to order and at the request of the chairs of the respective committees, I present reports from legislation committees in respect of the 2012-13 budget estimates, together with the *Hansard* record of the committees’ proceedings and documents received by committees.

Ordered that the reports be printed.

Senator FAULKNER (New South Wales) (16:30): by leave—I move:

That the Senate take note of the reports.

I am particularly interested in the report of the Finance and Public Administration Legislation Committee, which has just been presented, but of course have a great deal of interest in the other reports, which I will read with interest at a later stage. In noting the report of the Senate Finance and Public Administration Legislation Committee, I would like to draw the attention of the Senate to the change in leadership of the Department of Parliamentary Services, in particular to some comments made to the committee by the Acting Secretary of the Department of Parliamentary Services, Mr Russell Grove.

After the retirement of Mr Alan Thompson as Secretary of DPS, Mr Grove served as acting secretary of the department from 10 March until 26 May this year. Mr Grove has a very interesting background with over 40 years experience with the New South Wales Legislative Assembly, including over 21 years as clerk. That experience really was of benefit to our committee. This afternoon I would particularly like to draw attention to the evidence Mr Grove gave to our committee’s inquiry into the performance of DPS and that evidence was provided on Wednesday, 2 May 2012.

When Mr Grove came before our committee, I asked him about whether he had examined the issue of misleading evidence provided to the committee on the sale of billiard tables. Mr Grove said in response—which you might find on page 22 of the relevant committee *Hansard*, that he had spoken:

… with officers about the appalling situation that the department found itself in—never to be repeated—and the lessons learnt from that, to provide accurate and fulsome information to any committee which asks for it. But it is unfortunate that, had the committee not been misled and lied to, we probably would not have needed to have spend $92,000—

And so he went on. You would find on page 27 of the *Hansard* record comments about the same matter. In fact, I said this:

You see, I happen to think—this is perhaps very old-fashioned, Mr Grove—that parliamentary departments, whether they be chamber departments or DPS, ought to be exemplars of best practice. They should lead the way in terms of their responses on these sorts of issues. And, to my knowledge, it is almost unprecedented to have a situation where evidence is created and fabricated ex post facto and then provided deliberately in answers to questions on notice to a parliamentary committee. It is almost unprecedented. I find it extraordinary that this would have occurred from a parliamentary department.

Mr Grove responded:

I can only agree. It beggars belief that that would happen.

Because of the time pressures in the chamber, I propose to seek leave to incorporate in *Hansard* further extracts of the *Hansard* transcript of the same hearing. These particular extracts focus on the findings of the 2011 DPS staff survey conducted by ORIMA Research. I indicate to the Senate that the usual courtesies have
been extended around the chamber in relation to these Hansard extracts, so I now seek leave to incorporate those extracts in Hansard.

Leave granted.

The extracts read as follows—

Finance and Public Administration Legislation Committee:
Public Hearing 2 May 2012-06-26
Inquiry into the Performance of the Department of Parliamentary Services

FROM PAGE 33 OF THE HANSARD TRANSCRIPT.

Senator FAULKNER: I hope it is not like a small family. If it is, it is a pretty dysfunctional one, that is all I can say. I do hope that is not the case. What we have is the Department of Parliamentary Services 2011 Staff Survey conducted by ORIMA Research. Can you and I agree that that is a serious survey undertaken by a reputable, independent, outside organisation, that it is comparatively recent and that perhaps it is worth focusing on some of their findings?

Mr Grove: Certainly.

Senator FAULKNER: If you go to page 60, it talks about the DPS senior executive performance. Before we get to bullying, we will just talk about the DPS senior executive performance. On page 60 you will see a footnote, footnote 17, defining what the DPS senior executive is as far as the ORIMA Research organisation is concerned. Let me quote it and you can confirm that I am quoting it correctly. It says: DPS Senior Executive was defined in the survey to include the Secretary, the Deputy Secretary and the Parliamentary Librarian. Do you confirm that?

Mr Grove: Yes.

Senator FAULKNER: If you go to page 60, it talks about the DPS senior executive performance. Before we get to bullying, we will just talk about the DPS senior executive performance. On page 60 you will see a footnote, footnote 17, defining what the DPS senior executive is as far as the ORIMA Research organisation is concerned. Let me quote it and you can confirm that I am quoting it correctly. It says: DPS Senior Executive was defined in the survey to include the Secretary, the Deputy Secretary and the Parliamentary Librarian. Do you confirm that?

Mr Grove: Yes.

Senator FAULKNER: This particular survey, I think, had some very worrying findings. I could spend all afternoon on this, but I am not going to. Go to the next page—page 61. Question 16a asked in the ORIMA survey is: Members of the Executive act in accordance with the Parliamentary Service Values and Code of Conduct. Fifty-five per cent of staff in DPS agreed with that in 2011—less than the number that agreed with it in 2009, which was 57 per cent. But compare that to the APS-wide figure, which is 84 per cent. Problem?

Mr Grove: Perhaps a problem of communication.

Senator FAULKNER: But it is a problem, first of all?

Mr Grove: Yes, certainly.

Senator FAULKNER: It is a real problem, isn't it?

Mr Grove: The comparison is odious. It shows a problem.

Senator FAULKNER: According to this survey, the percentage of DPS staff who believe that 'senior executive exemplify personal drive and integrity' is 36 per cent—compared with 42 per cent, which is abysmal anyway, in 2009. Problem?

Mr Grove: I would imagine, yes.

Senator FAULKNER: Thank you. I think it is a problem too, Mr Grove. These are not created by me. You say 'let's depend on something more substantive'. Under 'demonstrate high quality leadership', 35 per cent of the staff of the department think the senior executive staff do that. 'Provide clear and consistent guidance': 31 per cent of staff. All these figures are down from the 2009 levels, which were abysmal in their own right. When I read this, I must admit that it did not fill me full of a great deal of confidence, but it is, as we have discussed, a document produced by an independent group. I might return to that at a later stage in these hearings. Let's go to page 70: 'DPS Senior Executive Performance'. Has anyone drawn these figures to your attention, Mr Grove?

Mr Grove: Yes, I have read the review.

Senator FAULKNER: What was your view?

You are here, you have come in—I think many of us would appreciate this—in a temporary capacity, an acting capacity. You have had long experience in the service of the Parliament of New South Wales. I am really asking you, taking a step back: what are your thoughts when you read these sorts of statistics? This is the view of the staff of the Department of Parliamentary
Services about the senior executives. How do you respond to this?

Mr Grove: My initial response is, firstly, it is not good, as you observe; secondly, you should address it and do something about it. I think one of the big problems is the way people communicate with one another.

Senator FAULKNER: Is it the way the senior executive service communicate with the rest of the department, or is the problem with the staff of the department who fail to communicate effectively with the DPS senior executive—or both?

Mr Grove: Potentially there is a two-way track, but the former is the more important issue: leadership communicating down through the next rung of leadership and down the line so that people understand where people's responsibilities lie, where accountabilities lie and where support needs to be, with that communication coming up through the ranks as well.

Senator FAULKNER: I am only making the point here that there does seem to be a problem. I am not laying blame at anyone's feet. These are very unusual figures and very surprising figures to me. Are they surprising to you?

Mr Grove: They are surprising.

Senator FAULKNER: You had a long and distinguished career in the New South Wales parliament. You would be pretty displeased, I suspect, if your own leadership at that time had been judged in that way, wouldn't you?

Mr Grove: Not quite as bad, but probably there was room for improvement. There is always room for improvement.

Senator FAULKNER: I think you would have been pretty disappointed. Let's move on to page 76 of this report, which talks about experiences of bullying or harassment. Take figure 28: 'During the past 12 months have you been subjected to bullying or harassment at DPS?' Basically, one-third-32 per cent—of staff indicated they had witnessed bullying and/or harassment at DPS in the last 12 months and this was above the 27 per cent recorded in 2009. That is a statistic from the people DPS got to conduct the 2011 staff survey. What am I to make of that statistic? It seems to me to be a high level and increasing.

Mr Grove: It is evidenced by the facts.

Senator FAULKNER: This is the point. I think the facts are telling us a story here. You said to me 10 or 15 minutes ago: 'Let's focus on the facts.' These are facts. They are not happy facts, though, are they?

Mr Grove: It is a statistic, isn't it?

Senator FAULKNER: It is a statistic, yes.

Mr Grove: Which potentially can be different to the fact. It is a raw figure.

Senator FAULKNER: It is a raw figure, but you were concerned about ensuring that we look at these issues with the best evidence that we have available to us. I cannot comment about all the statistical basis for this—I have read the report—but the statistics are concerning and consistent, aren't they?

Mr Grove: They seem to be, yes.

Senator FAULKNER: And from 2009 to 2011 there is an increase. What is the committee to make of that? If it is not a problem, why did the new Secretary of the Department of Parliamentary Services make the statement that she did about bullying?

Mr Grove: I cannot answer that question.

Senator FAULKNER: Perhaps I will have to ask her when she first appears before the committee. I appreciate you cannot answer it, but you mentioned to all of us here on this side of the table in your opening statement that this was positive. I agree with you: it is positive.

Mr Grove: I think no-one is denying that something does need to be done about this issue and positive steps taken. We are preparing an action plan to do something about that so people have the opportunity to speak up without being afraid.

Senator FAULKNER: Let's go to page 80 of this ORIMA report. Halfway down the page it refers to figure 32: Compared with 2009, staff who reported bullying and/or harassment in 2011 continue to indicate low levels of satisfaction with how their report of the incident was handled. In 2011, around one in five relevant DPS staff were satisfied (17%)—Which is a bit under one in five. The report continues: This was down from 27% in 2009 and below 38% for medium
APS agencies. That is very poor, isn’t it, Mr Grove?

Mr Grove: It is.

Senator FAULKNER: It is very poor. Are we to be concerned about that?

Mr Grove: I would imagine so, yes.

FROM PAGE 36 OF THE HANSARD TRANSCRIPT.

Mr Grove: Which specific instances of alleged bullying?

Senator FAULKNER: I am going to go through a few of these. Instances of alleged bullying are taken seriously: 21.3 per cent said they neither agree nor disagree but 17.3 per cent said they disagree and 13.7 per cent said they strongly disagree. The way I add it up, that means 31 per cent disagree that alleged bullying is taken seriously by management. What about this next one? Workers feel confident to speak up about inappropriate behaviour: 24.9 per cent neither agree nor disagree but 28.9 per cent disagree and 15.3 per cent strongly disagree. I am asked by Mr Grove to get a statistical basis for this. That is pretty ordinary isn’t it, Mr Grove?

Mr Grove: It would appear to be, yes.

Senator FAULKNER: It is a shocker.

Managers lead by example to prevent workplace bullying: 22.9 per cent neither agree nor disagree but 16.9 per cent disagree and 20.1 per cent strongly disagree. That is pretty bad too, isn’t it?

Mr Grove: Yes, it is not a good figure.

Senator FAULKNER: For the record, the 16.9 per cent are 42 people and the 20.1 per cent are 50 employees at DPS. Can’t you see why committee members are so concerned about the issue of bullying?

Mr Grove: I recognise that, yes.

Senator FAULKNER: And not only is the situation abysmal, on all the evidence available from independent sources the ORIMA survey and the Comcare survey, it is getting worse, isn’t it?

Mr Grove: That is what the statistics indicate.

Senator FAULKNER: Yes. Now I think it is pretty reasonable for the committee to start drawing conclusions from some of these reports that have been provided to us. I am certainly starting to draw conclusions and they are unhappy conclusions. They could not be otherwise could they?

Mr Grove: No, they could not. I agree with what you say but what I have attempted to put before the committee, which I hope the committee will accept, is that DPS is attempting to do something about this issue.

Senator FAULKNER: Well I would hope so. It would be appalling to think they are not trying to do something about it. It is so shocking. I do not derive any comfort from that. It would be more extraordinary if you were not trying to do something about it. But it does not appear that whatever has been done over recent years has not been successful.

Mr Grove: That would appear to be the case, yes.

Senator FAULKNER: Yes, and it also appears that when you compare, as the ORIMA Research document does, the record in DPS to medium-sized APS agencies the comparisons are terrible, aren’t they?

Mr Grove: The statistics appear to indicate that, yes. Take on board the fact that, when the Comcare audit which shows these figures was brought to the attention of DPS, an action plan was prepared, which was submitted to them and accepted by them. A recent audit, as late as yesterday, says that, yes, the implementation of the plan seems to be on track and they are reasonably comfortable with the approach that has been taken. Is that a positive?

Senator FAULKNER: Sorry?

Mr Grove: That is a positive, surely.

Senator FAULKNER: Let us hope so. I think we are long overdue for a few positives.

Mr Grove: I would agree.

Senator FAULKNER: I thank the Senate. I will just conclude my very brief remarks on this matter by commending Mr Grove’s clear statements of concern about the issues canvassed in the ORIMA research and in relation to the Department of Parliamentary Services billiard table sale debacle. And I say to the Senate that I

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sincerely hope his wise counsel on these matters is heeded in the future.

Senator FIERRAVANTI-WELLS (New South Wales) (16:38): I rise to speak on an important area of concern to older Australians which was canvassed at the community affairs budget estimates, and further developments since then which have put at issue the government's lack of forthright disclosure at these hearings. While the aged-care announcements of 20 April 2012 with the headline figure of $3.7 billion over five years sounded impressive, the actual amount of new money to be spent is $577 million. The rest is as a result of means-testing and of simply cutting funding from one part of the sector and redirecting it to another. Furthermore, many of the changes will not start till 1 July 2014, so the pain will not be felt until well after the next federal election. Like all Labor's announcements, the devil is in the detail. But what is very clear is that more people will pay more for their aged care. The problem is we do not know how many of our 3.5 million older Australians will pay more or how much more they will have to pay.

One of the failures in the aged-care reform package is the missed opportunity to reduce red tape. This is something the sector has been urgently demanding. In a sector already wallowing in red tape, this package will heap on them more red tape and more bureaucracies to deal with. I have repeatedly been told that aged-care nurses spend, on average, a third of their time on paperwork; things are only going to get worse.

There are two key issues that have arisen that have caused major concern to stakeholders, especially providers—namely, the decision to rip $1.6 billion out of the ACFI, the aged-care funding instrument, over the next four years, supposedly on the spurious suggestion of rorting by the sector, for which no substantive evidence has been produced; and the decision to establish the Aged Care Funding Authority, which will dictate prices, bonds and a whole range of other measures.

So $1.6 billion will be going out, but $1.2 billion is going to be redirected to an aged-care workforce compact. Providers currently receive a conditional adjustment payment of 8.75 per cent of their subsidy to meet certain workforce obligations. Now, unless they have an enterprise bargaining agreement, they cannot access the funding under the compact. Why? They will still be doing the same things, but they will be obliged to enter into an enterprise bargaining agreement for which the default agent is the union. There are three key unions in aged care: United Voice, the ANF and—wait for it—the HSU. Call me cynical but, with HSU membership having suffered a dramatic reduction, this is in my view a backdoor deal that the government has no doubt done to get more aged-care workers to join the union, a backdoor deal that is going to help the defunct HSU.

It is clear what is happening here. There are cuts to funding in areas like personal hygiene by reclassifying residences that are high care as medium care, and it is only natural that we will see staff cuts—and staff cuts in aged-care homes mean more regimentation. As I said at estimates: is this the beginning of the toilet queues for our high-care dementia patients? With over 40 per cent of aged-care providers operating in the red and the impending carbon tax being foisted on them, providers are justifiably feeling that they have been kicked further.

This year's budget alone will see $500 million ripped out of a sector that is already suffering. It is little wonder that we are seeing headlines such as 'Minister defends cash cut for aged', 'Nursing homes face
subsidy growth limit' and 'Cash curb for age care'. And this is a problem of the government's own making. None of the providers have endorsed the options that have been put on the table by the government. It is no wonder that Grant Thornton, in its latest report on the aged-care reform package, said that the industry was alarmed to learn that the government had planned this cut. Alarmed? Of course they were alarmed, because they suddenly saw it in the budget. And it goes against the targeted cuts of $50 million to go to the Living Longer, Living Better package—so $50 million out of the package and half a billion dollars out of the budget.

It is not surprising that, with all this uncertainty, a leading aged-care service survey has found that, in the last two months since the government reform announcements, over $3.5 billion in planned aged-care development projects have been shelved. With ACFI changes due to start on 1 July, the minister has been engaged, understandably, in some urgent meetings with providers and other organisations—peak bodies, financiers and consumers—with some rushed announcements being made last Thursday, the 21st. As I said, it is little wonder that they got themselves into this trouble, because this is a problem of their own creation. It is so typical of this government to make a decision without consultation. Then we have the angst, then we have the changes—only, in this case, Minister Butler has continued to impose the changes. Time will tell how many providers will be pushed to the brink, when we start seeing aged-care facilities close. It is clear that Minister Butler is making these changes administratively and thus they will not receive parliamentary scrutiny, which means that effectively the government can do what it likes.

In conclusion, I urge those peak groups that so willingly and so quickly applauded the so-called reforms to think again, to consider the detail and to not let this government get away with perpetrating yet another smoke and mirrors saga—another spin over substance exercise like we are used to seeing from this minister. He did it in mental health and he is now trying to do a repeat performance in aged care.

Senator EGGLESTON (Western Australia) (16:45): I want to make some comments on the Department of Foreign Affairs, Defence and Trade estimates. The estimates hearing was opened by the Chief of the Defence Force, General Hurley. He said, first of all, that there had been some controversy in the media about the bodies of Australian soldiers who were being brought back from the war in Afghanistan being placed in their coffins the wrong way up. That, of course, had caused a great deal of distress to the families concerned. I thought I should repeat General Hurley's comments. He said:

… I felt so strongly about the allegations being made and the potential to cause undue distress to the soldiers' families and members of the ADF that I ensured that the department's responses to the journalist's questions last week were drawn from the inquiry outcomes to date, and they were quite detailed.

He went on to say that the Defence Force was very concerned to ensure always that the bodies of soldiers who came back from Afghanistan would be orientated correctly in coffins. He wanted to assure the families that the remains of their loved ones would be very much respected and treated with great care by the Defence Force.

The other important matter raised in Defence estimates, this time by the secretary of the department, Mr Duncan Lewis, concerned the massive cuts to defence spending imposed by the government in the
recent budget. Defence was cut by $5.45 billion as a contribution to the government so the government could come up with its minor, small and measly surplus. It is a very small surplus indeed.

The removal of $5.45 billion from the defence budget is going to have very serious and long-term implications for the defence forces of Australia. It is said that it takes our defence forces back to the state of readiness we saw in 1938, when they were grossly understaffed and underequipped. It is certainly going to make an enormous difference to the planned program to build 12 new submarines—obviously that will need to be shelved, as will many other new weapons platforms and programs. Mr Lewis said:

... these savings will not impact on current operations in Afghanistan, East Timor or the Solomon Islands. They will not impact upon the equipment that our men and women need to do their jobs on these operations. It has been a challenging exercise to find these savings.

One can imagine how challenging finding $5.45 billion worth of savings in the defence budget will be and what a big impact that will have on our future defence procurement and the effectiveness of our defence forces.

The third and final point I make about the Defence estimates is that there has recently been a Defence Force posture review report into the need for increased defence protection on the north-west coast. General Hurley, the Chief of the Defence Force, did concede at estimates that the Defence Force had somewhat neglected the defence of the north-west over the last decade. This is a very important area of Australia because there is now hundreds of billions of dollars worth of investment in oil and gas developments off the north-west coast, and there is a feeling that they are very important assets for Australia as a whole and ought to be given more defence protection than they are.

I believe that Major General Jeffery, who subsequently became the Governor-General, referred to the need for increased Defence Force presence on the north-west coast some 10 years ago. Regrettably, nothing very much has developed over those 10 years. The Chief of the Defence Force did undertake that he and his colleagues from the defence forces command group would go to the north-west to inspect these facilities and to take into account the Australian Defence Force Posture Review overseen by Dr Hawke and Ric Smith, which reported on the defence capability plan for the north-west. I look forward to that report being brought down.

Senator COLBECK (Tasmania) (16:51): I rise to speak on the motion to take note of Senate estimates committee reports. I particularly wish to speak about the report of the Rural and Regional Affairs and Transport Legislation Committee and, specifically, the coalition senators' dissenting report. That report relates to evidence given to the committee by the Infrastructure and Surface Transport Policy Division of the Department of Infrastructure and Transport on 23 May about the allocation of funding out of a $20 million package to Tasmania. The committee, in the view of coalition senators, was clearly given the impression that the allocation process for this money had not been finalised, that it was still being negotiated with the Tasmanian government and that it would be some time before those announcements might be made—and that there were some things which needed to occur before those announcements could be made, in particular the provision of a report from Infrastructure Australia to the Minister for Infrastructure and Transport, Mr Albanese, in relation to the funding and some other matters concerning strait freight services.
It was a real surprise to members of the committee, particularly other coalition members and me, to find in media reports on the morning of 24 May that the allocation of some of that funding had been announced. Clearly the handing of the report to Minister Albanese by Infrastructure Australia, which, we had been given the impression, was a necessary precursor to the announcement, had not occurred by that time. We subsequently found out that there had been a postdated, embargoed media release—obviously issued on the afternoon of 23 May, before the committee had even heard evidence—making the announcement. I admit that the media release appears to have been put out in a rush, since Minister Albanese has mixed up the electorate of his colleague the member for Lyons, Dick Adams, whom he has named as the member for Bass.

Members of the coalition on the committee were seriously disturbed by this. We sincerely believe that the committee was misled—by the actions of Minister Albanese more so than by the evidence of the officials. I do not have any concerns about what the officials told us. I think they believed they were giving us correct evidence. But the actions of Minister Albanese have put us in the situation where the coalition believes that the committee was misled. In fact the chair, on the morning of 24 May when we raised this matter again, said—and this is from Hansard:

Thank you. Now, with all due respect, I know I sat here as you did ask those questions of the officers last night and I certainly share that you have some form of reason to be upset.

I note that the committee wrote to Minister Albanese and the officers concerned. They have written back. The concern we have with the report is that it says that the committee is satisfied with those responses. We certainly believe that the committee was misled.

It is a very rare thing for a dissenting report to an estimates committee to be tabled in this place and I wanted to bring the Senate's attention to that. I say to Minister Albanese that he should have more respect for the Senate and for Senate processes. He has spent a lot of time lecturing others in this building about the operation of processes within both the House and the Senate. Perhaps he could give that lecture to himself the next time he is in front of the mirror.

**Senator BERNARDI** (South Australia) (16:55): I note paragraph 2.48 of the report on the estimates proceedings of the Finance and Public Administration Legislation Committee. That paragraph relates to Senator Bob Carr's Sydney electorate office. The issue canvassed at estimates was how and why Senator Carr's electorate office could also serve as the principal place of business for RJ Carr Pty Ltd, his former lobbying company. This was indeed the case up until 24 May, the day that my colleague Senator Scott Ryan raised this issue at Senate estimates—when, coincidentally, the principal place of business of RJ Carr Pty Ltd was transferred to an address in Burwood. At the estimates proceedings of the Foreign Affairs, Defence and Trade Legislation Committee, Senator Carr made light of this. The coalition was also concerned that Senator Carr had decided to retain his sole share in RJ Carr Pty Ltd, a private company, contrary to the provisions dealing with shareholdings in the Prime Minister's Standards of ministerial ethics. Those provisions include the statement:

... these Standards require that Ministers divest themselves of investments and other interests in any public or private company or business ... 

I will also quote briefly from a press release put out by another colleague, Senator Lee Rhiannon. She has been concerned about
Senator Carr's potential conflict of interest. On 5 March, Senator Rhiannon said:

There's a public expectation that Mr Bob Carr should not be free to move seamlessly between big business and politics without disclosing whose interests he has been representing. The Gillard government must manage Mr Carr's entry to federal parliament and the contacts and information he has gained while as Premier and then lobbying for big business. The revolving door between business and politics allows access and influence which is not extended to the ordinary Australian.

I put to the Senate that Senator Carr's use of his former business premises as the principal place of business for RJ Carr Pty Ltd, as well as his electorate office and, in particular, his retention of his shareholding in the company, tell us a number of things which are very significant. It tells us that Senator Carr sees his job as Minister for Foreign Affairs as just a temporary gig before he moves seamlessly back into lobbying. Why else would he not move offices? Why else would he retain his ownership of RJ Carr Pty Ltd in contravention of the PM's Standards of ministerial ethics? Why else would he not simply wind this company up? The answer, to use Senator Rhiannon's words, is that Senator Carr not only wishes to move seamlessly from big business to politics; he then wants to move seamlessly back into big business again. Talk about a revolving door between business and politics!

I believe that Senator Carr has not properly addressed these issues. Indeed, his remarks to date show either a profound ignorance of, or a profound contempt for, ministerial standards. The answers to the questions on this issue which were taken on notice at estimates will be very interesting for the Senate to observe. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

BILLS

Fair Work (Registered Organisations) Amendment Bill 2012
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 notes the Government's failure to:

(a) establish an independent Registered Organisations Commission to:

(i) enforce and police the reporting and compliance obligations,

(ii) provide information to members of registered organisations about their rights and act as the body to receive complaints from their members,

(iii) educate registered organisations about the new obligations that apply to them, and

(iv) absorb the role of registered organisations enforcer and investigator, currently held by the General Manager of Fair Work Australia;

(b) ensure registered organisations face the same accountability and transparency measures as required of companies and their directors under the Corporations Act 2001;

(c) ensure registered organisations face the same penalties as companies and their directors under the Corporations Act 2001;

(d) express its confidence in the findings of Fair Work Australia's investigation into the Health Services Union National Office; and

(e) conduct a Regulation Impact Statement for the bill;

and calls on the Government to conduct a review of the amendments made by the bill within 2 years after it receives the Royal Assent in accordance with Office of Best Practice Regulation practices".

Senator CASH (Western Australia) (16:58): I am pleased to contribute to the debate on the Fair Work (Registered
Organisations) Amendment Bill 2012 which, if agreed to by the Senate, will amend the Fair Work (Registered Organisations) Act 2009, the principal act for the purposes of the proposed amendments. The government claimed that the purpose of the bill is to increase the financial and accountability obligations of registered organisations and their office holders, to strengthen the investigative powers of Fair Work Australia and to enhance remedies under the Fair Work (Registered Organisations) Act. The minister in his second reading speech suggests one reason for the introduction of the bill:

In recent weeks and months conduct by a small number of officials in some parts of one organisation has dented public confidence in all registered organisations in this country.

It is patently obvious to anybody that in making this point the minister was referring to what has become known as the criminal activities of some officials or former officials of the Health Services Union. However, for the minister to refer to these activities as having no more than 'dented public confidence' is a serious indictment of the judgment and, indeed, the credibility of the minister himself. Rather than using the banal words 'dented public confidence' which the minister has no doubt deliberately used to try to trivialise the actions of some of the HSU officials, it would have been more appropriate for the minister to refer to the criminal activities of some officials or former officials of the Health Services Union. However, for the minister to refer to these activities as having no more than 'dented public confidence' is a serious indictment of the judgment and, indeed, the credibility of the minister himself. Rather than using the banal words 'dented public confidence' which the minister has no doubt deliberately used to try to trivialise the actions of some of the HSU officials, it would have been more appropriate for the minister to say that the actions of these HSU officials in robbing some of the lowest paid workers in the health system has not just dented but actually shattered and, indeed, crushed the confidence that these members had in their union and the officials.

Many of the low-paid workers of the HSU have been devastated and traumatised by the factual evidence that has been published in the Fair Work Australia report on the activities of the HSU and, in particular, its former secretary, Craig Thomson, the current member for Dobell, and its former president, Mr Michael Williamson, who is a former President of the Australian Labor Party. The real reason that this bill has been introduced is that the Labor Party and the federal Labor government, which have been protecting both Mr Thomson and Mr Williamson for a long time, have been caught out by the publication of the Fair Work Australia report on the HSU.

The Labor Party is now desperate to be seen to be doing something about this disgraceful pillaging of funds from the low-paid workers of the HSU who both Mr Thomson and Mr Williamson were allegedly meant to be representing. Both Mr Thomson and Mr Williamson are classic examples of the good old tried and tested Labor maxim, 'Nothing is too good for the representative of the worker' and, in this case, even if it means robbing those workers blind so that they can satiate their appetite for reckless spending.

The question that needs to be addressed in this debate, in particular by those low-paid members of the HSU who have been exploited by those who are meant to represent them, is: does the substance of the bill achieve the objectives the Labor Party claimed it sought to address? Has the Labor Party really taken action to protect workers and make union officials accountable for abuses of them, or is this just another Labor cover-up? In asking this question, it is interesting to note the comments made by the minister in his second reading speech and then contrast the minister's general summary of the bill with the actual amendments that we have laid on the table before us today and that are proposed in relation to the Fair Work (Registered Organisations) Act.

For example, the minister suggests that in addition to improvements in the financial management and disclosure regime, the bill
proposes to increase penalties. The minister goes on to say that:
The current maximum civil penalties are $11,000 for an organisation and $2,200 for an individual.
The minister says that the bill:
… proposes to triple the maximum civil penalties to a maximum of $33,000 for an organisation and $6,600 for an individual.
The minister further says:
This represents a significant increase in penalties to reflect the seriousness with which this government, and registered organisations, take compliance with workplace relations law.
However, what the minister has conveniently failed to tell the parliament and failed to tell the people of Australia is that these increases remain civil penalties. Unlike the penalties found in the Corporations Act 2001, it is not possible to imprison a person should they default in the payment of a fine or other pecuniary penalty imposed under the Fair Work (Registered Organisations) Act. Quite frankly, it is not a bad cop-out if you are trying to look tough in the eyes of the public and in the eyes of those poor old members of the HSU who were robbed blind by the union officials, and pretending that you are making radical changes when in reality the government clearly knows it is not threatening its union mates with imprisonment when a fine or other pecuniary penalty imposed under the Corporations Act is not paid.

Let us now contrast that with the provisions of the Corporations Act 2001. In looking at the effect of the provisions of this bill, I took the opportunity of comparing and contrasting the penalty provisions in the Fair Work (Registered Organisations) Act and the Corporations Act. Interestingly, the Corporations Act comes out being a far tougher act when it comes to imposing penalties. Schedule 3 of the Corporations Act lists 346 separate items which attract either fines and/or imprisonment or, in many cases, both, with some of the prison terms being for a period of up to five years and fines of up to $220,000. It is not hard to see the difference between a maximum fine of up to $33,000 under the bill that we are currently debating for the union movement and a fine of up to $220,000 and up to five years’ imprisonment for the corporate sector. It is very, very obvious to see why the Labor Party do not want its union mates subjected to the same accountability provisions that the corporate sector are subjected to. It may be convenient for the Labor Party to protect union officials and legislate to provide them with special treatment, effectively shielding them from the rigorous requirements imposed on the corporate sector, but the reality for the Labor Party and the unions is this: today, many of the national unions are huge business conglomerates and they should be subject to the accountability and transparency provisions of the Corporations Act 2001.

Given that section 351 of the Fair Work (Registered Organisations) Act operates as a statutory shelter from imprisonment in default of the payment of a fine or other pecuniary interest imposed under this act, it would be interesting to know from the minister the public policy reasons that underpin why such a statutory shelter exists and why similar offences should only attract a civil penalty under the Fair Work (Registered Organisations) Act, which is
modified by statute to prevent imprisonment, yet under the Corporations Act an offender can be both fined and imprisoned for a similar offence. Remember this: the rationale given by the Labor Party for this legislation is that they want to toughen up the accountability provisions in relation to unions. However, when we compare and contrast the accountability provisions that we are discussing today under this legislation for unions with the accountability provisions in the Corporations Act that the corporate sector are subject to, this supposedly tough legislation, falls seriously short.

Section 184 of the Corporations Act deals with good faith, the use of position and the use of information, and consequential criminal offences—that is, five years imprisonment—and has much to commend it as a provision, and should have been included by the Labor Party in the amendments that we are debating today, if the Labor Party were serious about toughening up the laws in relation to accountability for its union mates. But what do we have? We have an absolute failure to include that provision. So the opposition have had to put on the table, in the interests of true accountability, a section 184 amendment. The rationale behind this amendment is the value of such a provision in the Fair Work (Registered Organisations) Act, especially given the performances, or rather lack of, of Mr Thomson and Mr Williamson, as clearly set out in the report handed down by Fair Work Australia. Good legislative practice would dictate that if the minister were dinkum when he said:

In recent weeks and months, conduct by a small number of officials in some parts of one organisation has dented public confidence in all registered organisations in this country—and I do not disagree with the minister's remarks in that sense; however, I think they are quite banal and do not go anywhere near what has actually occurred—then the minister would have no trouble at all in accepting the section 184 amendment proposed by the opposition. Why is it that when you contrast the proposed amendments to the Fair Work (Registered Organisations) Act from the Labor Party with the penalties under the Corporations Act, it is patently obvious that the government, in its dying days, are yet again favouring its union mates by requiring a lesser standard of compliance and transparency compared with the obligations placed on the corporate sector?

The fact that Labor blatantly favour its union mates is also highlighted by the extended dates on which many of the provisions of this bill will come into effect.

Another feature of the bill is clause 2, which deals with the commencement date of the various amendments to the principal act. It is important to note that the government have divided the bill into two parts. Part 1 is to commence on royal assent—in other words, it is to commence immediately; and part 2, which will come into effect on proclamation or no later than 12 months after the date of royal assent. Examples of matters included in part 2, which are to be delayed in coming into effect—possibly up to 12 months—include the following: proposed section 142A, which relates to model rules for policies relating to expenditure; proposed section 148A, which relates to rules to require disclosure of remuneration paid to officers; proposed section 148E, which relates to the disclosure period; proposed section 148F, which relates to model rules relating to disclosure; and proposed section 154D, which relates to
rules to require officers to undertake approved training.

I am sure that as soon as the bill passes the Senate, the government will stand in this place and crow that they have fixed the rogue union official problem. But that will be an absolute furphy, because the reality is that an artificial 12-month delay has been built into the bill quite deliberately by the government, during which time many of the important provisions, which are allegedly going to solve the Mr Thomson and Mr Williamson problem, will still not have changed. However, if you want to talk about accountability, it is interesting to note that the directors of a newly registered company are not given a free ride for 12 months, a start-up period of 12 months, in which to comply with the Corporations Act. But, then again, the Labor government have shown how they detest the corporate sector and are ever ready to help out their union mates when they have blatantly breached the trust of the members of the union movement. The government's announcement of the legislation that we are debating here today came, lo and behold, 10 days after the Leader of the Opposition announced the coalition's better plan for accountability and transparency for registered organisations. If I were a betting person, I would put money on the fact that, if the coalition had not made its hard policy announcement, the Labor Party would have quite conveniently and deliberately kept its head in the sand when it came to the accountability of its union mates.

Considering it is nothing more and nothing less than a stunt, why have Labor even bothered to bring this legislation into the Senate? It does not provide any worthwhile increase in accountability for unions at all. If the Labor Party were genuine about increased accountability for the unions, then they would come to this place and quite openly adopt the coalition's proposed plan. The coalition's plan will make sure that members of registered organisations, mainly small businesses and workers, can be assured that the hard-earned money that they pay over to the union movement is being used for the right things. We do not want to see union officials getting away with spending the hard-earned money of union members on elaborate dinners for themselves or on using escorts. That is an absolute disgrace and a blatant abuse of union members' funds.

Just as there are rules to ensure that companies and boards of directors do the right thing, there is no reason, quite frankly, that those same rules should not apply to registered organisations and their officers. If there is a reason, please stand up in this place and defend the actions of Mr Thomson and Mr Williamson. I do not believe that there is one member in this place who is able to do that.

Although the overwhelming majority of registered organisations do the right thing, the coalition will ensure that they are strongly deterred from doing the wrong thing at all times and that, where inappropriate action occurs—as we have clearly seen with the HSU—these registered organisations can be investigated by a genuinely independent regulator that has teeth. That is true accountability for unions, and the Labor Party is clearly unable to provide true accountability for unions—only a coalition can do that. Unlike Labor, which is driven by the politics of envy and good old-fashioned
class warfare, we in the coalition will be the ones to ensure that workers who pay their union dues in good faith are not ripped off by shonky union officials and that the affairs of these unions, which are often massive business enterprises, are put on the same footing as the corporate sector when it comes to accountability and transparency.

The fact of the matter is: how can the people of Australia take this legislation and Labor seriously, when Greg Combet is a former head of the ACTU, Bill Shorten sat on the ACTU at the same time that Craig Thomson sat on the ACTU? How can the people of Australia take Labor and this legislation seriously, when the events that have triggered this proposed legislation happened right under Labor's noses while Mr Thomson was a member of parliament and Michael Williamson was the president of the ALP? How can you take Labor seriously when they still rely on the tainted vote of Mr Thomson?

Senator RONALDSON (Victoria) (17:18): What a remarkable day—the day on which we have a so-called bill for accountability. What was the first thing that the Australian Labor Party and the Greens did when they had the opportunity to vote for accountability? They voted against the notice of motion moved today by the Leader of Opposition in the Senate, Senator Abetz. For the benefit of those who may not have seen this, I will read that notice of motion:

That the Senate—

(a) notes findings by Fair Work Australia that Mr Craig Thomson misused Health Services Union members' funds for sexual services, personal travel and entertainment and to secure a seat in the Federal Parliament; and

(b) condemns the misuse of union members' funds as found by Fair Work Australia.

The Greens and the Labor Party fell at the first hurdle in relation to accountability and their support for it. I have brought into the chamber 1,100 good reasons why something urgently needs to be done about the misuse of union funds—the misuse of funds that affect the most low-paid in this country. That 1,100-page document details a litany of the misuse of HSU members' funds. I have said in this chamber before that I would like to see most of us go and do what those HSU members do. I would like to take the members of the Senate and put them into a hospital to clean bedpans and floors and to do jobs that are absolutely necessary but that are low paid.

Senator Polley interjecting—

Senator RONALDSON: What utter disrespect for those Australian workers have we seen by the behaviour of the HSU. I am amazed that Senator Polley is interjecting in relation to this matter. I would have thought that an interjection by someone with Senator Polley's background in the union movement, effectively supporting the activities of Mr Craig Thomson and the misuse of union funds, is a remarkable interjection in this debate.

I want to go back a couple of years to when I first raised this matter in this place on the back of a Fairfax article. I want to go back to the inquiry by Fair Work and I want to go back to what did not happen and the time that it took for that report. In doing so, I want to talk about the coalition's issue with the Fair Work (Registered Organisations) Amendment Bill 2012 and the coalition's very strong view that, if the Australian Labor Party were serious, they would adopt the coalition's plan for better transparency and accountability of registered organisations. Senator Cash quite rightly indicated that this bill was manufactured by Minister Shorten, who had previously shown no interest in relation to accountability, no interest at all. He was one of those running around the
country protecting and defending Mr Craig Thomson, the member for Dobell. Stunned by the findings of the Fair Work report, which Minister Shorten hoped would never see the light of day, he was forced to put some legislation into the other place, and we are debating that today.

As Senator Cash quite rightly said, had it not been for our plan for better transparency and accountability of registered organisations, we would not be seeing this bill before the Senate. We would not be seeing this bill before the Senate, because the so-called Prime Minister of this country, who set up Fair Work Australia, failed the test of propriety in relation to the Craig Thomson matter. She failed the one test that every Prime Minister should stand by—that is, the propriety of their own members. She failed to make sure that she knew what Mr Thomson’s real position was in relation to this misuse of HSU funds and she continued to support a man who should have lost her support some 12 months before.

The litany of untruths in relation to this matter started with the member for Dobell writing to caucus members telling them that Fairfax had settled this matter in his favour. And the two caucus members opposite know full well that they received a letter from Mr Thomson pleading his innocence in this matter and alleging that Fairfax had withdrawn their proceedings. What do we now know? We now know that the Australian Labor Party went $250,000 into hock to pay the legal bills of Mr Craig Thomson, which included payments to Fairfax necessitated by Mr Thomson not having the intestinal fortitude to proceed with his defamation action against them and being required to pay their costs. The litany of untruths started there and continued through until Mr Thomson’s statement in the House of Representatives.

The best that could be said of Mr Thomson is that he is a great actor. He is not quite as good at telling the truth but he is a great actor. When we saw the member for Dobell standing there talking about the actions of others in this matter and again falsely pleading his innocence, we only had to look at the Fair Work Australia report to see that it was absolute nonsense. This is the same pathetic individual who said, 'Enough is enough', who tried to garner public support. Within a week of that, this pathetic individual pulled a stunt in the House of Representatives designed to embarrass the coalition by voting with the coalition. 'Enough is enough' lasted for one week. If there was any better indication of the bona fides of this man, it was that cheap political stunt.

I want to talk about some of the matters in the Fair Work Australia report in the context of the bill that we are debating today. Probably the most galling aspect of Mr Thomson’s statement to the other place was his allegation that he had been set up, that there were other issues surrounding people in the union who had been gunning for him, that they had used his credit card and that they were indeed responsible for this. When you are interviewed about serious allegations involving receiving email messages and text messages, as Mr Thomson was in his discussions with Fair Work Australia, is that not something that you might think about raising? When you get a report from Fair Work Australia with their findings, might that not also be a good time to urgently raise with Fair Work Australia that someone else had been responsible—the upmarket, updated version of 'a dog ate my homework'? Except it was not about a dog eating homework; it was about a man who was misusing union funds. The first indication that was given by Mr Thomson that a dog had eaten his homework was on 2 March this...
year—an allegation in a letter from Holding Redlich. But, if one had been listening to the 'a dog ate my homework' defence in the House of Representatives, one would have assumed that this was a matter that had been raised by Mr Thomson and that had failed to be investigated. Not only that, but there was a quite personal attack on the investigator in this matter, Mr Nassios, accusing him of bias, of failing to interview certain people—one of whom, it was later alleged, would confirm this union conspiracy. Mr Thomson demanded that a Mr Robertson should have been interviewed. But, when push came to shove, was Mr Robertson prepared to support the member for Dobell in relation to this matter? No, he was not.

So here we have a man who had the opportunity to clear his name in Fairfax defamation proceedings, squibbed it and then required union members in New South Wales to bail him out financially. Then we had another opportunity in a 2½ or three-year inquiry for the member for Dobell to clear his name with allegations that others had been involved in this and that he was subjected to a union campaign. There was not a word in those 2½ years. At the eleventh hour, in a solicitor's letter, the member for Dobell raised this final disgraceful defence.

There should not be one person who is listening to this debate who has been watching these proceedings over the last 2½ to 3½ years who will be left in any doubt as to what motivated the Prime Minister personally, the cabinet and the Australian Labor Party in relation to the way this matter has been handled, the abuse of process that occurred as a result of it and the shutting down of Mr Nassios in Senate hearings by the then minister. It was all designed to extend this matter, all designed in the hope of taking it past the next election.

What we found out in this 1,100-page report and what we found out in subsequent evidence given to the committee is that the last registrar had recommended referral to the police. He said 3½ years ago that there should be a referral to the police. One of the serious issues that we have with this bill is that it still fails to enshrine in legislation the obligation on Fair Work Australia to cooperate with federal and state police authorities. No-one listening to this debate would believe—but it is true—that a government body would fail to and refuse to provide state and federal police authorities with appropriate information to allow them to conduct their inquiries. What an extraordinary abuse of process. What an extraordinary undermining of the expectations of the Australian community in relation to the responsibilities of organisations such as Fair Work Australia.

Why aren't we seeing this in the bill? As Senator Abetz has said, there is no express provision to allow Fair Work Australia to provide a brief of evidence to the DPP. Given the previous problems with this, it is important to give express powers to allow for this to happen. If state police authorities believe that a government body has information which may assist them with their inquiries, surely it is incumbent upon that organisation to provide the information. Isn't it important for the Prime Minister of this country, having been alerted to this matter? Given there is no specific clause in the Fair Work Act which precludes the provision of that information, what a gross dereliction of duty for the Prime Minister of this country not to demand of her minister a direction that Fair Work Australia cooperate with the police. What a remarkable dereliction of responsibility of the so-called leader of this country. It would have been as simple as a phone call to Minister Shorten to direct Fair
Work Australia to assist the police authorities with their inquiries.

We know full well why that was not done: because this government has relied on Mr Thomson's vote. This whole process has been driven by the protection of the Prime Minister's majority. This has been a cheap political exercise by a Prime Minister who will go to any lengths to maintain a majority in the other place and therefore a majority to keep her in government. In five, 10, 15 or 20 years, when this whole murky debacle becomes known to a younger generation of Australian, they will look back and ask, 'This is surely not an indication of what happened between 2009 and 2012, is it? How could a Prime Minister charged with the responsibility of appropriate accountability and transparency allow such a thing to happen? How could a government that pretends to fight for and represent Australian workers allow such gross abuse of union members' funds? How could people who clearly knew what was going on sit back and allow this to happen?"

I return again to the bill. If this bill in any way did what was required to address the 1,100 pages of this report then it would have been supported by this side of the chamber. It has glaring omissions which many of my colleagues have already alluded to, and I will not repeat them now. This bill does not meet the requirements— (Time expired)

**Senator FIERRAVANTI-WELLS** (New South Wales) (17:39): I will follow on from Senator Ronaldson's comments. Since August last year, since I have had responsibility for Dobell as patron senator, I have placed on the record in a series of 12 speeches the sordid history that has become the saga of Mr Thomson and not just his dealings with the HSU but a whole range of other activities—his associations with Mr Williamson and the various connections between Mr Thomson, Mr Williamson and former Senator Arbib and other members in this place.

Senator Ronaldson made mention of the payment of legal fees. I put this on the record five times last year when I asserted that Senator Mark Arbib had brokered the payment of a quarter of a million dollars for Mr Thomson's legal fees. Not once did Minister Arbib come into this place and refute the assertion that I had made. The reason he did not is—certainly this has become very common knowledge in New South Wales circles—that that is precisely what the Labor Party did. There were payments that were made before and there are payments which have subsequently been made to cover Mr Thomson's legal expenses to prevent him from going bankrupt and therefore having to leave this place. So it is not surprising at all that Senator Abetz's motion today was not supported either by those opposite or by their Greens alliance partners.

This evening I would like to make some comments in relation to the bill before us, the Fair Work (Registered Organisations) Amendment Bill 2012. The revelations surrounding the HSU demonstrate that there is an absolute need to ensure accountability for the hard earned union fees paid by members. Just before, I spoke of workers in the aged-care sector. What is now emerging as another grubby little deal that has been done is in relation to the workforce compact in aged care. Let us see who is going to be the beneficiary of that workforce compact, because you can bet your bottom dollar that is going to help one of the three health unions, the HSU, back into business.

We know that some organisations have used money for inappropriate purposes and breached existing rules. This is why the law desperately needs to be changed. We know
that the investigation into the HSU took three years. We have seen the failure to cooperate with the police and Fair Work Australia claiming that they could not prepare a brief of evidence to the DPP. This bill does not go far enough and it fails to deal with the real issues that were brought up over the course of this investigation.

What are the issues with this bill? Well, Fair Work Australia is still in control. This bill will continue to allow Fair Work Australia to be responsible for registered organisations. Given the concerns that have been expressed in relation to Fair Work Australia’s ability to do its job, that is a real issue. In this bill we are seeing Bill Shorten’s plan, a former union boss who is going to regulate for unions—

Senator Polley: Madam Acting Deputy President, I rise on a point of order—

The ACTING DEPUTY PRESIDENT (Senator Moore): I take your point of order. Senator Fierravanti-Wells, you should refer to the minister as Minister Shorten or Mr Shorten.

Senator FIERRAVANTI-WELLS: I will now go into this and look at some documents that have been released to Senator Abetz which also form part of the documentation that was additional to the Fair Work Australia report. Having had the benefit of reading all that material, I would say to the Senate that it is not just the two volumes of the Fair Work Australia report that list a litany of problems that need to be rectified. When one looks at and reads all the supporting material—the seven folders of material that back up what is in that report—the sordid saga is even more colourful than what is in the public arena already. One of those documents is an email dated 30 June 2009, the day before Fair Work Australia came into existence. In that email, the industrial registrar told the investigating officer to refer this matter to the police. That email from Mr Doug Williams to Terry Nassios was copied to three other people, one of whom, Ms Carruthers, was an integral part of this investigation. The email says, ‘There should be a clear plan and actions arising from the outcome of the inquiries to date, including inter alia any actions and referrals to other authorities—for example, the police because of identified malfeasance or to professional licensed bodies.’ And so on.

Fair Work Australia already had in its possession documents provided by Slater and Gordon, which are referred to in the HSU report. In a letter from Slater and Gordon to Mr Nassios dated 16 June 2009 there was enclosed the BDO Kendalls report, which I have had the benefit of reading. And it makes for very interesting reading. That report explains why Mr Williams told Mr Nassios that he needed to pursue police inquiries, and that was back in 2009. Fair Australia had that within their purview—they had that information—and they went on a go slow, and the rest is history. But it is very clear that, as at June 2009, criminal investigations needed to be undertaken. It is also very clear what has happened since then.

One needs to understand the Fair Work investigation to understand the background to this bill. The coalition has been critical of the investigation. The final report is substantive—it has 1,200 pages, 900 of which deal with the former secretary of the HSU, the now member for Dobell. Chapter after chapter deals with unauthorised expenditure of union funds for Mr Thomson’s personal benefit in his campaign to become the member for Dobell, as well as with major contraventions by him in relation to the HSU national office.
If Fair Work Australia went on an institutional go slow, the Australian Electoral Commission went on an institutional fast forward, because they could not wait to get rid of this matter and did so as quickly as they could. It is very clear from the evidence that has been given at Senate estimates that the Australian Electoral Commission, notwithstanding the material that was on the public record, failed to take proper action to prosecute in relation to breaches of the Australian Electoral Commission legislation pertaining to Mr Thomson's efforts in Dobell. If I was able to find information pertaining to Coastal Voice, why wasn't the AEC? More importantly, why didn't the AEC pursue the matter so that prosecutions could be undertaken? They let three years pass and now throw their hands up in the air and say, 'Sorry, we can't prosecute because the time has passed.'

These documents report lavish expenditure. As Senator Ronaldson, as shadow minister for ageing, has said, the funds of many low-paid age care workers have been wasted on escort agencies, travel, restaurants and cash withdrawals. Indeed, from reading the report and the seven folders of support material it is very easy to see why Fair Work Australia concluded that the evidence of Mr Thomson was false and misleading. I invite those opposite—and I am sure that you do not have the courage to do this—to read all these documents. But if you do you will know why that conclusion was reached. This man totally and utterly abused the trust of some of the most low-paid workers in this country. And it compounds the injury his outrageous expenditure caused them for then to see the many pages devoted to Mr Thomson's bottom of the garden fairy stories. As Senator Ronaldson put it, Mr Thomson's claims are even worse than the excuse of 'the dog ate my homework'.

We have seen over the years repeated attempts to shut us down at estimates and close down questioning. But eventually, when Mr Thomson is no longer politically valuable to those opposite, they will drop him like a hot potato. Then he will be out there fending for himself, potentially facing the investigations and dealing with any matters flowing from those investigations, particularly in relation to the ongoing New South Wales and Victorian investigations.

When one looks at those records, particularly the ones in relation to the escort agencies, they not only tell the story of misuse but also raise questions that will eventually be answered. Were these services used by Mr Thomson? We know he was the sole cardholder who paid for the services. One very big question is: was Mr Thomson the only user of those services? He was clearly the person who paid for them, but was he the only person who used those services? One very big question needs to be answered: was Mr Thomson alone or were there other people involved? I am sure that at some stage history will reveal whether there were other people with Mr Thomson at the time and whether this was not just misuse of funds but a cover up to protect those other people. I can assure those members opposite that there are certainly people out there who do know what is going on and one can only hope that the New South Wales and Victorian investigations disclose those matters to us so that we can reveal them on the public record.

Let us now look to the amendments that are proposed by the coalition. It is very clear that this legislation is not going to achieve what needs to be done. Therefore, Senator Abetz will be proposing a series of amendments that will go to rectifying the major deficiencies in the bill—that is, bringing penalties in line with the Corporations Act, and Senator Abetz has discussed those. What is very important and
is clear from the documents I have read is that there needs to be proper procedures in relation to disclosure of information to the police. It is vitally important that it be made abundantly clear that the general manager and staff of Fair Work Australia must be able to fully cooperate with police at all stages of an investigation, including proactively providing information to police. Certainly, the government’s amendment in this area does not go far enough.

One only has to look at some of the exchanges that occurred between Victoria Police and Fair Work Australia. They are absolutely ludicrous. Victoria Police asked: ‘Can you provide information and material in relation to investigations of allegations of Craig Thomson’s actions by the Health Services Union? This is required to assist in the progress of the current Victoria Police criminal investigation. Specifically, can you assist me with answers to the following questions?’ We then get some mealy-mouthed response from Fair Work Australia that totally and utterly demonstrates their lack of willingness to cooperate with the police—they hid behind some spurious, silly responses.

As a former officer at the office of the Australian Government Solicitor I must say that whoever wrote that report ought to go back to law school. Quite frankly, it is absolutely ridiculous that an organisation in Australia like Fair Work Australia can say, ‘We cannot help the police when we are conducting a major investigation.’ That really does need to be tightened up.

Then there is the issue of disclosure of information to the Director of Public Prosecutions. We had the ridiculous situation where Fair Work said, ‘We cannot provide briefs.’ But if you go back to the annual report of Fair Work Australia you can see that in the past Fair Work Australia has spent money in preparing briefs to legal bodies. So why couldn’t they do it with the HSU investigation? I will leave that question open.

Before I conclude my remarks I would like to go to the importance of this legislation. You can bet your bottom dollar that if this sort of thing was happening in the HSU it also was happening in other unions. We have seen this in comments made by former Attorney-General Robert McClelland in relation to another union that point to circumstances that ought to have been investigated. Most particularly, the Herald Sun said that Mr McClelland revived a 1990 union scandal that Ms Gillard must have thought she had buried. It is one that involved her then boyfriend, Bruce Wilson, accused of misappropriating $500,000. The Herald Sun said:

This is a story a furious Gillard last year managed to shut down, shouting in private calls to newspaper executives and obtaining the retraction of an entire column in The Australian.

... ... ...

And in Parliament on Thursday, he [Mr McClelland] finally did speak up—saying just enough to hint at one reason he may not think Gillard should be Prime Minister.

He spoke during debate on the Government’s Registered Organisations Bill, brought in to crack down on corrupt union officials in the wake of the Health Services Union affair …

McClelland told Parliament the Bill did not go far enough, and should also force the guilty to pay back what they’d taken. Then came the sting. McClelland said his thoughts were influenced by a case involving Gillard when she was a solicitor.

The article quoted McClelland:

“I know the Prime Minister is quite familiar with this area of the law, as lawyers in the mid-1990s we were involved in a matter representing opposing clients. Indeed, my involvement in that matter has coloured much of my thinking.”

The article continued:
McClelland specifically cited one of many legal moves in an Australian Workers Union factional brawl at the time, with AWU Victorian secretary Bruce Wilson named as a respondent.

McClelland is listed as a solicitor in that matter, but Gillard or her firm are not, suggesting McClelland was referring generally to the union fighting …

A litany of articles have been written about this. It is a matter that has surfaced in the past and I am not surprised that the Prime Minister has sought to bury it, because as the Herald Sun article points out:

One AWU official McClelland represented, Ian Cambridge, even called for a royal commission, but the union ran dead on the case and no one was charged.

Gillard appointed Cambridge a Fair Work Australia commissioner in 2009. Gillard is involved in the scandal not just because she was Wilson’s partner, but also because she gave him legal advice, with her firm Slater & Gordon acting for his union.

You can bet your bottom dollar that if it happened in the HSU it also happened in other unions, and that is what needs to be investigated.

Senator McKENZIE (Victoria) (17:59): I rise to speak to the Fair Work (Registered Organisations) Amendment Bill 2012 and I follow the very strong argument put by the senators who have been really pursuing this issue since its inception. Senators Abetz, Ronaldson and Fierravanti-Wells have been very strong in their prosecution of the issues relating to Fair Work Australia and the issues we have been speaking about tonight. It would be great if there were some more ALP members to stand up in support of the amendment before us.

The bill seeks to increase the accountability, financial and otherwise, of registered organisations and their office holders. It also looks to strengthen the investigative powers of Fair Work Australia. The bill will, according to the literature, require that the rules of all registered organisations deal with disclosure of remuneration, pecuniary and financial interests; increase civil penalties under the Fair Work (Registered Organisations) Act 2009; enhance Fair Work Australia’s investigative powers; and, require the provision of education and training on governance and accounting obligations to officials of registered organisations.

I am a member of the Senate Education, Employment and Workplace Relations Legislation Committee and I participated in an extremely brief inquiry into this bill. The committee convened last Friday—Senator Abetz did the heavy lifting on this and I am thankful to him—when we examined this piece of legislation. The general commentary from those participating in the inquiry was that they needed more time to examine the bill, given that today is Tuesday and we are about to vote on it.

The coalition is firmly of the belief this legislation does not go far enough. Predictably the government has ceded to the union movement and walked away from a real opportunity—a real opportunity—created, most of us would say, from events where everybody knew full well what was going on—to require the same level of transparency and the same level of accountability from registered organisations, as is expected from companies and their directors. The ALP was moved to act by announcements made by the coalition on this issue. It has been known for a very long time by those who have worked in the union movement, or have friends who have worked in the union movement, that there have been unions that are good at governance and use members’ money appropriately while advocating strongly in workplaces and communities around our country for their members’ benefit, and then there are unions and executives who have not done the right
thing. It has not just been the example currently before us; it has been going on over a long period and in a wide variety of places.

I would suggest the ALP has been moved not by an altruistic motive to clean up unions, with a newfound desire to spread accountability and transparency, with which they have obviously become so enamoured, but rather the fact that the coalition have put forward their particular policy on registered organisations and something had to be done to get this issue off the front pages.

The saga involving the Health Services Union, of which there has been endless media coverage, has clearly and unmistakably demonstrated a need to ensure that registered organisations use members' money for appropriate purposes. When we look at the Health Services Union, we are talking about the lowest paid workers in our community who have joined their union in good faith, as I said, to advocate for them within their workplace and within the wider community. To have their contributions to that union misused in such a way is an indictment. The HSU, while perhaps leading the race to the bottom, are not alone in their display of entrenched yet unacceptable behaviour.

The coalition have several concerns with this bill. Proposed subsections 148A and 148B of the bill require all registered organisations to have rules dealing with disclosure of remuneration, relevant non-cash benefits and personal interests of officials. Proposed section 148C provides for rules that require registered organisations to disclose those payments to its members. The coalition, as I previously mentioned, firmly believe that the requirements of officials of registered organisations should be in line with directors and companies under the Corporations Act. The culture that has been able to fester in a number of registered organisations is a direct consequence of the lack of transparency necessary under existing laws and should have acted as an impetus for momentous change, not token adjustment around the edges for the sake of the media grab, for the sake of making everyone feel a little better about themselves, but to fundamentally tackle making everyone feel a little better about themselves, but to fundamentally tackle making real and effective change in this area.

The penalties provided for in this bill, while in line with other civil penalties in the Fair Work Act, fall well short of those required under the Corporations Act. This is a great shame and again shows this government's reluctance to take a stand and to show leadership. Our whole nation is screaming for leadership to be shown by this government on a plethora of issues. Whether it is the Murray-Darling Basin Plan, the carbon tax, agricultural education and training, on a range of issues Australians are screaming for leadership and this government refuses to step up to the plate.

Earlier today, Senator Marshall stood in this place and whinged that the coalition 'criticise the government when they do things and when they don't do things'. To Senator Marshall I say: if you got it right, we would not be having to criticise. It is the job of oppositions to raise in the public sphere issues with the government of the day. I think we have been particularly successful on this account, because you have taken up parts of our own policy and implemented them. I think that is as a direct result of the pressure put on the government over this by coalition senators and members.

Going back to the bill, Fair Work Australia took more than 3½ years to complete its investigation into the HSU, whereas we had one day of hearings. The coalition have repeatedly expressed our deep concern about Fair Work Australia's ability to be responsible for registered
organisations. We really believe that this should be the role of an independent body. The coalition do have a plan for better transparency and accountability, which we have announced and which, I suggest, has been the impetus for the government's movement in this space.

The bill does not expressly provide for Fair Work Australia to have the ability to cooperate with police, which is quite incredible, given what has gone on. I know Senator Fierravanti-Wells outlined in great detail the issues around information and cooperation with police investigations. This simply cannot stand in a modern professional organisation or scenario. The requirements and penalties are still not in line with the Corporations Act, as I mentioned earlier, and there is no reporting mechanism on why investigations are going beyond their anticipated times.

The coalition's plan will make sure that members of registered organisations, mainly small businesses and workers, can be assured that their money is being used to do the right thing, as I mentioned—advocacy and advice on membership. Our changes and our policy will ensure that registered organisations and their officers are as accountable and transparent as companies and their directors, and play by the same rules. We have to get the thuggery out of union work. It is also clear that Fair Work Australia are not up to the job of making sure that registered organisations are doing the right thing. Either they are a model of incompetence or they are engaging in a deliberate go-slow to protect the government, and previous speakers have outlined the issues there. We actually want a stronger new regulator. Removing the investigative and compliance powers over registered organisations from Fair Work Australia and giving them instead to a new, genuinely independent body, to be called the Registered Organisations Commission, we believe will get better outcomes around transparency and accountability for workers and their unions.

So we have a number of issues with this bill, which I will go through. Fair Work Australia are still in control, and we see that as unacceptable. They have not indicated that they have any real capacity to deal with the issues at hand, such as making registered organisations and unions accountable. Further, under Bill Shorten's plan—

The ACTING DEPUTY PRESIDENT (Senator Moore): Senator McKenzie—

Senator McKenzie: Sorry—Minister Shorten. Under Minister Shorten's plan, former union bosses are going to be regulating current union bosses. In a democracy, there is an issue with institutions investigating their own, because people can be unduly influenced by the relationships they have built. Having an independent cop on the beat protects everyone involved in the conversation.

The rules are still weak, and the penalties are still weak. While penalties are in line with other civil penalties in the Fair Work Act, they still fall considerably short of those required under the Corporations Act. Essentially, we would have one set of organisations in the industrial sphere operating under separate rules with fewer penalties for doing the wrong thing, and that is simply not acceptable. We still cannot provide a brief of evidence, and police cooperation still is not bedded down.

In the context of the inquiry into the bill being conducted for such a short amount of time, I would like to make the comment that the Senate Standing Committee for the Scrutiny of Bills wrote to the Minister for Employment and Workplace Relations, the Hon. Bill Shorten, seeking advice on certain aspects of the bill, such as privilege against
self-incrimination et cetera. The employment committee report on this bill said:

The Minister's response is unlikely to be received before the tabling of this report.

So people against the bill have to hurry and get their submissions in, and the coalition have to hurry to prosecute the case, but we are still waiting on the minister's response to the very real concerns raised by this bill. How typical of this government! We are rushed through the bill, this copycat legislation, and our comments are guillotined. This is a bill designed by a former union boss to regulate union bosses that sees former union bosses as the cops on the beat. We want to see an independent body. We need to get serious about accountability in this area. I will conclude my remarks in order to cede to the many coalition senators who are seeking the call. Thank you.

Senator EDWARDS (South Australia) (18:12): I rise to speak on the Fair Work (Registered Organisations) Amendment Bill 2012. I concur thoroughly with Senator McKenzie's comments. I sit on the Scrutiny of Bills Committee, and we did have some concerns about the legislation. As Senator McKenzie rightly pointed out, that committee is yet to receive a response from Minister Shorten with regard to those concerns, but here we are, facing the guillotine.

This bill shows how unwilling Labor is to take on and rein in the arrogance and rampant mismanagement of its union underwriters. It shows that Labor is more interested in talk and spin than in true action and reform. The revelations involving the Health Services Union demonstrate that there is a need to ensure that the money paid by members to registered organisations is used for proper purposes. But, under Mr Shorten's plan, former union bosses are going to regulate union bosses. So the former keepers are now going to regulate the current keepers. How can you take Labor seriously when Greg Combet, now Minister Combet, was the head of the ACTU and Bill Shorten sat on the ACTU—

The ACTING DEPUTY PRESIDENT (Senator Moore): Senator Edwards, you almost got there—Minister Shorten.

Senator EDWARDS: Minister Shorten—he was not when he was with the ACTU—

The ACTING DEPUTY PRESIDENT: I know, but he is now!

Senator EDWARDS: and now Minister Shorten sat on the ACTU when the member for Dobell, Craig Thomson, also sat on the ACTU—far too many ACTUs all round!

We in the coalition support the need for greater accountability of registered organisations and those who run them. Yet the Labor Party has put forward these weak proposals when it is blindingly obvious that some union bosses will continue to waste members' funds. That is something that, in this day and age, we cannot sustain. The stark contrast between the lifestyles of union officials and their members must be acknowledged. The culture of entitlement for union officials must be brought to heel. We must enact measures that go much further than those contained in this bill. While we will not oppose this measure, we call on the government to support our commonsense amendments.

There is no avoiding it—I must turn my attention to the investigation into the Health Services Union. This shows why reform is needed to end the decades of union arrogance that seems to have crept in, certainly in this sector. Even those opposite cannot ignore the dramatic need for reform, and we would welcome support from the other side for our amendments. The coalition
has maintained all along that the process that Fair Work Australia has undertaken on this investigation was severely lacking. Nonetheless, the final report that was produced was substantive and some 900 of its 1,200 pages dealt with the former secretary of the HSU.

The report is a tough read. It details the unauthorised alleged spending of its members' hard-earned money on specific federal election campaigns, on cash withdrawals, on travel, on expensive restaurant dining and on escort services. The report goes so far as to suggest that substantive parts of the member for Dobell's evidence provided to Fair Work Australia were 'false and misleading'. This statutory agency found that the now member for Dobell spent almost $6,000 of his then union members' funds on escort services—hardly the pursuit of members' interests that the health workers who had paid those levies thought their money would be put towards. I wonder how many union officials can really conceive of just how hard it would be and how long it would take their low-paid members to earn the money to subsidise this; I wonder just what the union hierarchy have to say to the hardworking members who fund their insular and seemingly detached lifestyles; and I wonder just how such lifestyles further the interests of these hardworking members, these hardworking people of Australia.

To add insult to injury, Mr Thomson took two months of paid leave from his duties as national secretary of the HSU to conduct an election campaign in October and November or 2007. Again, how can the members of this union have any confidence at all in their officials?

The report has detailed how a culture of disregard for its low-paid members has set in at the highest levels of the HSU. It shows how this was entrenched over many years. Perhaps the most distressing element is that the statutory regulator, Fair Work Australia, took nearly 3½ years to investigate these pressing matters. I remember well sitting in Senate estimates when the officers from Fair Work Australia were being asked the hard questions about why it was taking so long, and the body language, the discomfort, was apparent in the room.

When the report did surface recently, it failed to produce a brief of evidence that could be used by the Director of Public Prosecutions to conduct criminal prosecutions against Mr Thomson. We must ask why this is the case. For a government on the ropes and desperate to avoid airing its dirty laundry, this outcome would seem convenient. It seems successive Rudd-Gillard Labor governments have pulled out every trick in the book to obstruct this investigation from reaching fruition.

As Senator McKenzie outlined earlier, there are many aspects of this matter we still have not been able to scrutinise. But never mind the vulnerable workers whose money has been squandered; never mind that the public want to know the truth and see justice done. Under Labor's proposed bill, there is no explicit provision to allow Fair Work Australia to provide a brief of evidence to the Director of Public Prosecutions. This government now knows that the Prime Minister's own signature institution, Fair Work Australia, is so tainted that it is using this bill to allow the total outsourcing of investigations to outside bodies. Just who will Fair Work Australia outsource its investigations to? Will it be only to those who the general manager favours? And why would certain organisations be favoured over others? To be blunt, this will be a partisan political choice by the general manager which minimises the risk to the union movement. So much for a competent
statutory body that is accountable and able to be scrutinised by the parliament.

This whole sordid HSU episode calls into question the competence of Fair Work Australia. How can Australians have any confidence in this statutory body after it has made such a mess? And just why is Fair Work Australia, an organisation so sympathetic to the union movement, not making a better effort to cooperate with police? It just does not pass the front bar test—you could not win that argument in the front bar. If it smells like a pony, it probably is a pony. Under this bill, Fair Work Australia still cannot provide a brief of evidence, and police cooperation still is not bedded down.

This bill, while expanding police cooperation powers, does not make it expressly clear that Fair Work Australia can cooperate with police. Given the track record of FWA, it is important that that be made absolutely clear. Surely the Australian public have a right to expect that taxpayer funded agencies have a duty to fully cooperate with police. There is also no express provision to allow FWA to provide a brief of evidence to the DPP. Given previous problems, it is important to give express powers to allow for this to happen. Now I turn to the question of disclosure. A comparison of the requirements for registered organisations under this bill against current requirements for corporations is stark and revealing. Under section 300A of the Corporations Act, a positive obligation is imposed on listed companies to make disclosure of the remuneration of their five highest paid executives. In contrast, Labor's bill uses section 148A to propose a far weaker and far less onerous approach for registered organisations. To add to this, Labor proposes that, if even these weaker measures are a bit too much for the unions, they can use section 148D to apply for an exemption from the General Manager of Fair Work Australia—the very same body which has been stacked with former union officials. So former union heavyweights are supposed to be regulating their former colleagues. Such blatant conflicts are the reason this bill is being rushed through before any more recommendations can come out of KPMG's review of the conduct of Fair Work Australia's investigation into the HSU. The Australian public must rue the day the Labor Party used its power to dismantle the Office of the Australian Building and Construction Commissioner and replace it with this toothless tiger.

What then is to be done? The coalition will clean up Labor's mess through a serious of measures to amend the laws to ensure that registered organisations and their officials have to play by the same rules as companies and their directors. I will now briefly outline some of the ways in which, under a coalition government, low-paid workers will not have to suffer the same embarrassing indignity as did the members of the HSU at the hands of their union officials.

We in the coalition believe that registered organisations should be both transparent and accountable to their members in the same way as companies and directors are required to be accountable and transparent to their shareholders. The coalition's plan would ensure that those running registered organisations, such as unions, would have to follow the same rules and regulations that govern the behaviour of companies and their directors. One key amendment will seek to bring across section 184 of the Corporations Act into the Registered Organisations Act. This would make it a criminal offence for bosses of registered organisations to act other than in good faith—that is, it would be a criminal offence were they to use their position dishonestly or recklessly.
While the obligations in the Corporations Act 2001 and the Fair Work (Registered Organisations) Act 2009 are broadly similar, the differences between them in fact are very important. For company officials, using information to advantage yourself or someone else or to cause detriment to the organisation gives rise to a potential criminal offence under section 184 of the Corporations Act 2001. Criminal offences attract the penalty of a fine of up to $200,000 for an individual and/or up to five years imprisonment. In stark contrast, the penalties for comparable offences by officials of a registered organisation, such as a union, are almost nonexistent. Similar obligations under sections 287 and 288 of the Fair Work (Registered Organisations) Act 2009 for using information for personal advantage or to the detriment of the organisation are limited to a civil penalty of up to $2,200 for an individual. There are no criminal penalty provisions.

The coalition's plan will make sure that registered organisations' members, such as small businesses and workers, can be confident that their hard-earned money is being used for the right purposes. Why then does the Labor Party oppose this? For what possible reason? Once again, instead of pursuing good politics and good policy, the government is ignoring a quite legitimate amendment out of, I suspect, bloody-mindedness.

Hindsight is a painful thing, but, if such requirements had been in place for the Health Services Union, some of their officials would have been subject to significant financial penalties and potential imprisonment, just as happens with companies and their directors. There is nothing like the threat of financial penalty or imprisonment to modify the way people behave in the workplace, ensuring that the interests of members or shareholders are protected. Members in this House from all sides of politics should be looking to provide those protections. If everybody is doing the right thing, why not take on these amendments? Why not embrace them so that we can indeed enhance the workplace in the year 2012 rather than miss the opportunity? Under the coalition's plan, the level of reporting and the penalties for non-compliance would be a serious deterrent to the sorts of outrageous conduct we saw in the lavish lifestyle of the union officials of the HSU.

The coalition would also establish a new regulator, named the Registered Organisations Commission. This would have powers broadly in line with those provided to the Australian Securities and Investments Commission. This is necessary to ensure that the regulation of this sector is effective—and conducted with a sense of urgency that was so lacking in the Prime Minister's own Fair Work Australia. This regulatory authority would be required to cooperate fully with law enforcement agencies when it is in the public interest to do so, thus removing the influence of the Labor Party in obstructing and obfuscating serious investigation into cases such as that of the HSU.

This independent Registered Organisations Commission would not only enforce and police the reporting and compliance obligations but would also provide information to members of registered organisations about their rights and act as the body to receive complaints from those members. Furthermore, it would educate registered organisations about new obligations that apply to them and absorb the role of registered organisations enforcer and investigator currently held by the General Manager of Fair Work Australia.

The coalition is encouraged by the recent pragmatic moves made by the Queensland
government to amend the existing electoral laws so that unions would no longer be able to give money to political parties—

**Sitting suspended from 18:30 to 19:30**

Senator HUMPHRIES (Australian Capital Territory) (19:30): I rise to speak to the Fair Work (Registered Organisations) Amendment Bill 2012. I have to record a certain wry amusement at the nature of this legislation and the way in which it is coming forward to repair, or so it seems, some fairly obvious and serious flaws in the way in which the Fair Work Act and in particular Fair Work Australia have operated in the three or so years since the act was passed. I was a member of the Senate's Education, Employment and Workplace Relations Legislation Committee which examined the legislation for the Fair Work Act back in 2008. I remember the rhetoric that went around the creation of this new industrial regulator. I remember the hyperbole that came from the government in describing this as 'restoring balance' in the Australian workplace, as removing the iniquities of the previous Work Choices regime, how this was a new era and how, in particular, balance had been struck for the first time in rights and obligations between employers and employees.

It comes, no doubt, as a somewhat humiliating exercise for the Australian government to have to come forward with some fairly significant amendments to the structure of the Fair Work Act to deal with a series of inadequacies in that new structure it created only a few years ago, which were brought to light not by some parliamentary or auditors based process but by the practice of this act working out in the community, dealing with where the capacity of the act to test the circumstances of misbehaviour and malpractice within an industrial situation was found to be woefully inadequate. The investigation, such as it was, into the Health Services Union amply demonstrated for all Australians to see in a way which is not common for industrial processes. We do not generally have lots of public scrutiny of these issues but the investigation into the Health Services Union Australia amply demonstrated to every Australian that the new structure that the Australian government had set up, supposedly to create balance in Australia's industrial landscape, simply was not working.

Today we have an exercise in window-dressing going on, where the government brings forward a bill that is designed to require registered organisations—that is, essentially unions—to deal with disclosure of remuneration, pecuniary and financial interests; to increase penalties for malpractice or inappropriate activity or conduct under the Fair Work (Registered Organisations) Act; to enhance investigative powers available to Fair Work Australia; and to require some education of officials of registered organisations about governance and accountability mechanisms.

Why was it necessary to come back now and do all of this? Why was it not in the original legislation? The answer is that it was never intended to be there. It was never intended that an industrial organisation should be subject to the kind of scrutiny, which we now realise needs to be there, because it was the government's intention at the time that unions should be subject to considerably less scrutiny than were employer organisations or companies that were on the other side of that industrial ledger. It has only been the spectacular failure of Fair Work Australia to properly and adequately bring to light the inappropriate practices in the Health Services Union that has led to the point where the government has had to act to deal with this completely unsatisfactory situation.
I recall the government took great delight in ensuring that none of the amendments proposed by the coalition to the Fair Work Act was to be accepted. Even though there were quite worthy amendments brought forward by the coalition in the course of that debate, they were all rejected in favour of very similar amendments moved by members of the crossbench in the course of that debate, because the government did not want anything the coalition had to say about this legislation to be built into the legislation.

The result is that we come back to the legislation today because it was flawed. It was not properly balanced to deal with the practices at work in some unions in Australia. No doubt, the passing of the act in the first place created the impression in the eyes of some unions that accountability was now off the agenda, that it was perfectly possible to engage in the sorts of behaviour we have seen from the Health Services Union. Because this government was putting the watchdog back on a short leash, this government did not particularly want to hold its partners, the unions, to account and was prepared to compromise the effect

We on this side of the chamber support a greater measure of accountability. We support greater disclosure of issues such as the remuneration and financial interests of union officials. We support Fair Work Australia having greater powers to investigate breaches of the legislation. Even
now, even in the face of the obvious evidence of a complete failure of process with respect to the HSU, we still find the government dragging its feet in coming to a point where this is dealt with properly. Still, we do not find a sense of parity in the accountability mechanisms required for registered organisations that legislation generally requires of companies and corporate bodies, which are almost invariably the employers of the members of those registered organisations. We still find that the penalties provided in the legislation are weak compared with comparable offences elsewhere in Australian law, certainly when compared with the law with respect to corporations. We find that the rules are still not well defined. The accountability expected of significant officers in organisations is less than that required of managers and directors of corporations.

We still cannot find in the legislation clear obligations on Fair Work Australia to cooperate with the police. Who would have thought in this day and age that Australia's parliament needs to legislate to require that a federal government organisation responsible for making sure that the laws of the land are obeyed cooperates with other organisations in the community charged with the task of enforcing the laws of the land. Why should we have to come back here and require that Fair Work Australia cooperates with the police in investigations into misconduct on the part of, among other things, members of registered organisations? We have to do it because it is not taking place now. Even today, Fair Work Australia continues to refuse to work with police in states such as New South Wales and Victoria, to properly bring to conclusion the investigation into the nefarious activities of certain officers in the Health Services Union. That is absolutely reprehensible. And we are asked again to support a piecemeal approach to this issue when stronger legislation not only is necessary but would be acknowledged by most Australians as being absolutely essential, given the appalling conduct of Fair Work Australia in bringing the misconduct of officers in the HSU to account.

I am concerned about this matter because, I am sure like every other senator in this place, there are members of the Health Services Union who live and work in my electorate, in the Australian Capital Territory, and I am concerned about the lack of protection for those members by virtue of the fact that the government have not got the guts to face up to questions of accountability of the affairs of unions, including unions in the ACT. I am relieved that some of the scandal which has touched other areas of Australia with respect to unions such as the HSU has not yet, to the same extent at least, reached unions in the ACT, but I do hold fears for the future if mechanisms of accountability are not properly built into the laws affecting those unions.

I note that the situation of union leaders in the ACT is probably worthy of some sober reflection. For example, the head of Unions ACT, Kim Sattler, was accused and, I think it could be said, was found to have played a key role in facilitating the protest outside the Lobby restaurant on Australia Day this year. I think it is well established that Ms Sattler connived with a person then in the office of the Prime Minister to incite a crowd to descend on the Lobby restaurant. I gather that the executive of UnionsACT subsequently asked Ms Sattler whether or not her actions brought UnionsACT into disrepute. I am not aware of any particularly serious sanctions being applied against Ms Sattler as a result of that. I would not really expect there to be any particularly serious sanctions against Ms Sattler because, in trying to discredit the Leader of the
Opposition in some way, she was no doubt doing the bidding of the trade union movement and of the Labor government. Those sorts of events and that sort of behaviour on the part of high-ranking public officials in Australian unions does underline to all Australians the need for much greater levels of accountability.

The Health Services Union is well represented among low-paid hospital staff in the ACT. I am advised there are over 5,000 workers working for the ACT government's Health Directorate, principally in hospitals and health facilities around the territory. Almost 1,000 of those are at Calvary Health Care. I do not know how many of them belong to the Health Services Union—at least I do not know how many belonged as of the last annual report. It would not surprise me if there were a few less who belonged to the union as a result of the outrageous things that the union leadership has done.

It is important that we establish much stronger ground rules for the operation of unions in Australia. This is not to tar all the unions with the behaviour of bodies like the HSU, but it is deeply concerning that we should find union leaders able to behave in the outrageous way which the long-belated and late-arriving Fair Work Australia report into the Health Services Union described—behaviour which clearly reflected a culture where such union leadership did not expect to be answerable to anybody, much less its membership, for the sorts of things it did. That situation must end. We must not allow that kind of 'operating above the law' mentality to persist in organisations with such enormous power in our community and with so much money at their disposal—money from members who often have, apparently, very little idea of what is going on with the hard-earned dollars they contribute to the union that represents them.

It is unfortunate that tonight the government has brought forward only a tepid response to a very serious problem. It is extraordinary that these issues were not dealt with in a more forthright fashion by the government at the time of the original Fair Work Australia legislation, but at that time it was in no mood to be brooking any reasonable criticism of the way in which this structure was set up. I do not think that this will be the last time that we will have to come back to fix the problems in this regime. The fact that the government has been shamed into doing something, albeit inadequate, is a sad indictment of its commitment to a fair workplace where the rights of all are clearly defined and no particular players have unreasonable power over other players, and particularly over the membership of organisations that they might belong to.

I am concerned that these amendments come too late to effectively put a backbone back into Fair Work Australia when it comes to investigations against the Health Services Union. I am deeply concerned that that investigation has been dragged out to such an enormous extent that it has been characterised by a failure to cooperate with police, that there has been an inability to prepare a brief of evidence to the Commonwealth Director of Public Prosecutions—a matter which this bill does not appear to fix—and that there appears to be some conflict of interest problems with the background of many staff in Fair Work Australia, because of their very strong associations as former leaders of unions. The imbalance in the organisation is a very serious problem. So against that very sober and—(Time expired)

Senator BOYCE (Queensland) (19:50): I would like to thank my Senate colleagues on the coalition side for the brevity of the remarks they have made, because we have a long list of people who will be unable to
speak when the guillotine drops on the Fair Work (Registered Organisations) Amendment Bill 2012 at the behest of the Labor government in 10 minutes time. We had a similar situation for the inquiry into this bill, where there was almost no time for debate or for proper inquiry. We in fact had witnesses to the inquiry who made exactly that point. The Master Builders of Australia said they were concerned about the truncated timetable for the committee's processes in considering the bills. The Australian Chamber of Commerce and Industry said it was regrettable that the timetable did not provide a more fulsome opportunity to consider submissions of registered organisations which will be affected by the bill.

Before continuing, I would like very quickly to run through the nine recommendations that were made by coalition members of the committee and participating members of the Senate Education, Employment and Workplace Relations Legislation Committee in relation to what really should have happened around Fair Work Australia in getting its governance right and getting some honesty into the process. The first recommendation was that the bill be removed from the Senate guillotine motion to allow for full and proper consideration by the Senate and the committee. As a number of other speakers have pointed out, there is nothing time sensitive about this piece of legislation other than that the government did not fix it two or three years ago. The second recommendation is that this bill be subject to a regulatory impact statement in line with the Office of Best Practice Regulation guidelines. Again, what an excellent way of trying to give the public confidence that they have properly overcome the stench that surrounds Fair Work and its current processes of inquiry.

The next recommendation is that Fair Work Australia be provided with the express power to prepare a brief of evidence, and we are talking here of the case around Mr Craig Thomson and the appalling situation that it is impossible not to come to the conclusion has been orchestrated by this government in its desperate, naked, smelly attempt to remain as the government. It is just beyond belief that a body such as Fair Work Australia—having examined, discovered and made findings around dishonesty and misuse of funds, as they have in their report—not report that to a body who could then proceed to take action about that dishonesty and misuse of funds. There can only be one reason why this government would not want that to happen and of course it is about its own grubby survival.

The next recommendation is that further debate on this bill be suspended until the August 2012 parliamentary sitting. That would not seem to be too large a wish to have granted by the government. It is only two months that we are talking about. We are, as I said, not talking about time-sensitive legislation, except in the sense that it should have been passed and passed a long time ago and that it should have been passed in a far stronger way than is currently before us.

The coalition have put out a policy in this area called the plan for better transparency
and accountability of registered organisations and we have encouraged the government to look at this and to consider implementing it in full. We have suggested that the Registered Organisations Commission should be established within the Office of the Fair Work Ombudsman. It is quite bizarre to suggest that Fair Work Australia could possibly now be considered by anybody to have the credibility or the confidence of any organisation that might be held accountable. We have also suggested that accountability and transparency provisions as well as penalty provisions should be brought in line with the Corporations Act 2001. The final recommendation is that the bill be considered after the conclusion of the KPMG review and further improved with substantive amendments.

There is nothing that is not easy to implement in the dissenting report of the coalition if you want transparent and honest behaviour within the registered unions of Australia. It is quite reasonable for us to expect within our company boards, within the boards that run organisations using other people’s funds, such as not-for-profit companies and registered organisations, that we will have a high level of probity, that we will have a high understanding and application of governance and that anyone likely to experience a conflict of interest will say so. We have no problems whatsoever with that being the way this is run. The government, unfortunately, do and the only reason that I can see for not wanting to hold union officers and officials to the same level of accountability as you might senior corporate officials is that the government is a bit worried about what might happen to some of its union mates.

I would echo the words of I think most speakers in saying that I believe that 99 per cent of the officials in our registered organisations are men and women who are there to do the best, in their view, for their membership and to use the funds of their members wisely and carefully for the good of those members. But it is pretty clear—and it is very sad that we have not had an admission of this—that there are some rotten apples in the barrel of the union membership in Australia. We support, as we did whenever we saw corruption or dishonesty within the corporations sector, the same strong application of a carrot-and-stick approach to get good behaviour happening. What we have seen here is a government that is not capable or brave enough to behave in an honest way towards unions and union membership.

The point has already been made, I believe, that Minister Shorten and Minister Combet were members of the Australian Council of Trade Unions at the same time as Mr Craig Thomson was. In normal circumstances, I would say, 'So what?' In the current circumstances, I want a very clear explanation and a very clear account to assure me that they are not in any way involved in the prevarication and the dishonesty that has gone on around this bill, because it is pretty clear that the government is simply hiding behind its power to guillotine, to continue to destroy confidence in the system in Australia.

The DEPUTY PRESIDENT: The time allocated for consideration of this bill has now expired.

The PRESIDENT: The question is that the second reading amendment moved by Senator Abetz, on sheet 7247, be agreed to.

The Senate divided. [20:04]
(The President—Senator Hogg)
Ayes ......................30
Noes ......................36
Majority ..........6
AYES
Abetz, E
Birmingham, SJ
Boyce, SK
Cash, MC
Cormann, M
Eggleston, A
Fierravanti-Wells, C
Humphries, G
Kroger, H
McKenzie, B
Parry, S
Ronaldson, M
Scullion, NG
Smith, D

Bernardi, C
Boswell, RLD
Bushby, DC
Colbeck, R
Edwards, S
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Mason, B
Payne, MA
Ryan, SM
Williams, JR (teller)

The PRESIDENT: The question now is that all amendments on sheets 7241, 7243, 7244 and 7245 and amendments (3) to (6) on sheet 7242 circulated by the opposition be agreed to.

Opposition's circulated detailed amendments—

(1) Schedule 1, page 4 (after line 6), after item 4, insert:

4A  After section 288

Insert:

288A  Good faith, use of position and use of information—criminal offences

Good faith—officers

(1) An officer of an organisation or a branch commits an offence if he or she:

(a) is reckless; or
(b) is intentionally dishonest;

and fails to exercise his or her powers and discharge his or her duties:

(c) in good faith in the best interests of the organisation; or

(d) for a proper purpose.

Penalty: Imprisonment for 5 years or 2,000 penalty units, or both.

Use of position—officers and employees

(2) An officer or employee of an organisation or a branch commits an offence if he or she uses his or her position dishonestly:

(a) with the intention of directly or indirectly gaining an advantage for himself or herself, or someone else, or causing detriment to the organisation; or

(b) reckless as to whether the use may result in himself or herself, or someone else, directly or indirectly gaining an advantage, or in causing detriment to the organisation.

Penalty: Imprisonment for 5 years or 2,000 penalty units, or both.

Use of information—officers and employees

(3) A person who obtains information because he or she is, or has been, an officer or employee of an organisation or a branch commits an offence if he or she uses the information dishonestly:

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

Question negatived.

The PRESIDENT (20:07): The question now is that this bill be now read a second time.

Question agreed to.

Bill read a second time.
(a) with the intention of directly or indirectly gaining an advantage for himself or herself, or someone else, or causing detriment to the organisation; or

(b) reckless as to whether the use may result in himself or herself, or someone else, directly or indirectly gaining an advantage, or in causing detriment to the organisation.

Penalty: Imprisonment for 5 years or 2,000 penalty units, or both.

4B Subsection 289(1)
Omit "or 288", substitute "; 288 or 288A".

4C Section 290
Omit "or 288", substitute "; 288 or 288A".

(2) Schedule 1, item 8, page 4 (lines 15 and 16), omit the item, substitute:

8 Paragraph 306(1)(b)
Repeal the paragraph, substitute:

(b) in the case of an officer of an organisation—200 penalty units; or

(c) in any other case—60 penalty units.

(3) Schedule 1, item 9, page 4 (line 24), omit paragraph (1A)(b), substitute:

(b) in the case of an officer of an organisation—100 penalty units; or

(c) in any other case—30 penalty units.

(1) Schedule 1, page 8 (after line 18), after item 23, insert:

23A At the end of section 336
Add:

Referral to include relevant evidence and information

(6) If the General Manager refers the matter to the Director of Public Prosecutions, the Australian Federal Police or the police force of a State or Territory, the referral must include all the relevant evidence and information that has been acquired in the performance of functions or exercise of powers under this Act.

(7) The evidence and information must be given in such a form as to enable it to be used to consider whether to institute a prosecution, or take any other action, in relation to the matter.

Note: The evidence and information should be set out in the same way as a brief of evidence, or in a way that facilitates converting it to a brief of evidence.

(1) Schedule 1, item 36, page 11 (line 25) to page 12 (line 9), omit all the words from and including "delegated to" to the end of subsection (3A), substitute "delegated to a member of the staff of FWA who is an SES employee or an acting SES employee".

(1) Schedule 1, page 29 (after line 6), at the end of the Schedule, add:

62 After paragraph 230(1)(c)
Insert:

(ca) records of all disclosures made in accordance with rules required by Division 3A of Part 2 of Chapter 5 (rules relating to disclosures);

63 Paragraph 233(1)(b)
After "(c)" insert ", (ca)".

64 Subsection 233(2)
After "(c)", insert ", (ca)".

(3) Schedule 1, item 32, page 11 (line 11), omit paragraph 343A(2)(ib).

(4) Schedule 1, page 11 (after line 14), after item 33, insert:

33A At the end of subsection 343A(2)
Add:

; (l) section 343B.

(5) Schedule 1, item 35, page 11 (line 21), after "subsection 337K(4)", insert "or section 343B".

(6) Schedule 1, page 14 (after line 10), at the end of Part 1, add:

39A After section 343A
Insert:

343B Disclosure of information

(1) This section applies to information acquired in the performance of functions or exercise of powers under this Act.

Disclosure that is necessary or appropriate, or likely to assist administration or enforcement

(2) The General Manager may disclose, or authorise the disclosure of, the information if the General Manager reasonably believes:
(a) that it is necessary or appropriate to do so in the course of performing functions, or exercising powers, under this Act; or

(b) that the disclosure is likely to assist in the administration or enforcement of a law of the Commonwealth, a State or a Territory.

Obligation to disclose information relevant to commission of offence

(3) If a member of the staff of FWA reasonably believes that the information is relevant to the commission, or possible commission, of an offence against a law of the Commonwealth, a State or a Territory, the member of staff must disclose the information to the General Manager.

(4) If the General Manager reasonably believes that the information is relevant to the commission, or possible commission, of an offence against a law of the Commonwealth, a State or a Territory, the General Manager must disclose, or authorise the disclosure of, the information:

(a) for an offence against a law of the Commonwealth—to the Australian Federal Police; or

(b) for an offence against a law of a State or Territory—to the police force of the State or Territory.

Information may be disclosed despite inquiry or investigation under this Act

(5) To avoid doubt, if the information relates to a matter that is the subject of an inquiry or investigation under Part 4 of Chapter 11, a person need not wait until the conclusion of the inquiry or investigation before disclosing, or authorising the disclosure of, the information under subsection (2), (3) or (4) of this section.

39B Application—disclosure of information

The amendment made by item 39A applies in relation to information acquired before, on or after the commencement of that item.

The Senate divided. [20:09]

(The President—Senator Hogg)

Ayes..................30
Noes......................36
Majority..............6
### Ayes

- Bilyk, CL
- Brown, CL
- Carr, KJ
- Collins, JMA
- Di Natale, R
- Farrell, D
- Feeney, D
- Gallacher, AM
- Hogg, JJ
- Lundy, KA
- McEwen, A (teller)
- Milne, C
- Polley, H
- Rhiannon, L
- Stephens, U
- Thistlethwaite, M
- Urquhart, AE
- Whish-Wilson, PS

### Noes

- Abetz, E
- Birmingham, SJ
- Boyce, SK
- Cash, MC
- Cormann, M
- Eggleston, A
- Fierravanti-Wells, C
- Humphries, G
- Kroger, H
- Madigan, JJ
- McKenzie, B
- Parry, S
- Ronaldson, M
- Scullion, NG
- Smith, D

### Majority

- Bishop, TM
- Cameron, DN
- Carr, RJ
- Crossin, P
- Evans, C
- Faulkner, J
- Furner, ML
- Hanson-Young, SC
- Ludlam, S
- Marshall, GM
- McLucas, J
- Moore, CM
- Pratt, LC
- Singh, LM
- Sterle, G
- Thorp, LE
- Waters, LJ
- Wright, PL

### Amendment (2012 Budget and Other Measures) Bill 2012

Debate resumed on the motion:

That this bill be now read a second time.

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (20:15): I rise to speak on the Social Security and Other Legislation Amendment (2012 Budget and Other Measures) Bill 2012. This bill seeks to implement a range of changes to the eligibility for certain income support payments as announced in the 2012-13 budget as well as make other amendments to child support legislation.

Schedule 1 of the bill seeks to extend the current income exemption for the Western Australian government's country age pension fuel card and the cost-of-living rebate scheme. The current exemption is due to expire on 30 June 2012 and the extension, due to run indefinitely from 1 July 2012, will ensure that people continue to enjoy the full benefit of the Western Australian government assistance without a reduction in their pension payments.

Schedule 2 seeks to narrow the timeframe for people who travel overseas while receiving particular income support and family payments. That is due to come into effect on 1 January 2013. The change will see the length of time that people can spend overseas while still receiving payments decrease from 13 weeks to six weeks. There are exemptions for this for age pension recipients and disability support pension
recipients deemed by the department to have a severe or permanent disability and, as a result, no future work capacity. Individuals studying overseas as part of an approved Australian course are also exempt from this change. Likewise, the maximum basic rate of the service pension, disability pension and war widows pension paid by the Department of Veterans' Affairs is not affected by this change.

Other social security payments, including the pension supplement, will be affected and recipients of the family tax benefit part A will continue to be paid for up to three years of temporary absence but the payment will reduce to only the base rate after six weeks absence from Australia.

In schedule 3, the amendments promoted by this bill mean that families with children aged over 18 who are not engaged in full-time education or vocational study are no longer eligible for the family tax benefit part A. Eligibility is extended for those children aged 18 and 19 who are full-time students to the end of the calendar year, after which time their families are no longer eligible. This reduction from the current threshold of 21 years of age will result in 43,000 teenagers losing their entitlement to this payment, with 53,000 families left without this support, which is vital. We know that cost-of-living pressures are bearing down on families and households. With the impending carbon tax, those will only be exacerbated. In fact, I cannot remember a time in my adult years when cost-of-living issues have been such a source of comment from members of the public. I hear them now in their capacity as my constituents. There will be more young people at home with mum and dad. Cost-of-living pressures will continue to rise. It is peculiar that this government, as the Australian public expresses concern about cost-of-living pressures, seems to be doing everything that it can to exacerbate those, whether through the carbon tax or through taking some forms of income support away from households. This government takes a perverse approach.

The bill also proposes some non-government amendments. Inequity in child support income testing for family tax benefit part A will be addressed. Individuals who collect child support privately will have their maintenance income test based on the individual’s child support entitlement rather than restricting the family tax benefit part A to the base child rate when they do not collect the full child support entitlement. This will come into effect from 1 July 2012. As well as this, the bill amends the legislation to permit a percentage of care for child support and family tax benefit purposes to be based on the actual care of the child in certain circumstances of violence or unusual behaviour.

The bill also clarifies eligibility for the clean energy low-income supplement of a group of low-income families who would otherwise not benefit fully from the assistance required due to the impacts of the carbon tax. I guess it is good on one level that the bill clarifies eligibility for that supplement. But we on this side of the chamber think that there is a much better way to proceed, and that is to repeal the carbon tax. If there is no carbon tax then quite clearly as a matter of logic you do not need compensation. The government has spent a lot of time, effort and money promoting their clean energy low-income supplements, household assistance packages and schoolkid bonuses—a lot of money. But it has all been in an effort to try to mask the effects of the carbon tax and to try to distract people from the introduction of the carbon tax. Quite simply, if you do not have a tax you do not need the compensation and you certainly do not need those distractions.
I know the government also thinks there is a benefit in this massive public expenditure on advertising. If there is one lesson we learnt from our time in government—in fact there were probably many lessons we learnt from that time—it is that advertising campaigns on things such as Work Choices and to promote the policies of the government of the day actually do not have the desired effect. It annoys the public that you are spending money that could be better directed elsewhere. It also annoys them because you can really be reminding them of a policy that they do not particularly like. You might be trying to put the best gloss on it but in that endeavour you actually are reminding them of a policy they might not like. I do not think this government has learnt in office what we did when we were in office. They complained an awful lot about our expenditure on advertising and about the efficacy of that spending. They probably should have been quite happy about our spending because I think some of those advertising campaigns helped them more than they helped us. The lesson has been well learnt on our side and I think it also should be learnt on the other side that when you are spending taxpayers' money on advertising campaigns it should be for informational purposes. It should not be decision making.

Senator Kim Carr: So you will spend money. That is the point. You will spend money.

Senator FIFIELD: I will take the interjection. Governments of all persuasions will always spend money on advertising, but there is appropriate advertising and inappropriate advertising, and we were promised that the Labor Party, when they assumed office, would be better and would learn the lessons that we have now learnt. But it appears they have not. I digress, but I think it is a point worth making.

This bill also makes some small amendments, including amending the child support legislation, to clarify the authority for the practice of automated decision making using computer programs. I may well ask the minister at the next estimates if he can take us through a little more of what that involves.

Senator Kim Carr: Decision making.

Senator FIFIELD: Decision making; that is right. But there is a gap in my knowledge there that I am sure the minister will be able to fill in the next Senate estimates.

The government is increasing the level of debt the nation has. Their efforts in the last budget were to try to achieve what I call a technical surplus. There was a bit of fudging and moving things around between financial years to at least enable the Treasurer on budget night to, not deliver, but to forecast a technical surplus. A lot of the changes in the legislation before us were designed to help facilitate that technical surplus—pulling a bit of money back here and a bit back there. The objective was to be seen to be forecasting a surplus. It is an illusory surplus.

We know from each of this government's budgets that what they forecast on budget night cannot be relied upon. I well recall Mr Swan's very first budget, where he proudly pronounced that the budget was forecasting a surplus—I think he said it was the biggest in a decade as a percentage of GDP. He said it was in excess of his 1.5 per cent of GDP target for a budget surplus. As we know, that surplus was not to be. Of course, as always, it was for reasons completely beyond the control of the government.

They are a very unlucky government, as you have probably come to appreciate, Mr Acting Deputy President. They are in this chaotic universe where they are always the victim of circumstance; it is always issues
beyond their control. They always try their best but, darn it, something always gets in the way, and it is never their fault. We saw that in Mr Swan's first budget. The global financial crisis was cited as the problem then. Those who take the time to look back over the budget papers will appreciate that the reason the budget was in deficit that year, and has been in deficit for the three financial years since, is not because of revenue write-downs from the global financial crisis but because of policy decisions by the government. By policy decisions, I mean spending decisions.

The government has not done a bad job at conveying the impression that the budget deficits are due to revenue write-downs. You know how it goes: consumer confidence falls, business confidence falls, tax receipts fall and therefore the budget, beyond our control, goes into deficit. That is not true. It is not why the budget is in deficit. The budget is in deficit because of the spending decisions and policy decisions of the government. Look back at each financial year and that is the case. The revenue write-downs are not enough, in and of themselves, to see the budget in deficit. It is spending decisions.

That is why in the budget that Mr Swan presented not long ago—and this amendment bill seeks to give effect to some of those measures—he was so desperate to finally, ultimately, be in a position where he could forecast a budget surplus. I would place a bet with you, Mr Acting Deputy President Edwards—although you are probably not a betting man; not in this place but maybe you are outside—that the forecast budget surplus will not come to be. The last budget, as with Mr Swan's previous four budgets, is a work of fiction. As I pointed out before, Mr Swan has been very helpful. In taking the treasury bench, he changed the colour of the budget papers to differentiate them from the Costello budget papers. The Costello budget papers were all in classic white. Mr Swan changed the colour of his budget papers to blue, which is very convenient because I have all the budgets for the last 15 or so years on a shelf. It makes it very easy to point out the surplus budgets from the deficit budgets—they are basically colour coded. That is something helpful that Mr Swan has done.

I return to one of the elements of this legislation—changes to the disability support pension—to make the point that I think we have expected the disability support pension to do a number of different things. We have expected it to be an income support for people whose disability means that they will never work, people who have an extremely profound disability. We have also expected the disability support pension to serve as an income support for those people who have been injured or have a condition from which they can recover, so we have expected it to be a transitional payment. We have also expected the DSP to be more than income support. We have expected Australians who have profound disabilities to use some of that money to buy aids and equipment, to purchase supports which they need compared to other Australians.

The DSP was never designed to be more than income support. That is one of the reasons why it is so critical that a national disability insurance scheme comes into being. People who follow Australians with a disability know that there are waiting lists for supported accommodation and waiting lists for aids and equipment, as Senator McLucas knows very well. I think there has been a misapprehension that the disability support pension is designed to enable people to purchase some of those things. It was never designed to do that; it was designed to be an income support.
The Commonwealth has had traditional responsibility for income support for disabilities. It is the states and the territories who have had the prime responsibility for providing those other supports—for providing respite, aids and equipment and supported accommodation. Over time, the states and territories have funded about half of what needs to be funded. Hence we have the waiting lists and the rationing. I make the point, as we are talking about legislation which seeks to make some changes to the disability support pension, that I think there has been a misapprehension as to what the role of the DSP is meant to be. It is meant to be purely income support and that is why we so greatly need a national disability insurance scheme—so that we do not expect the DSP to continue to do more than it was designed to do.

As I am talking about the National Disability Insurance Scheme, it is appropriate to acknowledge this is one of the areas where there is cross-party support. Whenever I look at a piece of legislation in the social security area, it always reminds me what the core business of government should be—providing assistance to those citizens who find themselves faced with additional challenges for reasons beyond their control. We may often disagree across this chamber about what is an appropriate role for government, but one thing I know we all agree upon is that the core business of government is providing support for people who face additional challenges for reasons beyond their control. It is Australians with disability who most clearly fit that definition.

The opposition will not be opposing this bill. It has some useful technical amendments but we also acknowledge that it is reducing payments to some people for the purpose of achieving a technical surplus. As I indicated before, we on this side think that there is a better way. I conclude my remarks there as I know there are a number of colleagues who have contributions to make and we are operating in a time limited environment as the guillotine will kick in in the not too distant future.

Senator LUDLAM (Western Australia) (20:36): By agreement with the whips, I seek leave to have Senator Rachel Siewert's speech in the second reading debate incorporated into Hansard.

Leave granted.

Senator SIEWERT (Western Australia—Australian Greens Whip) (20:36): The incorporated speech read as follows—

The Australian Greens welcome the modest improvements to social security arrangements that are set out in some of the schedules to this bill, however we are extremely concerned by changes to the conditions and benefits of vulnerable income support recipients. The continuous squeezing of all social security recipients is part of a legacy — started by the Howard Government, and continued, with gusto, by the present Government. This Bill is just another step along a so called 'tough-love' path; a path than serves only to disempower people and to fuel negative stereotypes.

The Greens cannot support Schedule 2 of this Bill. It will reduce the period for which a wide array of social security payments can be received while overseas, from 13 to six weeks. Over twenty different benefits are affected. The government has repeatedly reduced the eligibility criteria for overseas travel, from 12 months, to 26 weeks, and then to 13 weeks. Not content with this, and despite known cases of hardship, the government wants to reduce it once again, to 6 weeks.
The National Welfare Rights Network has indicated that the changes to portability have the potential to particularly disadvantage people who have come here as migrants or refugees, and who have family members dispersed across the globe to whom they have strong ties of responsibility:

"Often people who access the portability provisions want to be able to stay with close relatives such as parents or children. The person needing to travel may be frail or have severe ill-health. This is particularly important for people who do not have family members in Australia and the restrictions in this Bill would limit their ability to spend some quality time with their parent(s) or closed member of their family."

Also, six weeks is often insufficient time for those seeking cheaper or alternative medical treatment overseas.

Taking into account Australia's history as a nation built on immigration, the economic contribution of migration policies and the distance of Australia from other countries, the proposal to limit portability is problematic. Furthermore, considering how much it costs to go overseas, being able to stay overseas for only six weeks is unfair. Penalising people for wanting to spend time with dying family members or for seeking medical treatment is not acceptable.

While there are some provisions for exemptions, it has been made clear by advocacy organisations that they are too restrictive to address legitimate needs. The Greens agree that social security in Australia needs reform, reform that adequately supports people at the most vulnerable time of their lives, not reform that causes further harm and disempowers people. The Greens can't support these schedules of the Bill.

Senator McKENZIE (Victoria) (20:36): I rise to speak to the Social Security and Other Legislation Amendment (2012 Budget and Other Measures) Bill 2012. I acknowledge Senator Siewert's work throughout the inquiry conducted by the Senate Community Affairs Legislation Committee on this bill and I note her absence. This bill contains seven schedules amending different aspects of social security eligibility and payments. The shadow spokesman for disability, Senator Fifield, very articulately outlined the wide impacts of this variety of amendments, commenting on the National Disability Insurance Scheme and the importance of social inclusion within our community to ensure that those who need our assistance are able to receive it. As previous speakers have noted, this bill addresses an array of measures, and I will make sure my comments relate specifically to them. The Department of Families, Housing, Community Services and Indigenous Affairs said of this bill in their submission to the Senate committee inquiry:

The amendments contained within the Bill will contribute to the ongoing sustainability of the Australian social security system and better reflect the expectations of most Australian taxpayers about how social security expenditure should be targeted.

As I said earlier, I am a member of the Senate Community Affairs Legislation Committee, which conducted the inquiry into this bill, and much of the commentary I make tonight will reflect information we garnered through that process.

Schedule 1 goes to excluded income. There are currently around 50,000 Western Australians—and I am sure my committee colleague Senator Smith will expand on the details—who benefit from the government's country age pension fuel card, which provides eligible pensioners with up to $500 a year towards the cost of fuel and/or taxi travel from participating providers. The country age pension fuel card helps to ease some of the financial burden of those living in regional areas who do not have ready access to public transport. Having to rely on their own means of transport to get to providers can be costly and can restrict access to central medical services. The WA government also has a cost-of-living rebate...
scheme which is designed to help eligible senior card holders with rising living expenses. Around 260,000 Western Australians applied to the Cost of Living Rebate Scheme in 2011. Federal government backing for these schemes makes sense, as to do otherwise would leave pensioners in the absurd situation of receiving support from one government only to have it reduced or removed by another level of government treating these benefits as income. Collectively, these people will now breathe a sigh of relief that they can continue to receive the full value of the assistance provided by the Western Australian government without incurring a reduction in their pension.

Schedule 2 deals with portability. 'Portability' refers to the ability of recipients of welfare payments to continue to receive those payments whilst travelling overseas. At present, those on many payments can be absent from Australia for up to 13 weeks, with no impact on their payments. Whilst there are also some payments, such as Newstart, that are not portable, there have been a number of recent changes to the portability arrangements for those with no capacity to work. For example, a disability support pension recipient with a severe and permanent impairment will, as of 1 July, have indefinite portability. Age pension recipients; disability support pension recipients assessed as having a severe and permanent disability, and no future work capacity; and students studying overseas as part of an approved Australian course will not be affected. New measures in this bill will limit the period of travel for those on many payments to six weeks or less. We believe that that is an appropriate length of time for Australians who are in receipt of some of these payments to travel overseas to deal with family emergencies—funerals, illnesses and the like—and provide support to family members overseas. The estimated savings from the reduction of the portability period are $127.2 million over two years. Obviously, in light of our current budgetary situation, that is a positive thing.

The National Welfare Rights Network, in their submission to the inquiry, highlighted the special circumstances some people face that mean they be disadvantaged and singled out two groups as those who will be most affected, one being refugees: Refugees/former refugees with family spread all over the globe (accepted in differing third countries). These people often ask Centrelink for permission to go overseas to visit a relative who is dying and are refused or granted approval for just one week’s payment (on Newstart Allowance). A reduction of the portability period to six weeks is a very short time to travel, visit someone who may pass away and then attend a funeral.

However, I believe that six weeks is more than enough time for somebody to deal with those types of family matters, and there is a capacity in the legislation to seek an exemption. The other group singled out by the National Welfare Rights Network are people with medical conditions who benefit from overseas trips through either cheaper treatment or a change in climate. They also say:

Again 6 weeks is a short time for these people to have to pay to go overseas for such a brief period of time.

But the department, FaHCSIA, said in their submission:

Six weeks is seen as a reasonable period of time for an Australian resident to manage family or personal matters that may arise from time to time overseas.

And we would concur.

During the inquiry, the committee questioned the department about how they could ensure that people would be made aware of the changes to this rule, given that
some people have unwittingly travelled overseas for longer than the current portability provisions allow and have been quite disadvantaged by the cutting-off of their pension while they were overseas. So the communication from the department to pension recipients about these changes was something we sought to emphasise. The department suggested that Centrelink staff would work with pension recipients who notify them of an overseas trip to help them understand the new rules and any special exemptions that apply. Schedule 3 deals with age or study rules for children for family assistance payments. Additionally, family tax benefit part A will no longer be available for young people aged 18 or over unless they are in full-time special study from 1 January next year. Family tax benefit part A is designed to help with the cost of raising children. Once those children are legally adults, they can reasonably be expected to access any government payments they may be eligible for in their own right such as youth allowance. This amendment is subsequent to earlier steps taken to reduce the previous eligible age from 24 to 21 and is in line with recommendations from the Henry review.

Schedule 4 assesses family tax benefit and reasonable maintenance action. The changes to the family tax benefit part A rate provisions proposed in schedule 4 are designed to produce better outcomes for parents receiving child support payments. Those considered to be taking reasonable steps to ensure they receive the appropriate child support payments have their rate of family tax benefit A as calculated—the child support payable that is calculated—taken into consideration when calculating the family tax benefit part A. However, when you are privately collecting that child support you may or may not be receiving the actual child support as calculated, hence a reduction in family tax benefit part A despite not getting the full child support. The parent in this circumstance is effectively penalised twice—once by not receiving their child-support payment and again when their actual lower income level is not considered in their allocation of family tax benefit part A.

The committee heard from the National Council of Single Mothers and their Children Inc., an organisation dedicated to single mothers. In relation to the maintenance income test, they said in their submission to the inquiry:

The MIT produces an inequitable and disproportional impact for single parent households when compared to a two-parent family. Currently, when child support is received the Family Tax Benefit A is reduced by 50 cents in the dollar for low threshold amounts commencing at $1,368.75 per year and continuing until the payment reaches the base rate of Family Tax Benefit A.

However, a two parent family may receive income of up to $45,114 for the financial year which will then gradually reduce by 20 cents for each dollar above $45,114 until the payment reaches the base rate of Family Tax Benefit Part A.

Clearly this is an issue we do not want to see continuing.

Schedule 5 looks at the percentage of care for children. The fifth change this bill brings about relates to the care of children when split between two or more carers. There are a number of complex calculations involved in the determination of government payments when care of a child is split between two carers. The amendment allows for changes in government payment through family tax benefit part A to be made more quickly in the case of special circumstances such as incidents of family violence. In relation to these issues the National Council of Single Mothers and their Children Inc. advocated through the inquiry process for a review of
the whole child-support scheme. They said in their submission:

A more sophisticated child support system would align the cost of care provided with the actual time and not an artificially inflated discount.

They were referring to basically a 24 per cent discount in child-support once one carer has 50 days, or effectively one night a week, care of their child.

Schedule 6 of the bill refers to the low-income supplement which relates to compensation for the carbon tax. Again, as Senator Fifield outlined earlier, it would be great if it were not required. I could not support that notion more strongly. It would be great if we did not have to compensate low-income earners for the effects of the government's carbon tax; it would be great if we did not have to compensate the Latrobe Valley, as a whole region, for the effects of the government's carbon tax; it would be great if we did not have to compensate food and foundry producers for the effects of the carbon tax. In less than five days the carbon tax will be upon us and people's personal electricity bills will be rising—but the tax will be also be applied right through our economy and people will need to be compensated. Let us hope that the compensation does not actually stop people wanting to reduce their carbon footprint and that it will result in a behaviour change that will bring about action on climate change and not simply be fed into a financial churn.

We have been spending a lot of time as a coalition reflecting on the particular model that the government has chosen to address climate change, as we watch the government refuse to take on board the will and the views of the Australian people on this issue.

I will return to the bill before us. I am conscious that many coalition senators want to speak to this bill, and we are having to constrain our remarks because of the government's guillotining of democracy and its guillotining of our contributions on this legislation. The low-income support payment is to be paid as an annual tax exempt lump sum of $300 for people on low incomes who meet the eligibility criteria, including a low-taxation liability and not being in receipt of other forms of government compensation for the carbon tax. If they are a small business family who may not have returned a great profit this year, one wonders how that will all work out.

This seems designed to provide assistance to those not reached by any other form of carbon tax compensation, as promoted so widely and readily on TV. Those in receipt of the veteran's pension received letters last week outlining the cash that would be available to them. It was phrased in those sorts of terms. There was no mention of the burden of the carbon tax, nothing about addressing climate change and nothing about positive steps we can take for the environment. It was all about saying, 'Here is some cash for you.' I think that is treating the Australian people like mugs, but there is nothing new about this government pursuing that sort of tactic in introducing its carbon tax. All of that means that the low-income supplement is another new payment, with more red tape, which would not have been necessary if there were not going to be a carbon tax.

Finally—I say that because I did mention there were seven schedules in this bill—I come to schedule 7. It covers other amendments, including the authority for the practice of automated decision making using computer programs. Like Senator Fifield, it is with bated breath that I await estimates so we can pursue that topic. I would hate to interrupt the minister and his conversation on the other side of the chamber to see what he thinks about that, so we will wait for estimates.

CHAMBER
With the wide range of amendments proposed in this bill, the government is trying to achieve a variety of aims across different groups within our community. As mentioned by Senator Fifield, the coalition will not be opposing the bill. In the interests of allowing time for my colleagues to speak, I will cede to them.

Senator SMITH (Western Australia) (20:53): I rise to speak on the Social Security and Other Legislation Amendment (2012 Budget and Other Measures) Bill 2012. In doing so, I am hoping to address a number of elements but I am conscious that time is against me because of the government’s decision to give democracy a severe blow and impose the guillotine. With the time I have, however, I am hoping to touch on some of the elements in the bill which are particularly relevant to Western Australia and to discuss the government’s gross disregard for Western Australian families and for regional Western Australia. If there is time, I am also hoping to talk about some of the truths and myths about electricity pricing in Western Australia. As I said, however, we are facing a guillotine, so I can only do my best.

I am pleased to speak on this bill as a member of the Senate Community Affairs Legislation Committee, a committee I have recently joined. I would also like to add to the comments of Senator McKenzie and acknowledge the contribution of Senator Siewert, who is absent this evening. She can be confident that our thoughts are with her and her family at this time.

I begin by thanking the National Council of Single Mothers and their Children and the National Welfare Rights Network for their comments during the brief public hearing phase. This bill introduces a number of initiatives of the 2012 budget. I will only highlight a few.

Firstly, this bill tightens rules for those who travel overseas while receiving income support payments and family payments. Under the change, from 1 January 2013, the length of time individuals can spend overseas while continuing to receive their payments will generally be reduced from 13 weeks to six weeks. The change will not apply to age pension recipients or to disability support pension recipients assessed, under new rules applying from 1 July 2012, as having a severe and permanent disability and no future work capacity.

Secondly, the bill limits the family tax benefit part A to children aged under 18. Families with children under the age of 18 and 19 who are studying full time may continue to get payments until the end of the calendar year in which they complete secondary education or equivalent vocational education. It is fair to say that elements of this bill are building on reforms made over previous years to ensure the family payment system is targeted to low- and middle-income families with young children on their way to completing their schooling.

The bill also amends the clean energy low-income support supplement provisions to clarify the eligibility of a group of low-income families who may otherwise not be fully compensated for the average cost impacts they are expected to suffer under the carbon price. Of course if there were no carbon tax, there would be no need to offer compensation. As we count down to the start of the carbon tax on 1 July 2012—this Sunday in fact—time is running out for the government to reverse its carbon tax insanity. Many, I think, have given up holding their breath.

As a Western Australian, I am pleased that there are some important and positive elements in this bill for Western Australians. The bill will extend permanently the current
income test exemption for the Western Australian government's country age pension fuel card and the Cost of Living Rebate Scheme. The country age pension fuel card is an important initiative of the Western Australian government and they should be congratulated for it. It is worth noting the cooperation of the Australian government in previously exempting the value of the WA country fuel card and the Cost of Living Rebate Scheme from the social security and veterans income test for the three years up to June 2012. This bill now makes this exemption permanent, giving eligible Western Australians confidence that, over the longer term, their income support payments will not be reduced because of benefits received through the Western Australian government. The Premier of Western Australia and the Leader of the Nationals in WA should be congratulated on these two initiatives that support Western Australians, especially those living in regional Western Australia. I have a strong interest in fighting for regional Western Australians and I am pleased the bill extends the income test exemption on these two excellent initiatives and does so permanently.

The Western Australian state government's country age pension fuel card scheme has reached over 45,000 pensioners in Western Australia since it was introduced in 2008—a great result for Western Australian pensioners. For those interested, the 45,000th pensioner was a resident of Geraldton in the mid-west of Western Australia, a Mr Alfred Kaufman. I am not too sure if he has ever had his name in the Senate Hansard before, but I am pleased to get it in there for him. As we heard from Senator McKenzie, the initiative allows pensioners a $500 entitlement towards the cost of fuel and taxi fares each year. One of the great things about the scheme is that it benefits everyone differently—it suits people's different but individual circumstances. Importantly, the scheme helps to alleviate some, but not all, of the financial pressures faced by pensioners across regional Western Australia, especially those on fixed incomes.

The Cost of Living Rebate Scheme is an annual payment to eligible seniors card holders and was also introduced in 2009. It assists with living expenses for seniors in the Western Australian community.

I would love to have traversed some other issues dealing with—

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

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (21:00): The question now is that the remaining stages of this bill be agreed to and this bill be now passed.

Question agreed to.

Bill read a third time.

Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (21:00): The Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012 is non-controversial because it is basically what we want to do, which is to have greater water efficiency. Over a number of years a range of states have had pieces of
legislation with the federal government over the top of those. It has been very confusing. We have tried to remove that confusion and we entirely support the government on this.

Madam Acting Deputy President McKenzie, you are looking wonderful tonight. You are a flash bit of kit in this chamber, there is no doubt about you.

The ACTING DEPUTY PRESIDENT (Senator McKenzie): I am sure there is a standing order somewhere, Senator, but—

Senator JOYCE: It is non-contro. Roll with me on this. It is good to try to get a piece of streamlined legislation so that the federal government basically enacts the decision of the COAG council of ministers so that what they agree to we then enact. It is quite simple. This bill will allow the Commonwealth minister to determine the changes to the Water Efficiency Labelling and Standards Scheme without changes being required to the states' and territories' legislation.

The WELS Scheme was a proud achievement of the previous coalition government. In 2005 the coalition government created the world's first national scheme of its kind to provide for water efficiency labels on shower heads, washing machines, toilets, dishwashers, urinals and taps. These labels give consumers easy to understand star ratings, as I am sure Senator McLucas would understand, and water consumption information on the water efficiency of different products. The bill amends the WELS Act to allow the Commonwealth minister to determine more of the scheme's details, particularly those relating to the registration of products and cost recovery. This differs from the current position in that some aspects of the scheme, such as the five-year period for product registration, cannot be changed without changing nine sets of legislation. The minister will make changes by disallowable legislative instrument, the terms of which must be agreed to by a majority of states and territories.

If this bill is passed, and I suspect it will because it is non-contro, it is expected that the minister will make a number of changes to the WELS Scheme, including revising registration fees to meet the cost recovery target of 80 per cent that is recovered from industry. Further amendments are proposed in the bill to the enforcement provisions of the WELS Act. Civil penalty provisions have been added to provide a more cost-effective enforcement—and might I say that civil penalty provisions are the way that we are going forward now. It is in regard to the onus of proof. I remember looking into the bill and the onus of proof scheme basically means that instead of having been presumed innocent, and having us prove you are guilty, you have got to prove yourself to be innocent. It is a good position and I am sure many of your advisors would agree with me on that—I can see them nodding profusely.

Civil penalty provisions have been added to provide a more cost-effective enforcement response. The bill will also apply a strict liability to more provisions because it is currently difficult to prove intent in relation to breaches of the act. For example, previously, not labelling a product required having to prove intent and that was rather difficult. Some other changes of an administrative nature have been made, including removing the requirement for gazettel of registration decisions and instead requiring decisions to be published on the WELS website, and providing for further reviews of the operation of the WELS Scheme at five-year intervals.

The coalition supports this bill as it builds on and improves a successful scheme that was introduced by the coalition. It is a
shame, however, that this government's water policy is not as non-controversial as this bill. The biggest water issue—and I know, Madam Acting Deputy President McKenzie, that you will be interested in this—facing this nation is the Murray-Darling Basin Plan. The government's management of this plan has been an utter debacle. They released the plan in late 2010; they walked away from it within weeks. A few months later, the head of the Murray-Darling Basin Authority had to resign.

Senator Farrell: Madam Acting Deputy President, on a point of order, we are speaking here about water efficiency legislation, not the Murray-Darling Basin legislation.

The ACTING DEPUTY PRESIDENT: There is no point of order.

Senator Joyce: The government has now managed to alienate every state government in the country on this issue. This puts at grave risk any chance for Australia to achieve a successful outcome of this reform. Every water policy in this country has had the support and cooperation of Australia's federal structure of government. I remember the great reforms we got from The Living Murray agreement—969 megalitres of water went back into the Murray-Darling Basin.

There are clear limits on what the Commonwealth can achieve in water policy as it does not have powers over land use and water infrastructure which are absolutely essential for good water policy management—just like what we have with taps and urinals because that is good water policy management. We must have good water policy on urinals. I have been worried about urinals for years and years because urinals are to do with water. Also, we must look at what is happening at other things that may or may not have been flushed down the urinal by Labor Party policy pertaining to the Murray-Darling Basin. When the coalition were last in government, great strides were made in water reform without the rancour and turmoil that have marked this government's term. One can see that the WELS Scheme is a great example of what can happen when you go about things in a diligent manner because you get a bipartisan outcome, which everybody is happy with—unlike the Murray-Darling Basin scheme.

The National Water Initiative was agreed to and, under it, it was clearly and frankly recognised that there will always be a trade-off between achieving economic, social and environmental outcomes. The government's approach is to wish this trade-off away. Even now, we hear that the government is telling some that it cannot do what it would like to do on water policy because the Water Act puts the environment first and everything else second. What we had before was that we all believed, the Labor Party believed, that we would have an equivalence between social, economic and environmental factors. What we have now is backed up by Professor Judith Sloan and by Professor George Williams, a former Labor Party candidate. Not to be parochial, we also got Professor John Briscoe from Harvard University, Massachusetts, United States of America—where I will be in a couple of weeks time. He said when he had a look over it that the Water Act is an environmental act and if we do not come up with an environmental outcome, the Greens will bring down the Labor Party and destroy them. I want the Labor Party to survive, because I think they are a great party. They are a party of Curtin and Chifley. I think they have done some incredible things for this nation that we are so proud of.

Senator Farrell: Big things.

Senator Joyce: Yes, big things. Keeping our nation from being invaded was
a massive issue. I am extremely proud of the statues we have down the road that show Curtin and Chifley as they are walking back to Parliament House. That is the party I recognise as the Labor Party, and the party, might I say, that my grandfather voted for. He was a strong member.

Senator Farrell: He was a smart man.

Senator Joyce: He was. That party is not the party that I see represented now. But I do believe there are people in the Labor Party who can take it back there. But they have to come to the fore. They have to reclaim this thing. Do not swing with the people from the manic monkey cafe of inner suburban nirvanaville. Go back and talk to the people, the working class who wear the reflector suits, who go fishing, who believe in their nation and are proud of this nation. If you talk to them, you are going to give us a challenge. Where you are now, you are going to look like the Burghers of Calais, that Rodin sculpture you can see outside the national art gallery. You are going to be destroyed. That will be great for us, but it will be terrible for our nation because there will be nothing left of you. It happened in Queensland, so do not think it will not happen to you.

Senator Farrell: Australia is not Queensland.

Senator Joyce: It will happen to you because the longer you wait, the worse it gets. The closer you get to annihilation, the more it turns into an issue. The Australian people do not respect you. If you try to repent at the last minute, they will not respect you, so you have to fix it up now. I know you have that in motion, so get it moving and fix it up.

The National Water Initiative was agreed to and, under it, it was clearly and frankly recognised that there will always be a trade-off between achieving economic, social and environmental outcomes. The government's approach is to wish this trade-off away. Even now, we hear that the government is telling some that it cannot do what it would like to do on water policy because the Water Act puts the environment first and everything else second. This is something we have been saying all along. Reclaim the 2.1 million people who live in the Murray-Darling Basin. They are an exemplar of the people whom you want to vote for you. If you look after them, you are looking after the outer suburbs. Show how you would respect their views and you will get the respect of a much wider constituency.

Under the coalition government, we recovered 823 gigalitres for the environment in the Murray-Darling Basin. That was achieved through programs like the Living Murray Initiative. Cooperation between local communities, irrigation operators, state governments and the Commonwealth government was the foundation of schemes. Unfortunately, the government have failed to heed the lessons of these approaches and have embarked on a course of explicit confrontation with state governments and local communities. You cannot get anywhere with water reform unless you get the local issues right. Take the WELS reform. These are great reforms because everybody is on board with it. The retailers are on board with it. The consumers are on board with it. Local governments are on board with it. You have to start from the ground up. That is where the hard work that I know people such as Senator Farrell and Senator Polley are capable of. They are very capable people.

If you start at the local level and build up, you will always get your program through because you absolutely are able to deal with the inconsistencies and the ructions that can happen. But if you try to start with it from a macro level and then enforce it on the micro, you just end up with a massive fight. You
have that on the carbon tax and you are
going to get it with the Murray-Darling
Basin scheme. You cannot do it that way. It
is a lot harder starting from the micro and
building to the macro. It requires a lot more
work. But it is the only way it ever succeeds.
Politics is about hard work, but you cannot
have macro decisions enforcing the micro
because the macro thinks that the micro does
not know what they are talking about, so the
luminous orb of the illuminati will be
enforced down onto the micro. They will just
knock you for six every time. A person in the
local community knows far more about the
Murray-Darling Basin scheme and how it
affects their community than someone who
lives on the blue carpet and lives in an inner
urban seat. Likewise the retailer in the shop
knows what is going to sell. Star ratings sell;
it is going to work. Build from the micro,
work to the macro and you stay in
government for longer than six years, which
is what the current crowd will stay in for.

This approach is not going to work over
the longer term. The test for the minister, the
Hon. Tony Burke, will be whether he can
work with all state governments to get an
outcome from this process. At the moment,
we have a plan that has cooperation between
levels of government built into its DNA.
Without the support of the states, the
Murray-Darling Basin Plan becomes more
difficult to implement because the plan calls
for states to both operate the system and
develop the detailed environmental watering
plans. You cannot get an environmental
watering plan or a Murray-Darling Basin
Plan. The states are going to be the ones who
have to kick in the dollars to make an
environmental watering plan work. The
states do not want to kick the money in.
They decided to extract themselves from the
process, and the whole thing became
mindless and defunct and now does not
work. For instance, chapter 7 of the plan
calls on state governments to write the
environmental watering plans, which will tell
the government where the water needs to go.
It is the best place to undertake this task, due
to the existing expertise. They must remain
engaged to ensure the best outcomes for the
states and the system as a whole.

Labor has failed to outline a water
recovery strategy for the basin. The
government has spent $1.8 billion in water
buybacks, but just $430 million on
investments that will deliver water into the
basin. For every one litre of water that has
been saved through infrastructure, five litres
have been taken out of the community
through buybacks. You know and I know,
Madam Acting Deputy President, that the
water that comes from buybacks is the water
that destroys communities. I know that
Senator Farrell knows that and I know that
Senator Polley will probably know that as
well, although she is from Tasmania and
probably does not have to deal with this.

We want the working families of the
Murray-Darling Basin to be maintained and
to exist in the longer term. I know that
Senator Farrell wants that as well, but he
cannot do that by removing the mechanism
of commerce. He cannot do that because it is
not just about the irrigators. It is also about
the people who have bought a house for
$300,000—maybe that is a cheap house.
They went to the bank. They borrowed the
money. All of a sudden we find the
commerce in the town has been ripped away
and therefore the house which was worth
$300,000 is only worth $150,000. That
person who, in the scope of things as far as
urban Australia is concerned, is probably
poor—poorer than they are—and made
poorer by a stupid decision to rip the
economic rug out from underneath them. We
cannot let that happen.
If we are smart about this, we can come to an outcome without destroying these people's lives. They are the people we have to be worried about. We get so worried about yelling and screaming across the chamber—calling Dougy 'Lord Douglas' and all that sort of stuff just to stir him up—but we have to remember that these decisions affect real people's lives and we have to make sure that we look after those lives. We are not going to do that if we keep buying water back, rather than doing the hard work of trying to get the micro right and the environmental works and measures in place, so that we can save the water and let water go down the river for South Australia.

We can do that if we are diligent. If we work hard, we can do it. If we work lazy, we cannot. I am open in saying on the record that I am prepared to work with Minister Burke and to work hard to get the outcome. I want an outcome; I want a result. I want to get a positive result that deals with this problem, but I do not want to unnecessarily hurt people whom I have never met in some street in Mildura or some street in Griffith. I do not want to hurt them, because it is not right. They did not buy this ticket; they should not have to pay for it.

In the current Basin Plan more than 1,000 gigalitres remains unallocated and resides in shared allocation buckets. Communities throughout the basin cannot plan and invest in the basin with this uncertainty hanging over them. Worse, under this plan the minister says that the amount of water recovered could go up or down. I do not know what that means. If you have a plan that goes up or down, you do not have a plan. We have been arguing for decades on this. People want a resolution, but they do not want a minister giving the Greens another window to campaign for 7,600 gigalitres and that is what Senator Hanson-Young wants. That is destitution. She does not have to deal with this; she does not live there. I live in the Murray-Darling Basin. I might be the only senator who does; I am pretty sure—

Senator Farrell: I am the only senator born on the Murray.

Senator Joyce: But I live on the Murray. I can throw a stone from my front yard into the river, into the Murray-Darling Basin. I cannot throw it into the Murray. I would be up there with Clive Lloyd if I could throw it into the Murray. This is something we can work on together. Let us take the nexus of this issue. The WELS Scheme has worked. We are about to have a piece of legislation that will go through tonight without argument—we will work with the government. We can do that on other pieces of legislation if we just realise that between the Labor Party, the National Party and the Liberal Party we have the numbers to do good issues. If the Labor Party wants to look after the Greens then we have a complete split.

I have said openly that I am prepared to work with Minister Burke. I have shown tonight on a piece of legislation that is my shadow portfolio that I am happy for this to go through. I want it to go through and without problems. We have worked on other issues, such as the National Water Commission—even though that was highly debated. So we can get to an outcome. I want to get there on the Murray-Darling Basin because I do not want to hurt people. I can make a big man of myself by screaming no and doing showdowns, but I do not want to do that. I want to make sure that we get to an end, but if the Labor Party sides up with the Australian Greens with their own agenda, which is to destroy the Labor Party. We had the Australian Greens once—they were called One Nation—and they wanted to destroy us. Do not let them destroy you.
Senator BIRMINGHAM (South Australia) (21:21): Madam Acting Deputy President, it is a pleasure to see you in the chair, can I say, as I rise to speak and congratulate you on that role. It is also a pleasure to follow Senator Joyce in speaking and to have heard some of his remarks and commentary, particularly about the process of Murray-Darling reform and the example that this legislation can set in that regard. I too want to touch on some of those issues.

On the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012, I would like to reflect briefly that, yet again, in this couple of weeks, I rise to speak on a bill that is, as they like to put it, 'time managed'. 'Time managed' is of course a euphemism for applying the guillotine and, to be frank, it is preposterous and ridiculous that this bill is being time managed. It is lunacy that it has come to this for a piece of legislation that enjoys bipartisan support, that is relatively non-controversial, that makes some sensible changes and that is, of its nature, legislation that you would expect to go through quite simply in a non-controversial debate in this place without the need for these types of extreme measurements.

It is not my fault, it is not my problem, that the government wants to make a fool of itself, that the government wants to expose itself, in conjunction with the Australian Greens, for having such contempt and such disregard for democratic processes that it is happy to rack up the statistics on the number of bills that it guillotines through this place. But it does show all those opposite for being hypocrites. It does demonstrate the hypocrisy inherent in all of those who have railed against the application of guillotines and the curtailing of debates in the past, in all of those who, especially when the coalition briefly held a majority in this chamber, talked about how that majority was abused and how outrageous it was that guillotines were applied—and Senator Polley is nodding. Yet, Senator Polley, this government has guillotined far more bills in the life of this Senate than the coalition ever did when we had a Senate majority.

The Labor Party, together with the Greens, have thrown out the window any semblance of regard for process of debate here. This example is just sheer lunacy, as I said before, because it should never have needed this. If the government had managed the chamber as you would expect a government of the day to manage this chamber, this bill would have appeared on a non-controversial list, there would have been a couple of speeches of not particularly great length from each side and it would have all been dealt with in a relatively simple way. But, no, the government have to decide that they, with the Greens, can exercise some brute force, can force this chamber to consider everything they want, when they want, how they want, under the terms they want. When you take those steps it elicits a reaction, and the reaction is that you get to sit here and listen to us give speeches on these topics because you have decided these things will be dealt with in a certain manner. Well, there are consequences for everything we do in life. This is the consequence for the government of deciding to set up this ridiculous process—a ridiculous process where bills like this that should be dealt with in a relatively seamless way will probably take longer than would have otherwise been the case. But that is the government's choice; that is their foolish choice. They may want to reflect on their worth as legislators for making these foolish choices, but I guess in the end the Australian public will make that decision for them in terms of why it is they have taken this ridiculous approach not just with this bill but with other bills that genuinely warranted sensible debate in this
place and that could have been improved had the proper legislative processes been applied as we have come to expect.

As I said, this bill is an eminently sensible bill. The coalition welcomes this bill. It provides for some improvements to the operation of the Water Efficiency Labelling and Standards Scheme, the WELS Scheme, which relates to how water is used and, most importantly, how water is saved for various products. The operation of the scheme aims to conserve water by reducing water consumption. It aims to better inform consumers about the water efficiency of various products and to promote the adoption of more efficient and effective water-saving technologies. These of course are all admirable goals.

The bill is born out of the WELS scheme and the review in particular that the Howard government put into place when this scheme was first established back in 2005, with the passage of the Water Efficiency Labelling and Standards Act. The act set out objectives around the conservation of water supplies, the provision of information and the adoption of efficient and effective water-saving technologies. It required a five-year review. That review was conducted and has provided the types of recommendations that are contained in the bill that is before us tonight. Back in 2005 when the Howard government took this very important initiative of putting in place the WELS Scheme, it was the first scheme of its kind providing for the star-rating water efficiency labelling that we see today when purchasing dishwashers, washing machines and fixtures and fittings, amongst other things. It was an important reform because it provided simple, clear information to consumers which helped them to select the most efficient products.

Efficiency is something that we are all concerned about today when it comes to household information. It is certainly something that those on the other side of the chamber should be very concerned about, because at a time when water, gas and electricity prices are soaring and will soar even more thanks to the government's carbon tax, star-rating labels that can help consumers to make informed decisions about the relative running costs of different products are more critical than ever before.

We all know that with the introduction of the carbon tax in just a few days households will be paying more for their electricity, their gas and, yes, for their water. Water utilities, which are major users of electricity to pump water across urban areas and townships and the like, will of course pass those costs through. In South Australia, the home state of the Parliamentary Secretary for Sustainability and Urban Water—our home state—SA Water, the provider of water services to most South Australians, faces a direct carbon tax liability in excess of $6 million. That $6 million will of course be passed through to all South Australians on their water bills. So they will pay more for every drop of water that every South Australian uses because of the Labor government's carbon tax. That is a pretty simple equation to understand and it is why it will be more important than ever before for South Australians to have the type of information that the Howard government's WELS Scheme sought to provide them about efficiency of the products they choose to purchase. So we will see water prices rise not just for urban consumers, who might be worried about the types of products covered by this program, but also for many irrigators. They will end up paying a lot more for water as well.

One of the great ironies when it comes to water efficiency and the operation of the carbon tax is that the carbon tax will penalise Australia's most efficient irrigators more than
it will the least efficient irrigators. Why is that so? Because the irrigators who are most efficient when it comes to the use of that scarce and finite resource are those who have invested in the highest cost forms of service delivery, either for the system of piping and pumping water or for drip-feeding type systems for their individual irrigated lands. The least efficient are those still using gravity fed open channel systems and flood irrigation systems on their properties. How do these stack up in terms of energy usage? They stack up with a very stark contrast. At the system level it is pretty clear that those who pipe and pump water pay enormous electricity costs to do so, whilst those who use gravity fed open channels pay no electricity costs to do so. Those who on their farms and properties use drip-feed irrigation practices have individual pumping costs that come with that, yet those who use flood irrigation practices often have very low pumping costs. So the carbon tax will actually make water efficiency for farmers a harder goal to achieve. That is the idiocy of the government's policy. They have implemented an arrangement where one of the government's policy objectives, namely the carbon tax, will operate in conflict with another of their policy objectives—namely, achieving water efficiency on farms.

So I do understand the importance of water efficiency. It saddens me that, although the government may be doing the right thing with this bill and doing the right thing by ensuring that this bill makes more efficient the operation of a scheme that provides households with greater information about how they can be efficient water users, in the end other government policies and in particular the carbon tax will make it harder for water users and especially irrigators to achieve the type of efficiency that they should.

Senator Joyce reflected a little on Murray-Darling Basin reform. I think it is important to again look, as he did, at a scheme that has worked well, that has been rolled out well and that dates back to the Howard government, as this scheme does, and compare it with another program of Murray-Darling Basin reform that was also initiated by the Howard government but that has gone so far off the rails under the Rudd and Gillard governments. There is indisputably a real crisis of confidence throughout the Murray-Darling Basin about the state and progress of basin reform at present. Whether it is upstream or whether it is downstream, you struggle to find people who agree with the approach taken by the government. They may have polar perspectives in many ways, but they very vehemently disagree.

The government has lost the confidence of people throughout those communities. People have lost confidence in many different ways. The government has particularly lost the confidence of those who are in irrigation communities, those who fear for the future livelihood of their communities, by failing to deliver the type of program the Howard government outlined for the $10 billion that was budgeted for basin reform. The government has failed to demonstrate that it can deliver a program that prioritises water efficiency, that prioritises...
keeping farmers on the land so they are able to grow food and produce using the least amount of water possible whilst returning water to the environment.

The government has instead prioritised buybacks—buybacks undertaken in a very random and sporadic way rather than buybacks or other activities that could return water for environmental flows without having a negative, devastating impact on those communities. So the government has lost the confidence of those communities, in part because when it comes to water efficiency, when it comes to the way they have tried to help those communities with water efficiency, they have not provided the assistance required.

So we have a situation under this legislation where households in urban areas may achieve water efficiency objectives, but in rural areas where the government has promised to spend valuable money on infrastructure projects that could achieve water efficiency it just has not followed through. It has not delivered. Meanwhile, downstream an equal crisis of confidence has occurred. Part of it is the federal government's fault for not selling its policy effectively, for setting false expectations around what Murray-Darling reform might deliver for South Australia, for not making sure there is an understanding that the reforms in the Murray-Darling are not just about getting a healthy, sustainable environment but also about maintaining healthy, sustainable river communities. But also in part in South Australia the crisis of confidence is, to be fair, not the fault of this federal Labor government. It is the fault of the state Labor government and in particular the new Premier, Mr Weatherill. Mr Weatherill was put there with Senator Farrell's blessing. I acknowledge that fact. I hope that Senator Farrell will be able to talk some sense into Mr Weatherill as time goes by, because he is doing more than perhaps any leader in this country at present to destroy confidence in Murray-Darling reform. He is doing more than perhaps any other leader to seriously undermine and jeopardise the capacity of this federal Labor government to deliver for the Murray-Darling for the long term.

Mr Weatherill seems to have forgotten that he was the environment minister in the Rann government that signed up when Mr Rudd was Prime Minister to the historic reforms for the Murray-Darling in 2008. He agreed to exactly the process that is being undertaken to date. He seems to have forgotten that all six members of the Murray-Darling Basin Authority were appointed by this Labor government, three of them by Senator Wong when she was the water minister, his close friend from South Australia and factional ally. He seems to have forgotten all of those very salient points and, while it is actually an independent authority proposing this plan, he seems to be hell-bent on trying to argue that they are just a political body bending to the will of the eastern states.

I suggest that nothing could be further from the truth and that they are, in fact, a body grappling with a very difficult situation that is being made worse by the failure of the Gillard government to outline and enunciate a clear plan for the implementation of whatever basin plan the Murray-Darling Basin Authority comes up with, an implementation plan that demonstrates it can be done in a manner that minimises the impact on regional communities, keeps farmers on the land and maintains sensible food and produce production levels into the future.

While I may despair in many ways at the state of Murray-Darling Basin reform and just hope that Senator Farrell can use his
factional influence over Mr Weatherill and his influence over Minister Burke to try to get this reform back on track and restore some level of public confidence, I at least do not despair tonight for the WELS Scheme. I recognise and support the amendments that are proposed. They will hopefully ensure the scheme operates as smoothly as possible, provides a streamlined approach to ensure prompt registration of products, avoids the need for too many amendments to supporting state legislation and provides clear civil penalties for the way any contraventions to the act are dealt with in future. This type of streamlined approach to these types of schemes is something the coalition supports because it makes regulation simpler, it is something we hope to see more of in the environmental space and it is why we have advocated a one-stop shop when it comes to land based environmental approvals that can reduce the extent of bureaucracy and duplications and ease the cost of doing business into the future.

I do hope that this legislation achieves the water efficiency outcome that it seeks to and that it builds on the success of the Howard government’s WELS Scheme. I pay tribute to those who established that scheme—Mr Howard, John Anderson, Greg Hunt, Malcolm Turnbull and others—and pioneered water reform. I just hope to see more successes like it in the future.

Senator BOYCE (Queensland) (21:41): As the director of a family company that actually sells and manufactures products that have a WELS marking on them, I am very pleased to be able to rise tonight to speak on the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012, which is designed to enhance the WELS Scheme. As has been pointed out already, the WELS Scheme is about putting water efficiency labels on products supplies, from showerheads to washing machines, toilets, dishwashers, urinals and taps. Because of the WELS Scheme, manufacturing businesses have flourished in Australia in a way that would not have been possible without it. The star-rating scheme demonstrating water efficiency started in 2005. It is interesting to note that a then Liberal House of Representatives member, Mr Stuart Henry, is now the CEO of the World Plumbing Council. Mr Henry is a plumber by background and he very much understood the efficiencies that you could get within industry by developing a carrot-and-stick approach. Not only does this legislation set out to amend and improve the operation of the WELS Scheme but, probably as importantly, it develops new civil penalties to complement existing offences under the scheme and it also amends some of the existing criminal offences under the scheme.

It might seem odd that we have criminal offences in this area, but it is certainly something that we need to make easier for the Commonwealth Director of Public Prosecutions and others to proceed with. I am very well aware of importers of products—particularly, in my experience, taps—which have a WELS star rating marked on them but are not WELS rated products. They are such good copies that until they are taken apart you do not know that they are not water-efficient taps. This of course creates very unfair competition for our local manufacturers, who cannot meet the costs of these people who are cheating on the water efficiency system.

Senator Farrell: We’ll track them down.

Senator BOYCE: Thank you, Senator Farrell. I am pleased that you will track them down—you now can do so. One of the problems that exists within our entire standards system is that of ensuring compliance. In many cases, the only way that
compliance can be measured is when competitors and consumers report defects with the product and that leads people to understand that there is a standard not being met. We need this system to function well, not only because there is an overriding public interest in protecting the water supplies of not just urban Australia but all of Australia but also to protect manufacturers.

I am very pleased that the government, in this particular case at least, has seen their way clear to supporting companies that are doing the right thing and maintaining high standards. We need high standards in order to drive water efficiency in this country. We need to do it in a far more structured and sensible way than some of the rebate schemes aimed at improving efficiency in other areas, such as energy. They did nothing except distort the market and led to cowboy behaviour by people who have come into the industry late and ruined the industry for not only those who been there for many years but also for consumers and others. We only have to think of pink batts. That program was not just economically inefficient but disastrous in terms of the loss of life that was suffered. I commend the government for their enhancement of this scheme, which was initially developed by the coalition.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (21:46): I rise to make some comments on the Water Efficiency Labelling and Standards Amendment (Scheme Enhancements) Bill 2012. As speakers before me have said, the bill allows the Commonwealth minister to determine changes to the WELS Scheme without changes being required to be made to state and territory legislation. The coalition government created the world's first national scheme of this kind, providing for water efficiency labels on shower heads, washing machines and other things of that nature. Other colleagues have covered very well most of the issues relating to the bill, so in the few minutes available to me I particularly want to give some attention to the issue of water efficiency.

It is ironic, colleagues, that having seen the government follow on from the very good work of the coalition in water efficiency in this area, comparatively we have seen a complete lack of understanding and attention to detail by this Labor government when it comes to water efficiency in the Murray-Darling Basin. The government has spent $1.8 billion on water buybacks in the Murray-Darling Basin but just $413 million on infrastructure investments that deliver water into the basin. I know that my colleague Senator Joyce has been doing an extremely good job leading the charge in this—

Senator Farrell: Madam Acting Deputy President, I rise on a point of order on relevance. This bill relates to the issue of water efficiency, not the Murray-Darling Basin.

The ACTING DEPUTY PRESIDENT (Senator Pratt): Senator Nash, I am sure you will continue on the question of water efficiency.

Senator NASH: Despite the good senator's comments, water efficiency is precisely what I am talking about. With the kinds of water efficiency measures dealt with in this particular bill, Labor have followed on the good work of the coalition. I was merely contrasting that with the complete lack of attention they have given to water efficiency in the Murray-Darling Basin. For every one litre of water that has been saved through infrastructure investment in water efficiency, five litres have been taken out of communities through buybacks. It is ironic, colleagues, that here we have a bill before us that deals with water efficiency in a
particular area and makes further adjustments in that area—an area in which the coalition led the way—and yet this government clearly has no idea or concept of the importance of water efficiency in the Murray-Darling Basin.

How stupid it is for this government to suck water out of the Murray-Darling Basin and out of these communities when so much more can be done through water efficiency and through investment in infrastructure and works and measures. Yet we see this government paying scant attention to that and indeed proceeding with projects like the Twynham buyback—$303 million of stupidity from this government. The water efficiency measures that will be taken as a result of this particular bill are welcome. The bill follows on from the coalition's good work in this area. But it is contrasted with the government's ineptitude when it comes to water efficiency in the Murray-Darling Basin.

The ACTING DEPUTY PRESIDENT (Senator Stephens): Order! The time allotted for the consideration of this bill has expired.

Question agreed to.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Stephens) (21:50): The question now is that the remaining stages of this bill be agreed to and this bill be now passed.

Question agreed to.

Bill read a third time.

ADJOURNMENT

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (21:50): I move:

That the Senate do now adjourn.

Same-Sex Marriage

Senator PRATT (Western Australia) (21:51): Tonight I rise to speak with both a sense of hope and a great deal of disappointment. I speak with hope because, as we heard last night in the debate on the report of the Senate Legal and Constitutional Affairs Legislation Committee, we have taken a step in this parliament towards delivering marriage equality. I have to say, though, that that feeling is greatly dampened by my disappointment with the cruel attacks that the Queensland state government is waging against Queenslanders, attacks particularly targeting those from sexually diverse communities. We have been lectured in this place by the opposition about keeping promises. I hope they will join me in making sure that there are standards set by the Queensland Liberal-National Party on this question. I was very proud and pleased when in November last year the Bligh Queensland government supported same-sex couples by legislating for civil unions in that state. It was a proud moment for lesbian, gay and transgender Queenslanders and one that I know was celebrated by a great many people, regardless of their sexuality. But, most importantly, it appeared that civil unions would become settled reform in Queensland, because Campbell Newman stated in December 2011 that abolishing civil unions after couples had already entered into them would be an unacceptable intolerance.

We have learnt in recent days that Mr Newman's word was not worth all that much. The Queensland LNP has moved new laws that have serious implications for Queensland civil unions. Under those laws, same-sex couples cannot participate in state-sanctioned ceremonies. Also, in the event that their relationship ends, they simply deregister it, like deregistering a dog, rather than having to go through a proper relationship separation process. In essence,
the LNP has ripped the guts out of civil unions in Queensland. They have removed their cultural significance and devalued their legal status. My question to the Queensland LNP is: what exactly makes their actions to date on civil unions either acceptable or tolerable? I know that many Queenslanders would like to know the answer to that important question.

Mr Newman can stand behind his words and tell the world that he has not completely abolished civil unions, but I think we can all see what his agenda is for sexually diverse communities, particularly when it comes to other attacks in the legislative agenda. He has done everything to undermine civil unions, apart from actually abolishing them. It underscores to me why only substantive marriage equality carried through the national parliament can properly address the discrimination faced by people in same-sex relationships and other LGBTI people in this country. Campbell Newman's attack on the status of civil unions in Queensland has been felt deeply by many same-sex couples, including those who have civil unions. It is indeed a direct attack on them and their relationships.

The issue of civil unions leads me inevitably to another broken promise from the Queensland LNP, and that is the issue of surrogacy. On the eve of the March election Campbell Newman was asked what his government's approach would be to surrogacy laws. In response he stated:

We will not be making any changes to the laws on those matters.

Rather than hold true to his word he has attacked the rights not only of same-sex couples but also of unmarried heterosexual couples and single men and women. Again, because of his blind discrimination Campbell Newman simply refuses to think about the reality of life for people in Queensland. Imagine being a married couple where one partner dies part way through IVF treatment—say it was a car accident—and the surviving partner is unable to access surrogacy. It stinks of discrimination not only against same-sex couples but also against single people.

The final attack I will refer to is the move by the Queensland government to defund the Queensland Association for Healthy Communities, commonly known as QAHC. QAHC is the only HIV prevention service for gay men in Queensland and also the only LGBT health service in Queensland. It has a long history of successful HIV prevention amongst gay men in Queensland, having been the first organisation to respond to HIV in Queensland, some 28 years ago.

On 20 May the Queensland government announced its decision to cut all its funding to QAHC. This decision shows a complete ignorance of the epidemiology of HIV. In order to address HIV you need to follow and resource affected communities to prevent transmission. QAHC has been doing this very well and it needs to keep its resources in order to keep doing what is a very important job. It appears to me that the rise in HIV infection rates in Queensland—and indeed there has been a rise in Queensland—has been coming in the main from people travelling overseas and to other communities. In other words, QAHC has been doing its job very well.

In a media release issued on the 23 May 2012 QAHC explained that they wanted to take a proactive stance in partnership with the new LNP government to address the increased HIV rates in Queensland. They said:

We had already written to Health Minister Lawrence Springborg making 29 recommendations on how to improve the HIV response in Queensland and pledged our support.
to work with the government to implement these. The response was to defund us. What a farcical approach to public policy. Rather than engaging in a constructive dialogue on the real issues with such an important body the Queensland government chose to shut them down.

QAHC is an organisation with exceptional experience and knowledge in HIV prevention. Their knowledge is arguably unrivalled in Queensland. Of course, there are other groups in Queensland that deal with HIV prevention, and it is telling to note that none of these organisations have had their funding withdrawn. Instead, the Queensland government has chosen to defund the only organisation that deals specifically with gay men in Queensland. I think people will forgive me, and others, for thinking that the Queensland government's actions are simply homophobia unconvincingly dressed in the clothes of good public policy and fiscal prudence. They are simply not.

Of course, as I started in my speech, there has been good news for same-sex attracted Australians this week and that good news has come from the work of the Senate Legal and Constitutional Affairs Legislation Committee in this place. It was a great honour to speak yesterday in support of the tabling of this committee's report following its inquiry into the Marriage Equality Amendment Bill 2010.

As I said yesterday, it has long been my view that allowing all couples to marry will only serve to strengthen the importance of marriage. Despite the negative note on which I started tonight, I refuse to conclude that way. Indeed, tonight I hope to send a message to the sexually diverse people of Queensland and of Australia more generally. That message is simple: it will get better. In fact, it is getting better in this country. It is getting better because people are listening; your representatives in this place are listening. I hear every day of people changing their minds on marriage equality. They base that on opening their hearts and minds to the experiences of lesbian, gay, transgender and intersex Australians. Yesterday's report was an historic moment for this fight. It is the first report produced by a committee of the Australian parliament endorsing marriage equality. It is confirmation of what we all know: that ultimately prejudice cannot withstand personal experience. I can only say to all of you: keep chipping away, keep loving one another and keep up the good fight. We will get there.

Defence Procurement

Senator FAWCETT (South Australia) (22:01): I rise tonight to talk about defence acquisition and one area which has been constantly raised during the Senate inquiry into defence acquisition in terms of Australia's ability, capacity and competence to have an Australian defence industry in order to meet our future strategic needs. This may seem strange coming from someone who had a professional career as an army officer, but I intend to talk about submarines. I did actually attend Navy staff college, so I know the sharp end from the blunt end of a ship and to call a submarine a boat. Since being in this place I have had the privilege of doing a large amount of work with the Foreign Affairs, Defence and Trade Committee, as well as with Defence and with industry, looking at our shipbuilding capability and at submarines. I recently also had the opportunity to travel to a number of European countries to look at submarine maintenance, construction and design and to talk with a range of industry players about the considerations involved.

The first question many people ask is why Australia needs submarines and why we should be looking at replacing submarines. We are a maritime nation. Some 99 per cent
by volume of our exports leave this country by sea and a large proportion of our fuel requirements arrive in this country by sea. So our sea lines of communication are important. The ability to protect those and to stop another nation or a non-state actor from interdicting our sea lines and also to protect the approaches by sea are an important strategic capability. History shows that submarines are one of the best asymmetric weapons to achieve that.

During World War II, for example, submarines comprised only two per cent of the American naval fleet, yet they sank some 30 per cent of the Japanese navy and some 60 per cent of the Japanese merchant navy. More recently, in the Falklands conflict, the United Kingdom, with four submarines deployed, was able to cause the entire Argentine navy to withdraw from the exclusion zone and essentially to take no further part in that conflict after HMS Conqueror sank the General Belgrano. Submarines have proven throughout history to provide a significant strategic capability for a nation.

Before I look at our future submarine program, however, it is important to look at where we have come from. Recent history includes the Oberon and the Collins class submarines. I particularly wish to come back to the Collins because, as people have looked at things like the Coles report recently and as they have read media reports going right back to the 1990s when the boats were being constructed, they have seen the media being relentlessly negative about the Collins. It is important to have a look at a few of the facts: what has caused the problems, how bad the problems have been and are they recoverable, is the boat indeed a capability for Australia?

As we look at a number of commercial projects, whether in mining, finance or the other defence projects, cost overruns are not unusual. Many people think that the Collins class was a complete disaster. In fact, by 2006 the project cost just over $5 billion which, allowing for inflation, represented a cost overrun of only $40 million, less than eight per cent, which is quite good in comparable standards, looking at other nations' programs and even at other defence projects here in Australia. Even allowing for what they call the FastTrack program, the total program came in with less than 20 per cent cost overrun. The significant schedule delay of around 18 months pales a little compared to modern projects. The majority of that 18-month delay concerned the combat system which, even for its day, was considered to be a stretch in terms of the technology and particularly the architecture of the computing systems on board the ship. Undoubtedly, though, most criticism recently has been about availability.

Many reports in the media are indicating that there might be only two submarines out of the six at sea. It is important to realise that, unlike a fleet of cars where, for example, if you own six cars in a hire car fleet you can expect to have most of them on the road, with submarines generally speaking the ratio is about three or four to one. The experience of overseas navies—the UK, US and European navies—generally speaking, is that they need to have three to four submarines in order to have one deployed. So the Collins, historically, has actually met and at times exceeded world's best practice in terms of availability.

Furthermore, the Collins design issues are not unique. Even current manufacturers in Europe have built submarines where there have been noise problems, handling problems or power plant problems, for example, so it is not surprising that the Collins had some of those issues, most of
which have been overcome. What we have now, particularly with the combat system that has been developed in conjunction with the United States, is a conventional submarine that is recognised as having world-class capability. The Collins is also one of the few submarines that meets Australia's requirements in terms of its range—the ability to take the submarine to the places where we need it—and endurance with regard to staying on-station for the time it needs to stay there. So its size enables it to carry the fuel, and the combat system enables it to actually prosecute the mission and use the weapons systems that are strategically important.

So how do we build on that in terms of the future submarine program? The government has recently announced funding for a study into the options, which range from an off-the-shelf purchase to a brand-new design to evolving the Collins. I am sure there are greater minds than mine that will be working through that. But I would like to quickly touch on some of the risk and cost benefits of looking at building on what we have done here in Australia. We would be putting our faith in the people who created a capability when many naysayers said it was impossible, and in the submariners who developed that into a world-class capability that is respected by our allies and other nations in the region.

Whether we go for a new design or buy something off the shelf, there is a general acceptance that we will have to extend the life of the Collins, which involves overcoming some of the current problems with the diesel engines and generators. The Collins life extension program alone will provide us with the opportunity to further develop the fairly solid skill sets that we have. In the last couple of years, ASC have really turned around in terms of the efficiency of their work and the full-cycle dockings, the level of technology they are using, the work rate that is being achieved and the solutions that they are coming up with to fix things inside the boat, many of which do not have their origins here but have their origins in the equipment that came from overseas in the first place. If we build on that and start evolving the Collins design as those things are fixed, rather than leaving all that work and expertise that has been done, there is a strong case to say that building another Collins, essentially, with each of those rectifications in it, is a fairly low-risk way to start extending our fleet numbers and reliability as well as re-creating the capability to build submarines. The Japanese have proven that using an evolved build process means that the actual cost of build and ownership per boat progressively lessens, and the risk goes down, because you are evolving bit by bit.

For Australia, rather than spending billions of dollars—the costs range from $18 billion to $36 billion—of taxpayers' money overseas, which would see very little return here, an investment to evolve the Collins design would see benefits throughout Australia, would lower risk and costs for the Australian taxpayer, would develop a capability that is already world leading in terms of conventional submarines and would have the ability, in a spiral upgrade path with our American partners in the combat system weapons, to be a capable strategic asset for Australia into the foreseeable future.

**Rio+20**

**Senator WATERS** (Queensland) (22:11): It is good to be back in the chamber after spending last week on the other side of the world, on a self-funded trip to Brazil for Rio+20, the UN Conference on Sustainable Development. It was held on the 20th anniversary of the first Rio Earth Summit in 1992, where the Australian government signed the Rio declaration and committed to
transforming the way we treat our environment. I take this opportunity to put on the record my thoughts about the conference and its outcomes—or, rather, the lack thereof.

I attended Rio+20 as the Australian Greens spokesperson for the environment, with the aim of seeing how governments, particularly ours, engage in multilateral negotiations; engaging with the experts and civil society who use these conferences as a global gathering and ideas forum; and being a voice for the Greens and the community, an alternative voice from government about what Australia is and is not doing to deliver a biodiverse and sustainable future, and without the greenwash.

Before going, I commissioned a report by an independent expert on Australia's delivery of our international commitments since that original Earth Summit—our record over the last 20 years. Sadly, the report found that, since the original Rio conference, Australia has become a world leader in failure, being responsible for more gas emissions per person, more habitat loss and greater biodiversity decline than any other developed country. The report concluded that we are living way beyond our ecological means, despite being a wealthy country with the means to address environmental protection. For the 45,000 participants, 188 countries and over 100 heads of state and government, I like many others had hoped that collectively we could face our environmental crises and that together we could act to address them. I had hoped for a strong outcome. This was the biggest UN conference ever held, yet it may well come to be regarded as its biggest flop.

The week before the arrival of heads of state, diplomats met in Rio and worked to negotiate a 100-plus page text in numerous breakout groups. Progress was painfully slow and convoluted, with many issues remaining unresolved. Just prior to the arrival of the heads of state on Wednesday, 20 June, the hosts, Brazil, eager for an agreement at any cost, simplified, streamlined and reduced it to a highly uncontroversial document which all of the countries' diplomats then accepted. Twenty years after making laudable commitments to sustainable development which spawned three international conventions, the world's diplomats took no steps forward despite the needs of this planet and its future generations. The entire draft document was an exercise in rhetoric. It lacked any meaningful new commitments and it was a mere restatement of 20-year-old goals which have still not been met. It was farcically weak text, crying out for strengthening by world leaders.

But, when the heads of state arrived in the last few days of the conference to find an unambitious deal stitched up, rather than stepping up to show leadership and tackle the great global environmental challenges that we share, nobody braved reopening it. It is unclear if Australia even pushed to reopen the text of this weak agreement once the Prime Minister arrived, or if she was content to see the 20th anniversary of the world's most important sustainable development conference wasted. The end result was a 49-page document which was largely a restatement of 20-year-old goals which still have not been met. It contains 59 uses of the word 'reaffirm' yet no timeframes or proposals as to how to achieve those goals.

Alarmingly, the Prime Minister expressed satisfaction with the outcomes of Rio+20, despite widespread condemnation by environment and youth groups, the community and many of the participants of the failure to commit to any new goals or to produce anything tangible. In some instances the world took a huge step backwards, such
as acceding to the Vatican's demands that reference to women's reproductive rights be deleted from the text.

On the much lauded Sustainable Development Goals, which were intended to replace the Millennium Development Goals which are due to expire in 2015, we have not an agreement on the wording of the Sustainable Development Goals, and not an agreement on the issues that such goals should cover, but an agreement to put on the agenda of the next UN General Assembly meeting the need to establish a working group to develop the goals to be agreed by the General Assembly. So we have an agreement to add an agenda item to the next UN meeting. On oceans, there was some slow movement but the final text simply says that countries should do more to prevent overfishing and ocean acidification, without specifying what or by when.

Australians are horrified at the world's failure to act, and deeply concerned at Australia's push to water down the mining sections of the agreement. The text on fossil fuel subsidies reaffirms G20 commitments but lacks implementation timeframes and strong encouragement for other countries to follow suit, despite huge community concern for the over $7 billion in subsidies given by the Australian government to polluters. The power of Australian mining barons was on full display, as our diplomats pushed for so-called 'sustainable' mining and watered down the fossil fuel subsidies text to promote 'efficient' subsidies to wealthy mining giants. I am afraid there is no such thing as an efficient fossil fuel subsidy, and multibillion dollar tax breaks and handouts are subsidies—so the Prime Minister's comment in Rio that 'Australia is not in the business of fossil fuel subsidies' must now result in the cancellation of the $7.3 billion in subsidies paid to big polluters annually.

Australia's push to include in the Rio draft agreement text supporting 'sustainable mining' on the spurious basis that it can help local communities flies in the face of all evidence in Queensland's mining towns, which are suffering the effects of skyrocketing costs of living, social pressures and the two-speed economy. So the ultimate Rio+20 declaration is a document without mention of planetary boundaries, tipping points or the earth's carrying capacity. It is hard to maintain hope in the face of glorious multilateral failure, but I do.

This brings me to the positive aspects of Rio+20. The highlight was attending some of the over 500 side-events run by UN agencies, governments, think tanks and civil society on key sustainability issues. In a summit of global legislators from over 85 countries, we parliamentarians as voices for the world's people all agreed on a protocol committing to sustainable development principles and to working in each of our nations for progressive environmental laws and making sure our international commitments are domestically implemented.

Another highlight was meeting Greens from around the world. The Greens are the only global political party, and I met several Greens environment ministers. I met Greens from countries like Morocco, fighting for women's rights, and from the Ukraine fighting for democracy and against political prisoners and even from persecution for running for election. It made me appreciate the democracy we have here in Australia and how our community needs to grab it with both hands and use it, use that freedom, and fight for our future.

The other heartening aspect of the conference was the hope and determination in younger generations. There were many youth groups represented at the conference, as well as non-government organisations.
These young people are our future leaders, and their hope was inspirational. Many parts of the conference were decorated with artwork, much of it by young people who were speaking to the representatives as they made their way to the negotiation tables. One message said it all: ‘The future depends on the decisions we make today’.

That is why even though Rio+20 was a failure, and all it achieved was the absence of backward steps on 20-year-old commitments which have not been delivered—which was depressingly sold as a win—our future still depends on the decisions we make today, here in this parliament. The failure of any new commitments at Rio+20 makes strong domestic action all the more necessary to tackle the world's environmental crises. Australia must turn around our biodiversity crisis, it must properly protect marine reserves, it must slow down the mining boom, it must protect the Great Barrier Reef from coal export explosion and it must ditch fossil fuel subsidies.

The Prime Minister should start by demanding that Minister Burke strengthen, not weaken, our environmental laws. We are a wealthy country and we can better afford environmental protection than many other nations. Our natural wealth is unparalleled and our grandchildren must thank us for what we do. I still believe that they will.

**Palliative Care**

**Senator POLLEY** (Tasmania—Deputy Government Whip in the Senate) (22:20): The introduction of contemporary palliative care services, not just in Tasmania but across Australia, is a cause I have been wholly committed to supporting. Recently in Launceston we held a public forum to help people in our community understand what is meant by palliative care and to gather more support for the cause. The forum was a suggestion that arose from a meeting between the Friends of Northern Hospice and Palliative Care Foundation and me in late 2011. The forum was a cooperative venture organised by Friends of Northern Hospice and Palliative Care Foundation, Calvary Health and me. The forum coincided with Palliative Care Week. This was one of two activities during Palliative Care Week of the Friends of Northern Hospice and Palliative Care Foundation. The other was a remembrance ceremony on the Sunday. I would like to add how supportive Palliative Care Australia was of the activities held across the country.

In the north of Tasmania, there was some disquiet at the closure of Philip Oakden House. There was considerable community financial input into Philip Oakden House as a dedicated palliative care facility, and the closure of this facility caused substantial community angst. The Friends of Northern Hospice and Palliative Care Foundation have moved on from this setback and have a clear agenda to develop comprehensive palliative care services across northern Tasmania. I commend them on their work, commitment and dedication to providing better services to northern Tasmanians.

The weather on the night of the forum was appallingly cold, wet and windy, but despite this almost 100 people still attended. Don Wing, a former mayor of Launceston and member of Tasmania's Legislative Council, chaired the forum and introduced the two keynote speakers. Sue Hanson, National Manager of Palliative Care Services, and Dr Katherine Clark, Director of Palliative Care at Calvary Mater in Newcastle, were the guest speakers. Dr Clark said:

Palliative care is historically linked with care in the last few weeks of a person's life. However, as a community, we must now understand that palliative care should commence as soon as a diagnosis is made.
In Australia and other developed countries, palliative care services have often focused on people dying with cancer. However, palliative care also needs to be available to people dying from non-malignant diseases.

The range of people suffering from different diseases emphasises the importance of the person's needs, rather than their diagnosis, being the key to care. Imagine the complex issues surrounding someone suffering from dementia—and how different the needs of someone suffering from motor neurone disease might be. The more complex someone's needs become, the more important to involve palliative care experts. Recognition of the needs of people who are dying must occur no matter where the person is—hospital, hospice, emergency department, nursing home or their own home.

Both speakers emphasised the importance of the wishes of the individual and that most people preferred to remain at home rather than move to a form of institutional care. They were not saying that this may not be appropriate, but it is generally not the preferred option. What is interesting is that this recognition is similar to that which is occurring across healthcare services generally—the need to support people to stay at home and to help them avoid having to be admitted to hospital. The need for palliative care to be recognised as a specialty area in its own right became apparent in the 1980s. Despite it being shown that the experience of end-of-life care was improved by palliative care, it continued to have a low profile.

There have been two ministerial announcements in recent weeks about support for palliative care services in Tasmania. Firstly, the Minister for Mental Health and Ageing, the Hon. Mark Butler, attended a public forum in Launceston only the week before the palliative care forum I have been talking about and outlined a $21.7 million package to provide better palliative care and support in aged care in a statement about the Living Longer, Living Better report. Secondly, the Hon. Tanya Plibersek, the Minister for Health, announced $74.5 million over four years to provide better care for patients after they are discharged from hospital and better palliative care in the community as part of the health package for Tasmania.

An interesting comment was made by Grant Musgrave from Calvary Health. Calvary Health supported the forum and have been very supportive of hospice services in Northern Tasmania following the demise of Philip Oakden House. Grant Musgrave's comments suggested a direction for future palliative care—a direction that Dr Clark spoke of at the forum—that palliation should begin at the time of diagnosis of chronic disease, not as people near the end of life. He said:

High quality care is less about buildings and structures and more about the involvement of people in decisions about their care. It is also about involving their primary carers in those decisions so that the need to transfer to specialist services or clinicians becomes a safety net rather than a default model of care.

What is required is a commitment to advanced care planning—an ongoing, inclusive and open commitment to the involvement of patients or if they are unable, their nominated substitute decision maker, in all decisions, big or small, that need to be made to ensure high quality care right to the end of life.

So where to from here? We need to continue the process and have ongoing discussions to ensure we understand the community's wishes about how and where care ought be provided as people approach the end of life. We are currently surveying all people who attended the forum to determine if their needs were met, what their views are and their ongoing involvement and support.
World Hospice and Palliative Care Day takes place on the second Saturday of October every year and Voices for Hospices takes place on the same date every two years. This year World Hospice and Palliative Care Day will be on 13 October. In conjunction with the Friends of Northern Hospice and Palliative Care Foundation and Calvary Health Care, we intend to continue the education of the Launceston community and to continue raising awareness. We will also continue to lobby to have implemented the level of palliative care our community depends upon and deserves.

The other issue that I would like to discuss tonight is the ‘Walk a day in the life of an aged care worker’ campaign. I accepted an invitation from the Health and Community Services Union to participate in the campaign recently. The chosen venue was Fred French Masonic Home in Newstead. I was asked to do a range of activities that would routinely be undertaken by people working in an aged-care facility. Making beds, transporting patients, assisting with showering and helping to feed patients who were unable to feed themselves were among the activities I performed.

While it is easy to assume we understand what each job is about, it is not until you have firsthand experience that you start to realise the challenges that aged-care workers have to deal with routinely. There was no let-up during the time I was there—the staff were constantly on the move from one job to the next. Many of the activities were quite physically challenging and demanding. I recall one resident in particular who was quite adamant that he had never seen a politician work so hard before. I suggested to him that he should not be so cheeky since I was about to wash and dress him, but we did enjoy a chuckle. The demands of dealing with those residents who have even just a mild form of dementia are significant. It is extremely time consuming to have to keep reaffirming the answers to questions they have and to go through the daily routine with them.

I had first-hand experience of aged-care facilities through my experience with my mother. She spent almost three years in a high-dependency care facility. I was regularly there and saw, from that side, what the wonderful workers were able to do, even though they were very pressed for time. Their patience, their commitment and their dedication to their work were just so impressive. To actually work alongside them, to understand the paperwork and the responsibilities they have, was an eye-opener for me in many ways. It also helped me realise what a challenge it would be to be personally responsible for those residents on a day-to-day basis. I have the utmost respect for what they do in their work. Even though I did not have to interact with any of the family members during the brief time I was there, that is another dimension to the work of those in aged-care facilities. They have to have that ability to communicate with the families and to reassure them of what is happening with their loved ones.

I would encourage anyone in this chamber or in the other place, if they get the opportunity, to go and spend that time. I think you will find it very rewarding. I did remark to the staff during our discussions over a cup of tea that I was quite relieved to be able to go back to my office. I do think I am more suited to being a senator than an aged-care worker because I am not sure I would be able to develop the emotional detachment you would need to enable you to survive, because it would be natural to develop an attachment during the time you were caring for these individuals and you would need to be able to switch that off at the end of the working day. The lady I helped give breakfast to reminded me so
much of my own mother. I found that very emotional but also very rewarding.

Mackell, Mr Austin

Senator LUDLAM (Western Australia) (22:30): I rise to make some brief comments about the situation faced by an Australian citizen in trouble overseas. Senators would be aware that I have taken up the cause of Julian Assange with some vigour over the last couple of months. I want to raise tonight the plight of another individual, Mr Austin Mackell, who is an Australian journalist who was arrested in Egypt some time ago. As senators are aware, last week this chamber noted, with the support of the coalition that was gratefully received, the inconsistent or selective application of the Consular Services Charter that leaves Australian citizens in doubt about the level of assistance they may receive when facing difficulties overseas. That motion, which passed the chamber, also went on to note the selective treatment that was received by Julian.

Tonight I draw attention to another journalist who has been punished for doing his job. He is one of 163 journalists currently on the Reporters Without Borders list of those imprisoned. The Minister for Foreign Affairs has been admirably active in his concern for the welfare of Australian lawyer Melinda Taylor, who has been detained in Libya while working for the International Criminal Court. I strongly applaud Senator Carr’s efforts and the trouble he has gone to, the fact that he has actually travelled to Tripoli to take up this cause, and I ask that his enthusiasm for defending Australians in trouble abroad extends to the case of Austin Mackell.

Mr Mackell, his translator, Aliya Alwi, student Derek Ludovici and labour activist Kamal Fayoumi were arrested in Egypt in March this year in an attempt by the military junta in that country to silence opposition. The arrest of individuals for bringing attention to the strikes by workers and students in Mahalla, and the threatened prosecution of a journalist for doing his job, are serious attacks on freedom of the press and also on the right to organise. Now an Australian citizen has found himself right in the middle of that.

The arrest of Austin and his associates in Mahalla is a very clear case of the Supreme Council of the Armed Forces—the SCAF regime—attempting to bully opponents and silence journalists, and get them out of Egypt. After the fall of Hosni Mubarak, SCAF pledged to protect the revolution and realise its objectives. Instead, they have been responsible for months of quite bloody and repressive crackdowns on dissent and on free expression in Egypt.

The case I bring up tonight, because it centrally involves an Australian citizen, is obviously something that tens of thousands of Egyptian citizens and families have been subjected to over the last months and years. Mr Mackell was accused of paying Egyptians to protest, and that is in keeping with the regime’s—or, perhaps tonight we can even say the former regime’s—self-serving claims that foreigners are responsible for any discontent in Egypt. It is enormously insulting to the thousands of Egyptian citizens who have put themselves, their bodies, on the line for freedoms that here in Australia we take completely for granted to have the regime say, as we have heard in many other instances, that the unrest is being provoked by foreign citizens. This is one instance where we have pretty strong evidence that those claims are completely ridiculous. Egypt was in its second day of a general strike when Mr Mackell was arrested. Strikes were quite clearly occurring in Mahalla before he and his colleagues even reached the town. The allegation that a
freelance Australian journalist is responsible for the unrest in Mahalla is ridiculous.

For nearly five months, Mr Mackell has been under house arrest in Egypt, unable to work. He has relied on the benevolent fund of his union, the MEAA—and I take this opportunity to congratulate the union for sticking up for one of its members who is now in very serious trouble—and the support of many others simply to survive. The most recent development is that his case file has finally made its way to the Cairo office of the General Prosecutor where I understand a final decision will shortly be made regarding whether to set a trial date or archive his case. It is understood that this decision will be largely based on a recommendation from the Mahalla office where they were originally charged. Very serious legal inconsistencies have already been identified in the testimonies against him and his colleagues. Much of that testimony is hearsay and probably would not have been admissible in Australian courts.

The recent presidential elections in Egypt and the extraordinary events in the Egyptian judicial system that led to the dissolution of parliament have obviously played a role in the delay. As such, now is a vital time for the Australian government to make direct representations to Cairo on behalf of Mr Mackell and, as far as possible, for his associates and for people who potentially have found themselves in trouble through association with this journalist.

Mr Mackell has praised the embassy staff and in particular Mr Simon Harrison, the consul, for their efforts to assist him as far as practicable. But their purview has been limited. I will quote briefly from a post that Austin has put on a website. He says:

As I have stated repeatedly, the embassy staff have been great, making every effort possible to help. In particular Simon Harrison, the consul, has been fantastic, from bringing me and my American cellmate toilet paper and blankets, to making time outside of office hours to check up on me and see if there is any way he can help. Again, on behalf of this chamber, I would like to thank our consular staff in the Cairo office for their work over an extended period in trying to do what they can within the limits of their mandate in the consular charter to make sure that this guy and his associates are getting as much assistance as they possibly can. While he and the other embassy staff do not make excuses or blame others, I get the distinct sense that they have been stonewalled by the foreign minister's office as much as they are by the Egyptian authorities. A little further on down the letter he says:

The disingenuousness of this 'hands off it's legal' position is further demonstrated by Carr's vigorous advocacy on behalf of Ms Melinda Taylor, currently detained in Libya on similarly politicised charges, (efforts which I applaud).

This is not intended as an implied criticism of Senator Carr's advocacy for Ms Taylor, quite the reverse in fact. But we are seeing, potentially, quite selective application on cases. You can say that it certainly politicises the situation in Libya, given Australia's support for military intervention there. But Senator Carr has gone and he has done what I think most of us would hope is the role of the foreign minister in a case like this, that he has the time and he is able to go there. Mr Mackell goes on to say:

Why is Carr willing to fly to Libya for the benefit of one citizen … who is in trouble, but can't even make a phone call on my behalf?

I am facing a possible seven year jail term. This is very serious.

Does he realise that the demonstrable difference in the government's responses to these two cases sends a signal of selective apathy that actively weakens my position?

That is a big deal—all he is after is a phone call; he is after a phone call from the foreign
minister. He is not even necessarily demanding that Senator Carr hop on a plane and go to where he is being held under house arrest but direct advocacy. Going beyond what our diplomatic staff can do in Cairo and exercising such diplomatic and political leverage as he is able to is really what we are after now. So the deflection that 'No, we don't interfere in the judicial processes of another country,' given the extraordinary nature of the charges that are potentially to be levelled at Mr Mackell, the turmoil in that country, it does seem entirely appropriate for Senator Carr to directly intervene not in the judicial process but in a political situation in Libya.

I think it is not going too far to say that, at the very least, we will take the minister on good faith to look at the remarkable events in Egypt over the last couple of days and say that it must be very difficult to prosecute or to take up these kinds of cases with the turmoil that is occurring at the moment. But, really, it is time now to stand up for this Australian citizen who has found himself in trouble a long way from home for doing the work that we rely on journalists to do—to tell the stories, to hold the powerful to account and, when necessary, to put themselves in harm's way.

His case was cited by the lawyers of ousted President Hosni Mubarak as evidence of a foreign plot against Egypt. That is about as delusional as these things come. But that is where it got to. I applaud the minister's enthusiastic advocacy on behalf of Ms Taylor, who faces equally trumped up accusations in an equally politically charged environment. I urge the minister to take an equally vigorous approach in the case of Mr Austin Mackell. This young Australian journalist now faces seven years in prison potentially simply for doing his job. I commend his case if it is possible and appropriate to do so to this chamber. I hope that we are able to stand up in another adjournment debate reasonably soon with better news or, better yet, get a statement directly from the foreign minister telling us just what action he has taken in defence of this Australia citizen. I thank the Senate.

**Australian Army Nurses**

**Senator MOORE** (Queensland) (22:40): On 7 August 1900, a 36-year-old woman from country Victoria died of pneumonia in an army hospital in Bulawayo, Zimbabwe. Also known as Fanny, Sister Frances Emma Hines travelled to the other side of the world with nine other nurses as part of the 3rd Victorian Contingent. Fellow nurse, Sister Julia Anderson, remembered Fanny in her diary. She said:

She died of an attack of pneumonia contracted in devotion to duty. She was quite alone, with as many as twenty-six patients at one time, no possibility of assistance, or relief and without sufficient nourishment.

Sister Hines was buried with full military honours and her grave is marked by a marble cross paid for by the officers and men of the Victorian Citizen Bushmen, whom she served with and nursed. Sister Frances Emma Hines was the first Australian servicewoman to die on active service. Sister Hines was one of 44 Australian military nurses who went to South Africa in the early months of the Boer War.

These nurses were part of the medical services of the colonial military forces. They were all trained nurses. They were unmarried, as was expected in those days, and they were mostly in their 30s. The nurses went, despite opposition from the British military authorities. Offers from some of the colonies of nurses had been rejected by the British. The Queensland government's offer was refused and those nurses either joined other state contingents or paid their own way. It seems amazing—they wanted to
serve, yet they were not welcomed. As many as 30 women went to South Africa as civilian nurses, often at their own expense. They were there to care for the men of their own contingents and were expressly barred from nursing British regular soldiers.

Prior to the three disastrous British defeats in December 1899, which became known as Black Week, no colonial nurses or medical services were allowed to go to South Africa. The 14 nurses who left Sydney in January 1900 were members of the New South Wales Army Nursing Service Reserve and were part of a 108-person detachment of the New South Wales Army Medical Corps. They went as part of the 2nd New South Wales contingent, which included the men of A Battery Royal Australian Artillery and the New South Wales Mounted Rifles. They were a mix of professional soldiers and citizen soldiers—and we would know that mix today as part of the Australian tradition.

The New South Wales Army Nursing Service Reserve was formed in May 1899 by Colonel WDC Williams, who saw the need for a professional, dedicated nursing service. It was Williams, in the late 1880s, who organised the medical services into the well-trained and professional service that would operate in South Africa under the command of Sister Nellie Gould, who became the Lady Superintendent of Nurses.

The Australian nurses were destined to serve in most theatres of the Boer War. On arrival in South Africa, the nurses of the New South Wales detachment were separated and sent to where they were needed most. Six went to the British General Hospital and four to the No. 2 Stationary Hospital, both of which were in Cape Town. The rest remained with the New South Wales Army Medical Corps at the field hospital in Sterkstroom. As the fighting moved, the nurses moved to hospitals closer to the front. They were indeed on active service.

By August 1900, the nurses were operating in Kroonstad, Johannesburg and Middleburg. From September 1901 to February 1902 they were stationed at the No. 31 British Stationary Hospital at Ermelo. For a time, Sister Nellie Gould was in charge of all nursing services in the Orange River District. In March 1900, 10 nurses led by Sister Marianne Rawson left with the 3rd Victorian Contingent to serve in Rhodesia. Once there they discovered a desperate situation with outbreaks of enteritis, dysentery, malaria, blackwater fever, measles, pneumonia and influenza. There were only the most basic medical facilities available.

Only a few months later all the nurses had become ill, but they were determined to continue working. Given the dreadful conditions, it is a tribute to their collective skills and resilience they were able to continue and, unfortunately, only Fanny died.

Nurse Bessie Pocock served in the No. 2 British Stationary Hospital and she described the conditions in a letter home:

We worked in an Iron building which was used for Agricultural Shows. We only had four officers with staff orderlies for 180 patients. The Flies and Mosquitoes being frightfully troublesome as we were without mosquito nets. A contemporary hospital with only four doctors, three nurses and as many orderlies would struggle to care for 180 patients, even with modern medical equipment. When you compare that to what would be available today, it shows the way that these women were able to serve effectively in true active service.

We had strong, effective professional nursing staff working in the South African area. Sister Nellie Gould, who led the
South Wales nurses, went on to serve in a number of hospitals throughout South Africa before returning to Australia in August 1902. When she returned to Australia, she continued her association with military nursing and then went on to serve in World War I. In 1914 she was appointed matron of No. 2 Australian General Hospital and went to Egypt and France. She then moved to Britain, where she served until she was discharged in 1919. She was awarded the Royal Red Cross in recognition of her distinguished service.

Nursing Superintendent Marianne Rawson trained in Victoria, England and Ireland. She then came back to be matron of Kalgoorlie Hospital until February 1899. In March 1900 she was appointed to lead the Victorian nurses and then served across a range of areas in South Africa. She also received the Royal Red Cross in 1902.

The Australian Service Nurses National Memorial in Anzac Parade lists the conflicts and places Australian Nurses have served. It bears the words:

In memory of Australian Service Nurses whose supreme sacrifice, courage and devotion were inspiring to those for whom they so willingly risked their lives. Their memory will always be our sacred trust.

Further down Anzac Parade is the site of the National Boer War Memorial, which, when built, will commemorate all Australian service men and women who served in that war. Here the service of Fanny Hines and the other women I have mentioned will be commemorated by the placement of the badges of the colonial nursing and medical services together with those of all colonial and Commonwealth units who served in the Boer War. Many Australians have no knowledge or awareness of the work that these women did, where they came from, their training and their professionalism. These women began a strong history of effective nursing in Australian military service, of which we can be proud. In the words of the Nurses Memorial, they are indeed 'beyond all praise'.

Wheat Industry

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (22:48): I rise to make just a few comments tonight about the wheat industry and where the industry sits at the moment. I do have to say that, having been a very strong supporter of the single desk, I see no reason to change that view four years later. However, a lot of water has passed under the bridge since that point in time when we saw the deregulation of the wheat single desk and we are now in a different period in the wheat industry's history.

I do have to say, though, as a wheat grower—I had better declare my interest as a wheat grower in this place—I have seen nothing, sadly, in the last four years to convince me that I was not right in supporting the retention of the single desk. There are a number of issues that have evolved over the last few years and come to light. There has been some discussion recently about a piece of legislation to do with the Wheat Export Authority, which I will not specifically speak to, but I want to make some general comments around the present situation of the industry. Having done two inquiries with the Senate Rural Affairs and Transport Committee that looked into various aspects of the wheat industry, it has become very clear that there are a number of areas within the wheat industry that do need to be addressed to improve the performance and the future sustainability of the industry.

There has been a move from the government to abolish the Wheat Export Authority, and I think this shows the complete disconnect again from the Labor
government to the needs and issues surrounding the wheat industry. It really does show that they do not understand the operation of the wheat industry or the issues that need to be addressed before we move to full deregulation of the industry. It really is a very sad indictment of the government that they have not listened to the industry, that they have not taken on board all of those concerns that the industry has put forward, and yet they are moving to deregulate the industry completely by getting rid of the Wheat Export Authority.

Interestingly, there is not a cost to government for this. The Wheat Export Authority is funded by the 22c a tonne levy on growers. So it is interesting that the government is moving to completely get rid of the Wheat Export Authority and part of what they want to do is move to a voluntary code of conduct. I have to say that I have nil faith that a voluntary code of conduct will be able to address the issues that have arisen over the last while with regard to the wheat industry. A real concern was raised four years ago, when we moved to get rid of the single desk for wheat, that we would end up with regional monopolies across the country. I think it has been borne out that that is indeed the case. Others may argue against that, but there are a number of us who have very strong views that that is the case. Certainly the great majority of wheat growers would like to see the Wheat Export Authority stay, at least for a period of time.

A number of issues have been raised around wheat stocks information: unequal access, port access, the management of the supply chain and port capacity information. There are very strong concerns around the integrity of Australian grain exports and probably even stronger concerns around the integrity of the container trade. All of these issues have been raised in the context of the last couple of inquiries done by the Rural and Regional Affairs and Transport Legislation Committee.

There is a view from the overwhelming majority of wheat industry participants that the Wheat Export Authority should stay where it is until we can determine the best way to address those particular issues. Certainly a number of growers that I am talking to, as well as industry representative groups, have a view that all of those issues can be addressed through the reconfiguring of the Wheat Export Authority. I certainly agree with that. I think it makes far more sense than completely getting rid of the Wheat Export Authority with a view to starting up an entirely new system to address these issues that have been raised by industry down the track. I do acknowledge that others have a different view, but I certainly believe—and probably the majority of growers believe as well—that the most appropriate way to deal with these issues, the least cumbersome way, would be to maintain the WEA until an appropriate period of consultation with the industry about the best way forward in how to reconfigure the WEA can be found. I certainly believe that it will be far more cost effective. I think the growers will be quite happy to wear the 22c a tonne they are paying at the moment as an ongoing cost for a short period of time, believing that it will be far more cost effective to continue a current body than to dismantle it and set up a whole new body. In terms of the ability to do that seamlessly, I think it is believed by the majority of industry that that is the way forward. The recent report that was tabled in the chamber outlines that coalition senators and Greens senators certainly believe that that is the way forward.

We have recommended that the bill be amended to allow for the continued funding and existence of Wheat Exports Australia in order to do a whole range of things, and I
would direct colleagues and anyone listening to go to the report and read that rather lengthy recommendation, which covers what I have been discussing so far. There is certainly a view that a voluntary code of conduct will not work. There is no faith that a voluntary code of conduct would be able to deliver all of those issues that need to be addressed by industry. I think it is quite fair of the industry to raise these issues, to look to some leadership from government to find a way to address that. They certainly have some solutions with regard to this, very well-considered solutions, and it is interesting to see virtually right across the board, across all jurisdictions, that state industry bodies are speaking as one on this. We certainly took that into account on the committee.

I, as a senator and also as a wheat grower, am very well aware that these issues need to be addressed and need to be resolved. So any move to, with any kind of speed, get rid of the Wheat Export Authority without an appropriate oversight body simply, in my view, should not happen. I do believe that is reflected by many across the industry; indeed, I would have to say the overwhelming majority of the industry. Certainly some of the bulk handlers have a different view. We are very well aware of that. But, as a senator in this place and as a senator for the Nationals for regional Australia, my responsibility is to make sure that I represent those people out there in the regions. I believe those wheat growers overwhelmingly want these issues to be addressed and they believe that the most appropriate way to do that is to maintain the WEA until we can appropriately reconfigure the WEA to take into account these concerns and put in place those solutions that are most definitely needed by the industry.

Ostrom, Professor Elinor
Lawrence, Mr Steve, AO
Bell, Mr Graeme, AO, MBE

Senator STEPHENS (New South Wales) (22:57): I know it is late, but this evening I would like to pay tribute to three people who each, in their own way, have profoundly influenced the way we think about the world. The first, Elinor Ostrom, is the only woman to win the Nobel Memorial Prize in Economic Sciences, an achievement all the more remarkable because she was not actually an economist. Elinor died recently in Bloomington, Indiana, at the age of 78.

Professor Ostrom's work examined how people collaborate and organise themselves to manage common resources like forests or fisheries, even when governments are not involved. Her research overturned the conventional wisdom about the need for government regulation of public resources. She rebutted fundamental economic beliefs, and, according to a tribute piece in the New York Times:

… to say she was a dark horse for the 2009 economics Nobel is an understatement. Not because she was a woman — although women in the field are still rare — but because she was trained in political science.

"The announcement of her prize caused amazement to several economists, including some prominent colleagues, who had never even heard of her," Avinash Dixit, a Princeton economics professor, said when introducing Professor Ostrom's work at a luncheon in 2011. Usually, he noted, Nobel laureates need no introduction.

Professor Ostrom shared her honour with Oliver E Williamson. She brought an outsider perspective to her work, which was groundbreaking in itself but, because she worked across a range of disciplines, she found it difficult to carve an academic niche—so much so that in 1973 she and her
husband, Vincent, who survives her, founded the Workshop in Political Theory and Policy Analysis at Indiana University. This would become the first of several interdisciplinary institutions she helped shape, and with it a focus on the emerging discipline of collaboration theory, which has been the basis of much academic work, including my own doctoral thesis.

Her seminal works underpin the principles behind COAG, whole-of-government approaches and public sector theory. Traditionally, economics taught that common ownership of resources results in excessive exploitation, such as when fishermen overfish a common pond. This is the so-called 'tragedy of the commons', and it suggests that common resources must be managed either through privatisation or government regulation—in the form of taxes, say, or limits on use. But Professor Ostrom studied cases around the world in which communities successfully regulate resources through cooperation. She championed the idea of systems thinking, and the concept of the creative commons has applications across a range of policies today. We see it in the whole issue of copyright but more so in climate change, environmental management and whole-of-life care, just to name a few. Professor Ostrom's research and Mr Williamson's related work on corporate oversight are part of a field known as institutional economics.

Elinor was notable for conducting fieldwork, an unusual method that is admired by some economists but scorned by others as being the province of anthropologists, not of real academics trying to answer economic questions. Again I quote:

"She would go and actually talk to Indonesian fishermen, or Maine lobstermen, and ask, 'How did you come to establish this limit on the fish catch? How did you deal with the fact that people might try to get around it?'" said Nancy Folbre, an economics professor at the University of Massachusetts … and a contributor to The New York Times's Economix blog.

Professor Folbre also said: 'In economics, every successive cohort of economists is trained to put greater emphasis on the arsenal of mathematical and econometric expertise, but this is just not what Elinor's work was all about.' On behalf of all senators I pay tribute to Elinor Ostrom's wonderful contribution, her wit and her wisdom.

Tonight I would also like to acknowledge the passing of Steve Lawrence, referred to by his many friends and admirers as the grandfather of social enterprise in Australia. Steve died last month after a long battle with cancer. He was a mentor, an inspiration and a guide to many involved in social enterprise and social innovation in Australia, as the founding Chief Executive of WorkVentures for 29 years and more recently the Chief Executive of the Australian Social Innovation Exchange.

Steve knew he was dying. He had been diagnosed with bowel cancer in 2007 and, as an example of his amazing heart, he took part in a special interview with the Centre for Social Impact's online Yakety Yak video series. In it Steve shared much of his learning and experiences, and it was lovely that he was supported throughout the filming by close family and friends. In January 2010, Steve was appointed an Officer of the Order of Australia for service to the community through leadership roles in the development and implementation of not-for-profit ventures to create social change particularly for youth and the long-term unemployed. We laughed at the time and he told me he was going to make the most of his AO and make the most of his cancer diagnosis. It gave him a great impetus to follow through on his many dreams. Steve used to say to me, 'Well, they can't deny a dying man his last wish.' He was a man on a mission.
He grew up in Windang, south of Wollongong. He studied social work and spent his early career in a number of community organisations. WorkVentures, which he established in 1979, now has an annual revenue of around $16 million and employs 150 staff. It places hundreds of unemployed Australians in jobs each year. Steve was a great incubator of ideas. He was involved in creating 13 new not-for-profit organisations, including Job Futures, United Way Sydney, Jobs Australia and Social Ventures Australia. He was a founding partner of the Australian School for Social Entrepreneurs. He never lost his community focus and he will be sadly missed by the whole not-for-profit sector.

Finally, I would like to speak about Graeme Bell, the father of Australian jazz. We cannot forget him. He was born in 1914 and died at the ripe old age of 97. The obituaries in the major newspapers all tell the story of his early life as an insurance agent, how he made a name for himself as a musician and travelled overseas with his Australian Jazz Band, and the honours he received for his music, including an MBE, an AO and admission into the Aria Hall of Fame. What they do not say much about is Bell's political activism and his commitment to what are quintessentially Australian values—that we are all equal, we all deserve a fair go and there is no reason to stick to old ways if we can come up with a way of making life better, especially if we can enjoy ourselves in the process.

His attitude showed in his music. As a young man he led the band of the Eureka Youth League, formerly the Communist Youth League. This was before the disillusionment caused by Stalinism, at a time when young communists were idealistic about equality. He would play for any progressive cause—at trade union dances or rallies for equal pay for women. In Melbourne during and after the war he played with black American musicians, even though they still had segregation rules. We have to remember that in the 1940s, jazz, with its emphasis on improvisation and authenticity, appealed to the young almost as much as it horrified the establishment.

In 1947 Bell took the band to the World Youth Festival in Czechoslovakia, where they proved so popular they stayed for over four months and then went on to tour Europe and England. I have it on first-hand authority that when Bell started the Leicester Square Jazz Club in London in 1948 he changed the face of jazz music. He chose songs outside the standard jazz repertoire and encouraged the patrons to get up and dance. According to the Age, his band's music had a distinctive Australian edge which he described as 'nice larrikinism' and 'a happy Aussie outdoor feel'.

That larrikin streak stayed with him, as did his willingness to help young artists and support progressive causes. He continued touring internationally, breaking new ground socially as well as with his music. He was the first Australian to perform with a black blues artist, Big Bill Broonzy, in Dusseldorf in the early 1950s. He performed at the Sydney Town Hall in support of the anti-Vietnam War movement, and you can see him in the clip of the It's Time anthem during the Whitlam election campaign.

Summing up his life like this, it sounds like an impressive achievement. But it leaves out the extent to which he was so widely loved—this familiar smiling figure in his straw boater and red striped shirt, always ready to lend his support to what he saw as a just cause and going out of his way to help young artists to do their bit to make the world a better place. It is a memory many Australians cherish, and that must certainly be a comfort to his wife, Dorothy, his
children and granddaughters. So tonight we say farewell to Elinor Ostrom, to Steve Lawrence and to Graeme Bell.

**Black Caviar**

**Senator KROGER** (Victoria—Chief Opposition Whip in the Senate) (23:06): History was made on Saturday, 23 June 2012, when the world witnessed the making of a racing record that will endure for decades to come. It was at 3.45 pm London time, 12.45 pm Melbourne time, in the Diamond Jubilee Stakes at Royal Ascot. The equine queen, Black Caviar, world champion of the sprint, won her 22nd race out of 22 starts in a nail-biting finish by a nose. It was a defining moment not just in racing history but also for the Australian history books.

In our formative years in primary school, we were all educated in the history of Phar Lap—his muscular power, strength, bravery and endurance on the race track, his unique relationship with his strapper Tommy Woodcock and his owner—trainer Harry Telford, and his mysterious death in California in 1932. Phar Lap is a part of Australian folklore and will be for all time. So too is the Australian conquest of the America's Cup back in 1983 when *Australia II* beat the Yanks at their own sport. We can all remember where we were as we watched the final heat with John Bertrand at the helm, and the former Prime Minister, Mr Bob Hawke, claiming after the win, 'I tell you what: any boss who sacks a worker for not turning up to work today is a bum.'

Black Caviar has not only joined distinguished company by carving out her place in Australian history but has captured the hearts and minds of us all. She is a beautiful five-year-old mare with a huge heart and quiet and calm temperament that makes her unique. The wonderful story that has become a legend and will be part of Australian history for years to come starts with an annual pilgrimage of a few old friends and family on a houseboat on the Murray River. A small group of middle class Australians, whose parents were market gardeners or small farmers, spent a long weekend each year catching up. Whilst cooking sausages on the barbecue with a glass of Australian wine, they decided to have a bit of fun and buy a horse together. The horse they bought was a filly recommended to them by the canny trainer Peter Moody at the 2008 Inglis Melbourne Premier Yearling Sale. The owners—Neil Werrett, Colin and Jannene Madden, Pam Hawkes, Gary and Kerryn Wilkie, and David and Jill Taylor—came up with the name following Pam Hawkes's suggestion on the basis of the mare's Scandinavian pedigree, with Helsinge the dam of the then filly, and Pam's enjoyment of caviar and seafood. The salmon-and-black dot trademark and jockey silks followed.

Peter Moody and the owners knew they had found something special after the first few Group 1 meetings. She has blitzed the field in Australia at 21 meetings, including 11 Group 1 meetings, by many lengths and at numerous racetracks, including Caulfield, Flemington, Mooney Valley, Randwick, Doomben and Morphettville. With the attendance at racetracks on the decline over the last few years with people turning to live telecasts in their homes, Black Caviar has been the drawcard that has seen general racetrack attendances rise by 15 per cent and more than double that when she is actually running—and with good reason. She has set the record for the longest winning streak in world racing for 150 years.

It was easy to be captured by the excitement of the thousands at Federation Square in Melbourne who gathered to watch the telecast of the Royal Ascot Diamond Jubilee stakes, not deterred by a frigid Melbourne winter's night. It was just as
extraordinary to see London, in the lead-up to the Olympic Games, turn on the biggest reception for this mare from Down Under and her unassuming owners, trainer and minders. The media followed her from her morning exercises in the foggy and crisp mornings to her tired and sore return from the winning post at Ascot. Whilst many critics have analysed and deconstructed the race, Black Caviar showed that she had what it took to be first past the post even when tired and clearly sore.

In watching her race in the last 18 months, I have been struck by the extraordinary connection that her jockey of 18 races, Luke Nolan, has with her. Whilst I do not profess to know anything about horse racing, you can sense the affinity they have when he rides her and the enormous respect he has for her. At no time has this been more evident than when he asked her to dig deep and find the power in the last couple of lengths that saw her win Ascot by a nose. He asked and she gave. Luke Nolan has been on her back for 18 wins and should be given much credit for her success. Her trainer, Peter Moody, identified that she was something special and is responsible for turning her into the champion she is. Peter is a quintessential Australian, unassuming, happier at the track at five in the morning than giving media interviews, of which he has had to give many—but he is accomplished at that as well.

I was one of those, along with my 88-year-old mother, who sat up and watched every length of that six-furlong race. I felt like I had run it with her, and there were thousands like me who held their breath every step of the way. I know first-hand how difficult the decision was for the owners to risk all and put her on a plane to London, because it was shared with me. They have embraced their family and friends, including them in this once-in-a-lifetime experience. They are humble, they are unassuming, they are incredibly proud and they are quintessentially Australian. Last Sunday morning was a rare moment for me as I watched my brother and his wife accept the world's premier racing trophy from Her Majesty the Queen.

Aung San Suu Kyi

Senator FAULKNER (New South Wales) (23:14): I seek leave to speak for 20 minutes.

Leave granted,

Senator FAULKNER: On 1 April this year, a politician was elected to her nation's parliament. Divorced from its context, this is an unremarkable event. This year, thankfully, many thousands of politicians will be elected to national parliaments across the world. What makes this event notable is that the election took place in Burma and the politician was Aung San Suu Kyi. Suu Kyi's victory comes after decades of personal sacrifice. Tonight, I want to celebrate her achievements, remind the Senate of her struggle and acknowledge the transition underway in her country.

Aung San Suu Kyi's heritage is part of her political stature. Her father and namesake, Aung San, is regarded by many as the architect of modern Burma. He came to prominence in the 1940s among the '30 comrades', a group of nationalists who received military training with the Japanese. He was convinced that they offered the best hope of securing Burmese independence, but he was to be disappointed. So in 1945 he helped the Allies defeat the Japanese during the final stages of the Second World War. By working with the old imperialists he rid his country of the new.

In 1947, Aung San negotiated Burma's complete independence, which was eventually granted in the following year under the terms of the Aung San-Attlee
agreement. But he would not see his vision of an independent Burma realised. On 19 July 1947, he was assassinated. His daughter was two years old. The consequences of his death were dire. For a time, Burma remained a democracy. However, the unrivalled strength of the nation's army proved too potent an attraction for the country's military leaders.

In 1962, a group of officers, led by General Ne Win, overthrew the elected government. Under Ne Win and what became the Burma Socialist Program Party, or BSPP, Burma became a backward, isolated and insular nation, ruled by a regime that was in equal parts secretive and superstitious. A country endowed with vast natural resources, a rich culture and an industrious population became one of the poorest countries in the world.

Protected by her father's stature, Suu Kyi was relatively untouched by her nation's birth pains. In 1960, her mother was named Burma's ambassador to India. Suu Kyi attended school and university there, graduating with a major in political science from the University of Delhi. She then studied at Oxford and later worked for the United Nations in New York. After marrying, she moved back to England with her husband, Michael Aris, and raised the couple's two sons while writing on Burmese history, culture and politics. In 1985, she was awarded a visiting fellowship to Kyoto University and later completed a PhD at the University of London.

But during her long absence she remained forever conscious of events at home. In 1988, Suu Kyi returned to Burma to nurse her ill mother and was swept up in the movement for democratic reform. Earlier that year, General Ne Win had announced his intention to step down as leader of the BSPP. On 8 August 1988, a day considered auspicious by the Burmese, pro-democracy groups coordinated country wide strikes and demonstrations. They were met with violent suppression. Ne Win is reported to have told soldiers that their guns were not to shoot upwards. Thousands were killed. Perhaps it was an auspicious date, because a hitherto reluctant Suu Kyi became so incensed by the violence that later that month she appeared before a crowd of half-a-million people at Rangoon's Shwedagon Pagoda. At the foot of that ancient monument, a place where her father had demanded Burmese independence some 40 years earlier, she too demanded that a multiparty system of government be established and that free and fair elections be arranged as quickly as possible. The symbolism was not lost on the crowd.

Events moved swiftly over the next two years. In September 1988 the regime formed the Orwellian State Law and Order Restoration Council. In response, Aung San Suu Kyi co-founded the National League for Democracy, the NLD. For the next three months she toured the country promoting democratic reform and human rights. She did so despite a military ban on her movements. In one instance she literally stared down a group of soldiers ordered to fire on her party.

Realising that Suu Kyi would not be intimidated, the regime sought to remove her from public view. On 20 July 1989 she was placed under house arrest without either charge or trial. Other NLD members were jailed, many tortured and some killed. Suu Kyi would spend the best part of the next 22 years under house arrest. In May 1990, during the first year of her detention, the NLD won the national election in a landslide. The pro-democracy party won 392 of the 485 seats in Burma's national assembly. The regime simply refused to recognise the result.
Suu Kyi's long years as a prisoner of conscience came at great personal cost. She was periodically cut off from her party, cut off from her family and cut off from the international community. The cruelty of this uncertain existence was encapsulated in the regime's refusal, despite international condemnation, to grant her husband a visa during the final stages of his ultimately fatal battle with cancer. Suu Kyi's years of isolation gave her time to reflect on her activism, on the limits of authoritarian rule and on the strengths of democratic practice. Suu Kyi's ability to place her country's interests before her own is based on a deep philosophical commitment to what constitutes the good life. For Suu Kyi, in her words:

To live the full life one must [not only] have the courage to bear the responsibility of the needs of others ... [but] one must [also] want to bear this responsibility.

In her essay *In Quest of Democracy* she reminds us that:

... democracy, like liberty, justice and other social and political rights, is not 'given', it is earned through courage, resolution and sacrifice.

Progress always comes at a cost.

Suu Kyi's courage, resolve and sacrifice has been based on the belief that despite the regime's intimidation there remains in Burma a desire for a democratic system that will lift the people, in her words:

... from the position of 'rice-eating robots' to the status of human beings who can think and speak freely and hold their heads high in the security of their rights.

Forever optimistic, always Suu Kyi has remained confident that despite great odds the will of the people will prevail.

A fearless advocate for democracy, Suu Kyi appreciates the relationship between power, fear and politics. In her now famous essay *Freedom from Fear* she argues:

It is not power that corrupts but fear. Fear of losing power corrupts those who wield it and fear of the scourge of power corrupts those who are subject to it.

She points out that beneath the facade of power there often lies great uncertainty, fragility and insecurity. At its core politics draws on the basest of human emotions—emotions such as hope and fear. Through her years of struggle Suu Kyi has responded to fear and despair, with courage and hope.

Her dignified resistance has led the people of Burma to simply call her 'the lady', and it has won her international admiration. She is the recipient of the US Presidential Medal of Freedom, the Sakharov Prize for Freedom of Thought and the Nobel Peace Prize, amongst many other accolades.

The signs in Burma are promising. The NLD won 43 of the 45 seats contested in this year's by-election. Suu Kyi's election to Burma's national assembly will present new challenges, as idealism and hope meet the sometimes harsh realities of compromise and realpolitik. My colleague Senator Bob Carr's recent visit to Burma demonstrates Australia's determination to see that the reform process is sustained in Burma. I am confident that the lifting of some sanctions and the doubling of Australia's aid budget to $100 million per year by 2015 will ensure that our enthusiasm is matched by practical steps designed to encourage further reform.

We are quick to condemn those who crush dissent, stifle reform and denigrate democratic practices—and rightly so—but we also should offer our cautious encouragement when reforms are introduced, when dissent is respected and when democratic practices are restored. Nevertheless, we should temper our enthusiasm with the knowledge that there have been many false starts along Burma's road to democracy and that its newly ratified
constitution preserves much of the military's power.

Aung San Suu Kyi once asked those interested in intellectual freedom and humanitarian ideals to 'please use your liberty to promote ours'. I hope that by raising Suu Kyi's cause we can promote democracy and human rights in Burma and, more importantly, that Aung San Suu Kyi's election enables her to promote the liberty of her own people within her own nation.

**Victorian Power Industry**

**Senator MADIGAN** (Victoria) (23:32): I seek leave to speak for 20 minutes.

Leave granted.

Senator MADIGAN: With the catastrophic collapse of the Morwell River diversion in the TRUenergy Yallourn mine three weeks ago and related escalating problems, now is the right time to ask: what lessons have been learned from privatising Victoria's power industry? Have governments absorbed these lessons? Right now at Yallourn, people are working in wet, muddy and dangerous conditions trying to restore the mine to service. I ask fellow senators and members of the general public to think about these workers, the big problems confronting them and the risks they are exposed to. The Morwell and Latrobe rivers are in flood. These flood events are natural. Forever, these and the rivers of central Gippsland have flooded the Latrobe Valley.

However, natural flood events should not be confused with what happened at the Yallourn mine in 2007 and what happened again three weeks ago. In 2007, the north-east batter of the mine's Yallourn eastern field collapsed. The north-east batter is the dividing wall between the mine and the Latrobe River. When it collapsed, the Latrobe River flowed into the mine. One of the first media comments TRUenergy management made immediately following the collapse was to blame a recent flood event in the Latrobe River.

I make this point because three weeks ago flooding in the Morwell River was blamed for the very recent failure of the Morwell River diversion. This allegation needs to be tested by an independent inquiry. A royal commission is sorely needed to get to the facts of this second catastrophic collapse and to go further than the 2007-08 investigation. Back in 2007, the then Victorian state government commissioned an independent investigation into the north-east batter collapse. The report by Mining Warden, Professor Tim Sullivan, is important and I will seek permission to table that this evening. The report reveals the consequences of privatisation which, I suggest, the Victorian government never considered while it was busy selling off Victoria's power industry. The report finds that understandings about the safe management of the Latrobe Valley's coalmines—understandings built up over long periods by the State Electricity Commission of Victoria—were lost at Yallourn. They were lost because of privatisation.

The SEC employed a team of 50 people to study, survey, monitor and manage the Latrobe Valley's coalmines from geology and hydrology perspectives. No comparable expertise was developed inside the Victorian power industry or government after the specialist division in the SEC was dismantled by privatisation. The Department of Primary Industries also lost the expertise to ensure informed and active oversight and regulation of the Yallourn mine. To quote from the Mine Warden's report:

It is questionable whether the DPI has the requisite skills or can acquire and maintain a high enough level of skill in this booming mining environment to adequately manage and review complex technical areas, given the failure of the...
system that has occurred in relation to the NE Batter.

Privatisation meant that the state regulator was without the skills necessary to keep the industry safe. TRUenergy depended on a revolving door of external consultants, providing, at times, inconsistent opinions.

In 2002, TRUenergy embarked on major changes to its mining operation and mine-monitoring regime. Many of these changes were driven by the search for efficiencies and cost cuts, as is the wont of private companies. The combination of all these factors led to decisions and actions contrary to long-held understandings about how to keep the mine safe. In 2002, the practice of drilling horizontal bores into the coal seams to remove groundwater was stopped. In 2004, the practice of de-watering aquifers under the mine floor was stopped. From 2002 onwards, pressure built up inside the walls of the mine and, from 2004 onwards, under the floor of the mine. This created the conditions long known to cause batter failure in the Latrobe Valley coalmines. Added to this, as pointed out by the mining warden report:

Over time an incorrect design failure model became accepted and this model showed the NE Batter had a high factor of safety and was stable. This was also supported by the annual geotechnical review.

Inspections up to and until the day before the collapse showed the north-east batter was under enormous stress. Even when the river was running right through the mine's wall, TRUenergy and its consultants continued believing their model was correct. I refer the Senate to photographs of the batter in the mining warden's report; they are truly disturbing images of privatisation in action. Workers were directed to continue mining at the base of the batter and were put in grave danger. Luck, not design, saved these workers.

Understanding why the north-east batter collapsed in 2007 sheds some light on the collapse of the Morwell River diversion three weeks ago. In the very same period, TRUenergy was adopting an incorrect design failure model and making changes that would render the mine unsafe; it was designing and constructing the Morwell River diversion. The 2007-08 investigation briefly assessed the Morwell River diversion, or MRD, to reveal the following:

During construction in 2003 a very large movement of the MRD went unnoticed until the annual monitoring survey was carried out. The movement occurred along what appears to be a horizontal fault 10m below the base of the coal seam.

The report continues:

The geotechnical model was incorrect as it did not include this fault … It is unusual in construction of such an important piece of infrastructure to have such a large gap in monitoring.

When governments privatise undertakings as big and complex as an entire power industry, the major systemic failures created in that process are the cause of lasting problems.

Investigation into the failure of the north-east batter made clear that private mine operators do not invest in the skills and bank of technical knowledge necessary to keep the Latrobe Valley mines safe. The Victorian government learned that privatisation had created a culture of disrespect for the SECV's knowledge and practice. It learned that competing mine operators in a privatised power industry do not and will not willingly share geotechnical knowledge, even when sharing would make their operations safer. Under privatisation and deregulation, each private mine owner could manage or mismanage their mine as they saw fit. Privatisation made Yallourn coalmine very unsafe.
In response to these lessons, the then Victorian government re-regulated mining in the Victorian power industry. It also employed technical experts so the government could do its job as the industry regulator. Yet, despite these positive actions, the Victorian government did not go far enough. It did not order a legally empowered investigation into the risks created by privatisation, despite being warned about their seriousness. The mining warden's report referred repeatedly to the risk that valley coalmines pose to nearby infrastructure, including the Princes Highway. The Melbourne-Bairnsdale railway line is even closer to the Yallourn mine.

We need to know more about these risks in light of the fact that, according to the DPI website, 'they may take some time to materialise'. The 2008 mining warden's report only refers indirectly to the Loy Yang and Morwell mines. We do not know what happened in the mines during the high period of privatisation between 1997 and 2008. We do know that the Princes Highway was closed for most of 2011 in the section very close to the Morwell mine because the foundations of the road were moving.

What risks must materialise before a royal commission is established? Would a regional rail-line or a national highway falling into a valley mine be enough? Two rivers in the last five years have fallen into the Yallourn mine. How much environmental damage must occur before governments act? The federal government has spruiked its managed closure of 2,000 megawatts of polluting power stations, yet we are witnessing the disorderly impairment of Victoria's third largest generator thanks to the legacy of privatisation. How much damage to its energy and environmental policies is the federal government willing to sustain before it challenges privatisation?

This week, the Victorian Greens and the Victorian Labor opposition united in calling for a Victorian parliamentary inquiry into the collapse of the Morwell River diversion. An inquiry is definitely needed. Now is not the time for a light touch. You do not use a two-pound ballpein hammer when a 20-pound sledgehammer is needed. Victorians, and all Australians, deserve full scrutiny and disclosure of the problems created by privatisation in Victoria's power industry. The only way to get this job done is by a full royal commission. New South Wales and Queensland are pursuing full privatisation of their power industries with strong support from the federal government. That means the problems created by privatising Victoria's power industry are of national significance and national public interest; as would be the findings of a royal commission into these problems.

We do not have to repeat the mistakes of the past in order to learn from them. I take this opportunity to ask Ministers Ferguson, Combet, Burke and Albanese to support my calls for the establishment of a full royal commission into the failed privatisation of Victoria's power industry. I ask Minister Ferguson to withdraw his support for full privatisation of New South Wales and Queensland power industries, pending the outcomes of such a royal commission. I ask Premier Baillieu to show wisdom by establishing a royal commission in the interests of people living and working in the Latrobe Valley, Victorian power users and taxpayers, and the environment.

As TRUenergy has hopefully learned, it is cheaper to mitigate risk by good practice rather than cutting corners, creating and gambling with risk and paying the price if the risk materialises. That also applies to the practice of government. There is much at stake in this matter. I hope governments can keep learning from the terrible situation in
the Latrobe Valley, a situation that demands the establishment of a royal commission. Only then will governments equip themselves with the right tool for this job—to fully expose the risks created by privatisation, to learn from that process and to change government policy by withdrawing support for privatisation.

The PRESIDENT: Senator Madigan, you did say you had a document you wished to table. Can you identify that for me, please?

Senator MADIGAN: It is the mining warden's report, *Yallourn mine batter failure inquiry: report*.

The PRESIDENT: I understand neither of the whips have seen that. I also understand that, subject to their sighting it and not registering an objection, at the conclusion of the next speaker, leave will be granted for tabling.

Refugees
Nuclear Energy
Palestine

Senator RHIANNON (New South Wales) (23:47): I seek leave to speak for 20 minutes.

Leave granted.

Senator RHIANNON: There is a view that one hears from time to time that local government should remain the domain of rates, rubbish bins and gutters, and that there is no role for council staff or elected councillors to play in the broader affairs of state and federal government. Yet many councils show their support for a wide range of state and federal issues though very diverse means, and in doing so make a genuine contribution to improving people's wellbeing and enhancing and informing public debate.

One recent example of this is local councils showing their support for refugees. Last week was Refugee Week, with World Refugee Day held on 20 June. I learnt that there are around 75 local government areas across Australia that the Refugee Council of Australia recognises as Refugee Welcome Zones. There are 35 alone in New South Wales. I am proud that many of those councils have an elected Greens councillor who gave their support to the proposition. Rockdale council, in southern Sydney, is one such council. Lesa de Leau, a member of my staff, also serves as a councillor on Rockdale council. Last week Lesa was called on to give the opening address to launch the Refugee Week events jointly hosted by three adjoining councils in the St George district of Sydney—Rockdale, Kogarah and Hurstville councils—who worked collaboratively to commemorate and celebrate their support for refugees living in their communities.

On her way to the event Lesa heard the tragic news break on the radio that a boat carrying asylum seekers had capsized near Christmas Island, resulting in a terrible loss of life. She had to break the news to the waiting crowd, which was extremely upsetting for everyone, as you would imagine. Their shared grief served to strengthen their commitment to the value of coming together to mark Refugee Week.

There is a tremendous level of community goodwill and concern for refugees. It is fantastic that local councils take it upon themselves to reflect that concern and to show leadership to their residents by working in various ways to make refugees feel welcome and to assist them in their daily lives. I understand that Rockdale council works with several government agencies and NGOs to assist with communications, provide advocacy and ensure that refugees receive adequate services. At the moment
Rockdale council has an increasing number of refugees from Bangladesh. The council organises a monthly English language circle, encouraging those refugees to come together to practise their English language skills and network with other people from both their first language community and the wider community at large. Their work is just one example of how dozens of councils are making a real difference by improving the lives of refugees and fostering understanding and acceptance.

Another topical issue that brings a federal focus to local government is when councils sign on to become nuclear-free zones. Some people may have thought that nuclear-free zones would become obsolete, but they are as pertinent today as they were when the nuclear disarmament movement was at its peak. There are still many nuclear issues on the environmental front which directly impact on local government and its residents, such as a national repository for radioactive waste, nuclear reprocessing facilities, the expansion of uranium mining and the transport and export of radioactive waste. The Fukushima disaster once again brought home to people across the world that nuclear technology is not, and never was, safe. European countries are closing down their nuclear power plants, along with Canada and the US, as those countries invest in expanding safe and clean renewable energy.

At home, the events at Fukushima have coloured the federal government's unwavering support for uranium mining and federal government plans to build a nuclear waste dump at Muckaty Station in the Northern Territory. In 2009 the New South Wales government transported nuclear materials from Lucas Heights through Sydney's southern suburbs to the Illawarra's Port Kembla for export in an operation whose details were shielded from the locals, causing community outrage.

New South Wales coalition leader Barry O'Farrell also placed the issue of uranium mining back on the agenda last year when he approved the resumption of granting uranium exploration licences in New South Wales, overturning the state's 26-year uranium ban. That move further invigorated antinuclear sentiment in a state that knows too well from its experience of the burgeoning coal industry that exploration is merely the first stage of full-scale mining.

In the 1970s and 1980s, the anti-nuclear movement in Australia was at its peak, drawing more than 50,000 marchers to demonstrations. I took part in many of those marches and I imagine there were others in this parliament who also did. I still commemorate Hiroshima Day each August. I find it quite extraordinary to reflect on what happened on that day so many years ago. In 1977, the City of Collingwood in Melbourne became the first Australian council area to make a declaration that it would be a nuclear-free zone. This local initiative soon morphed into an Australia-wide and global movement to create nuclear-free zones in local areas. Today, around 90 local government areas across Australia have signed on to the Australian Nuclear Free Zones Secretariat.

There are no easy solutions to Australia's production of radioactive waste and its long-term safe storage, transport and management. We should never have produced it and any solution to manage it must be pursued through a transparent, deliberative, consensual, science based and evidence
based approach. The Greens support a decision-making role for councils in the debate over whether nuclear waste should be transported within their local government area. It is another example of the important role that councils can play to influence national issues. There are many more.

Many Greens councillors have gained the support of their councils to endorse national sustainability measures, such as backing federal container deposit legislation. They encourage their councils to switch to using fair trade products in council—to help tackle poverty and create a better future for farmers in developing countries. They introduce climate change adaption measures—from large-scale initiatives, such as Byron Shire's climate change strategy, to more modest measures, such as installing tidal markers in Leichhardt council's harbourside areas.

I congratulate councillors and councils for their hard work and commitment to influencing decisions at all levels of government to get a better deal for their citizens and I congratulate them on the diverse range of their achievements. The Greens have a long history of representation in local government in most states. There have been Greens on councils ever since the first Greens were elected in 1991 to Marrickville Council and to the Newcastle council. There are currently more than 100 Greens councillors in Australia and more than half are women. Greens mayors have led local councils at Byron, Marrickville, Leichhardt, Randwick, Ashfield, Fremantle, Yarra and Maribyrnong.

I always encourage people to participate in local government. The potential for innovative local government actions on behalf of communities is considerable. I am proud of the contribution the more than 100 local Greens councillors across the country are making to raising concerns on refugees, to creating nuclear-free zones and in many other positive and constructive areas.

On another matter, overseas aid to Palestine plays a key role in assisting local communities. That part of AusAID's website which covers its Palestinian program states:

The goal of the Australian Government's aid program to the Palestinian Territories is to reduce human suffering and poverty whilst promoting peace and development. AusAID has identified that poverty levels in the West Bank and Gaza are currently 24 per cent and 56 per cent respectively, and that there are over 4.9 million Palestinians living as refugees in need of humanitarian assistance. Right now many projects financed by overseas aid programs in Susiya in the West Bank are under threat from demolition orders issued by the Israeli civil administration. This includes an AusAID funded health clinic constructed through ActionAid's local partners. Other projects at risk include a dairy production facility supported by the Polish Ministry of Foreign Affairs; the construction of four residential shelters funded with assistance from GVC, an Italian NGO; three animal shelters built in partnership with Save the Children UK and the Union of Agricultural Work Committees; and two water cisterns funded by the European Commission Humanitarian Aid Organisation and Action Against Hunger. Other aid projects which could be demolished include a community centre and a structure used to store sheep's milk prior to sale, as well as granaries and shelters for sheep and chickens.

For many Palestinians, access to water and electricity remains a challenge. The German Ministry for Foreign Affairs has funded a solar electricity system through COMET-ME, an Israeli NGO. This organisation is trying to get around the restrictions placed on Palestinian development by harnessing Hebron's
abundant natural energy sources—wind and sun. COMET-ME is providing Palestinian villages with electricity from solar panels and wind turbines. But now these renewable energy projects are under threat of demolition. All these aid projects are fine examples of programs making a difference to people's lives. If the Israeli administration proceeds with its demolition orders, however, all that could be lost.

Susiya residents, many of whom have lived in the community since 1948, face some of the worst living conditions in the West Bank. Since 1990 there have been a series of demolitions in Susiya and the Israeli authorities have never approved a master plan for Susiya, leaving residents unable to obtain permits for construction. In 2001 all structures were demolished and the residents were forcibly evicted. The residents' appeal to the High Court of Justice against the action of the Israeli authorities was successful, allowing them to return to their land. In 2011 Susiya had four waves of demolition and, in 2012, the Israeli administration issued a new round of demolition orders. Hebron Governor, Kamel Hamid, in an open letter, has stated:

I would like to draw your attention to the intention of the Israeli authorities to demolish Khirbet Susiya, located south of the town of Yatta in Hebron Governorate. The so-called Israeli "Civil Administration" has distributed final demolition orders on June 12, 2012, to 51 structures in the Khirbet while giving the population only 3 days to object to the decision. The demolition will devastate the lives of at least 160 Palestinians including 60 children. The lawyers of the Palestinian residents of the Khirbet, Rabbis for Human Rights, managed to get a freeze on the demolition for a period of 14 days from the Civil Administration only to find the decision reversed on June 17, 2012.

From that letter from the Hebron Governor we can see these demolitions are now imminent.

Susiya village is in Area C of the West Bank and, although under Israeli administration, is recognised as part of the occupied Palestinian territories. Under international law and the fourth Geneva Convention, Israel is still seen as the occupying power and is therefore restricted from transferring its population to this area. However, an outpost—illegal under both Israeli and international law—has been constructed in the last decade and has not been subject to demolition. Since the settlement has been constructed around them, the residents of Susiya have lost two-thirds of their land used for residential, agricultural and herding purposes due to settlement expansion and settler violence.

There is also growing international concern about the impact settlers are having on Palestinian communities more generally. The UN Office for the Coordination of Humanitarian Affairs reports that settler violence has increased 144 per cent in the last two years. A group of diplomats from the European Union and EU member states visited Susiya on Friday, 15 June to investigate the humanitarian impact and political implications of the recent demolition orders for the village's 50 residential shelters. The visitors heard from Susiya locals who explained that access to their land has been progressively eroded by settler construction and settler violence. The EU statement on these developments reads:

The European Union has called upon Israel to meet its obligations regarding the living conditions of the Palestinian population in Area C, including halting forced transfer of population and demolition of Palestinian housing and infrastructure, simplifying administrative procedures to obtain building permits, ensuring access to water and addressing humanitarian needs.

UK foreign office parliamentary secretary Alistair Burt stated:
I share your ... concerns about the threatened demolition of Palestinians homes in the South Hebron hills.

Another issue that is relevant is the announcement of settlement expansions this year. All settlements are illegal under international law and their expansion has been described by the UK foreign secretary this year as ‘illegal and provocative’. US State Department spokesman Mark Toner has said, 'We do not accept the legitimacy of continued Israeli settlement activity.' Spokesperson to UN Secretary-General, Ban Ki Moon, stated:

The Secretary-General reiterates that all settlement activity is illegal under international law. It runs contrary to Israel's obligations under the road map and reputed Quartet calls for the parties to refrain from provocations.

I urge the Minister for Foreign Affairs, Bob Carr, to make urgent representations to Israel's ambassador in Australia to urge Israel not to put aid funded projects at risk, to lift demolition orders and to end the expansion of Israeli settlements. Australia needs to take these actions if the AusAID projects in Palestine are going to achieve their objective to—this is a quote from AusAID's website—'reduce human suffering and poverty whilst promoting peace and development.'

On a related matter, 50 international charities and United Nations agencies have unanimously called for the lifting of the blockade of Gaza. The organisations have published a simple, three-lined statement to mark the fifth anniversary of the tightening of the blockade of the Strip. It reads:

For over five years in Gaza, more than 1.6 million people have been under blockade in violation of International law. More than half of these people are children. We the undersigned say with one voice: "end the blockade now."

I urge Foreign Minister Bob Carr to take note of this unanimous statement from some of the world's most respected international aid and human rights organisations and United Nations bodies, and to consider adding Australia's voice to this call to end the blockade. The international aid and development signatories include Amnesty International, CARE International, Christian Aid, A Different Jewish Voice, International Orthodox Christian Charities, Pax Christi and Oxfam. The United Nations signatories include UNICEF, UNESCO and the World Health Organisation.

Wednesday, 27 June 2012

Victorian Power Industry

Senator BOSWELL (Queensland) (00:05): Before I call Senator Boswell, I should say that the document that Senator Madigan sought leave to table has been cleared. There is no objection to it being tabled.

Carbon Pricing

Senator BOSWELL: The Commonwealth government has a bewildering array of policies to force emission reductions. Just look at the Labor policies such as the carbon tax, which is a market based mechanism, and on the other hand the renewable energy target that is a market intervention. The measures are so diverse, so all-encompassing and so overlapping in their effect that nobody is able to estimate their magnitude and how much they may reduce Australia's emissions. Indeed, under Treasury modelling Australia's emissions will actually increase from 578 to 621 million tonnes between now and 2020.

It goes without saying that nobody has ever placed these policy measures in a framework that sets an optimal emissions goal and costs. What we do know is that
measures in place will have a trivial effect on the global levels of emissions and that the basis for them—that other countries will pursue the same policies—is no longer credible. We also are seeing the effects of these policies which we were previously assured would be almost undetectable in terms of the energy price and follow-on implications for our businesses and households.

The measures in place have already boosted Australia's energy costs from what were the lowest in the world. And all this is before the carbon tax comes into effect. Once the carbon tax comes into effect we, the nation with the lowest cost abundantly available energy in the world, will be among the highest cost energy consumers. These measures come in four varieties. First, there is the carbon tax; secondly, there is the government spending, some of which is financed by the tax revenue the carbon tax will raise; thirdly, we have the renewable energy target, which conveniently falls directly to the consumer so the government can pretend this is not another tax; and, fourthly, we have various standards forcing consumers to spend more than they would prefer on energy saving measures for their houses, offices and shops as well as in powerlines to connect the miserable high-cost windmills that the RET forces upon us.

Pride of place belongs to the carbon tax. Eventually envisaged to increase to over $100 a tonne, even its starting price of $23 a tonne means the basic cost of electricity is increased by 50 per cent. It is estimated to raise $8.6 billion next year and $10.6 billion in 2014-15. About half the funds are returned to taxpayers in ways that the government thinks will provide it with an electoral advantage; the rest goes to trying to repair the damage the tax does to industry and to re-engineer industry structure in a way that the Labor-Green alliance approves of. Then there are the direct budgetary disbursements. Some but by no means all of these are financed by the carbon tax. They include: the Clean Energy Future fund, $10.0 billion; the Australian Renewable Energy Agency, $3.2 billion; and pre-existing government measures to support other clean energy technologies. The CCS Flagships program is funding research, development and demonstration in CCS at $1.7 billion—though the Queensland and Victorian flagship projects are now looking pretty sick. There is the National Low Emissions Coal Initiative, the National CO₂ Infrastructure Plan for carbon capture and storage and the Global CCS Institute. There is also support for clean energy technology development through Australian Research Council grants, cooperative research centres funding, the CSIRO and funding to be administered by other government agencies including the Clean Technology Investment Program and the Clean Energy Skills Program. On top of all of these there is the wasteful expenditure in the Department of Climate Change and Energy Efficiency, the Treasury and other departments.

What does all this add up to? Well, you will not find the summation on any government website. There used to be an aggregated value of expenditure totted up by the Department of Climate Change. In 2009-10 it came to $2,995 million, but there is now a void where that information was once recorded. Perhaps that is because the government does not know; the programs have all multiplied considerably. Perhaps the sheer number of firms seeking handouts, politicians seeking glory and public servants seeking new empires on the back of carbon emission reductions now mean that nobody can keep abreast of these programs.

Perhaps the government also no longer wants this consolidated information on the public record, as the folly of its destructive
expenditure has begun to dawn on even its most profligate and ignorant ministers. Pride in the level of spending has become shame at its extravagance. But these are not all the costs that these shameful policies heap on the people of Australia. In addition, we have a heap of regulatory standards. These have been brought into greater light by the Victorian government recognising that the six-star regulatory requirement on new houses has brought an additional cost of over $5,000 per house.

Finally there is the RET, a tax that, like the regulatory burden of standards, has the advantage of not being seen as a direct charge. The Productivity Commission said that Australia's RET and similar measures cost $473 million to $694 million in 2009-10. At that time the RET was less than halfway to its 20 per cent target. The cost of this, if it were a stand-alone measure, would be $4 billion a year by 2020. The government knows that the rest of the world has suffered at the hands of the renewable myth. However, it continues to insist that renewables are the way to go.

The rest of the world is pulling back on renewables policy. Canada, New Zealand, America, China and even the renewables poster child, Spain, are saying no more to renewables. Spain's huge rollout of renewable energy made it a world leader in the sector and reduced its dependence on imported fuel, but the result is debt-laden utilities and consumers facing crippling rate hikes to pay for power stations that are hardly used. This was a major factor in a huge expenditure blow-out that continues to threaten the country's solvency.

Even the previous socialist government had started to reverse policies on renewables, and the centre-right government is moving even faster in dismantling the windmill and rooftop subsidies that have caused cost escalations which throttled the nation's industries. In Spain the consumer has been partly shielded from this by the price of electricity being kept artificially low since 2000. The burden has been shouldered by utilities, which have been operating at a loss on the basis of a government guarantee to eventually pay them back.

Wind power is a highly expensive operation to set up. Just to give an idea of how expensive it is, a megawatt hour of coal based electricity is around $35 to $40, whereas a wind hour is $113, maybe a little bit higher, and that is an hour of electricity that is far less reliable, being dependent on the vagaries of weather and therefore requiring additional back-up capacity. At the moment, there is a major problem with the market being swamped by small renewable energy certificates—that is, RECs—produced by solar power, so the big power companies will not need to buy the big RECs produced by wind farms until at least 2015. The only way the government is ever going to get wind farms going is through a very high REC price, around $60 or over. Only a REC at that price would enable would-be wind farmers to raise the funds they need.

Solar power in Australia has already suffered a similar fate to wind. Like wind, it is dependent on the consumer being forced to pay a premium for its output; but, in addition, it is so inefficient that it also needs a government subsidy. The federal government is learning the hard way that its ideals clash with reality. The Solar Flagships Program is a perfect example of that.

In the past few months we have seen the government's Solar Flagships Program come to a grinding halt as investors start to see the huge costs, and the lack of demand for solar means that solar is no longer a wise investment. On 7 February 2012, the government announced that it was delaying
issuing grants to the winning projects, as neither had succeeded in obtaining financial backing by the 15 December 2011 deadline. However, since then, the grants have been reopened and a new $440 million plant that is to span western New South Wales—Nyngan and Broken Hill—has been announced. Whilst this new project claims it will power 30,000 houses, the reality is that the figure will be much lower, as much of these plants rely on backup generation from coal fired plants to produce electricity when the elements are not working in their favour, as well as the fact that this power cannot be stored—not only that but, if we run comparisons of the costs on these plants with the costs of normal coal fired plants, we can see that financially this venture makes no sense. The federal government is funding the project in New South Wales to the tune of $130 million and the state government is kicking in $64 million. That means there is almost $200 million worth of subsidies being poured into a project that will not even generate power for 30,000 houses.

Furthermore, if we look at how much higher the price of electricity is when it comes from these plants, the results are astonishing. A normal plant's power costs $35 a kilowatt hour, whereas a flagship station's costs $200 a kilowatt hour. The New South Wales plant will generate 150 kilowatts, which means it will produce $52 million worth of electricity, running at full capacity. In comparison, for a coal fired station producing the same amount of electricity at $35 per kilowatt hour, the total sum would be $9.2 million worth of electricity. Effectively, the government is subsidising a solar plant that makes, in real terms, $9.2 million worth of electricity; but, because it is so expensive to make, it has to sell it at a cost of $52 million dollars to providers putting costs up further. The taxpayer is subsiding solar farms to the tune of $43 million to get $9 million worth of power. Nobody in this situation wins, yet the government perseveres, convinced its white elephant will bear fruit.

Many renewable energy schemes are now coming home to roost in terms of intolerable cost increases being forced on consumers. One example of renewables costing industry at the moment is the Waikerie pumping station in South Australia. It has an added cost of $18,727, or 5.3 per cent of its bill for renewables, and the carbon tax adds another $38,552, which is 11.3 per cent. When we combine these figures, we find its costs as of 2013 will have increased by 16.3 per cent, which adds up to $57,279—for farmers who are trying to grow products and battle imports. The Independent Pricing and Regulatory Tribunal of New South Wales has estimated that changes to the Renewable Energy Target scheme will increase regulated electricity prices in New South Wales by six percentage points from 1 July 2011. We have done calculations—they have been checked thoroughly—on a retail business which shows the carbon tax in 2013 will be 14.56 per cent and the renewables will be 6.44, giving a total increase of 21 per cent added cost. Then in 2014 on the same business a breakdown of the renewables will cost 6.3 per cent and the carbon tax will be 15.6 per cent, which gives a total of 21.9 per cent increase on electricity bills. Furthermore, the feed-in tariff scheme introduced by the state government is driving a high uptake of inefficient, small-scale renewable generation—they are not otherwise commercially viable. The state governments are coming to their senses. A great start is being made in Queensland where the government has decided to reduce the rebate for new rooftop solar installations from 44 cents per kilowatt hour to just 8c per kilowatt hour.

Studies show that even though the amount of renewables has tripled in the last decade,
it still counts for only 10 per cent of electricity used in Australia, at a colossal cost. The latest NSW IPART report puts the costs of the RET and the rooftop panels as increasing bills this year by six per cent. Imagine what would happen if the Greens got their way, their dreams were realised and we went to 20, 40 or 60 per cent renewable power. We would all be bankrupt.

I started off by saying how the measures in place and in prospect will elevate our energy costs to levels that rival the highest in the world. Not only is this a dreadful direct impost on the Australian household consumer but also the policies bringing this about will amount to a sabotaging of the Australian economy. The measures will compound one on the other to deal hammer blows to Australian industry's competitiveness and to Australian consumers. This madness must be dismantled in all its manifestations: the carbon tax, useless subsidies to technologies that will never achieve commerciality, standards that impose needless costs on consumer and producer alike and the costly rhetoric that is the renewable energy target.

In pursuit of the myths that green energy will allow us to maintain increased living standards but do so in some fabricated version of 21st century technology, the government has imposed great harm on this economy. We have the resources, skills and fortunate geography to enable us to achieve the world's highest living standards. Yet the crippling effect of the impost of energy, among other deleterious policies, has us limping along at a modest growth, increasing costs to householders, to homes and to families, and making our manufacturing and food processing industries completely uncompetitive and at putting us at the mercy of imports.

Senate adjourned at 00:23 (Wednesday)

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.]


Australian Prudential Regulation Authority Act—Australian Prudential Regulation Authority (Confidentiality) Determination No. 12 of 2012—Information provided by locally-incorporated banks and foreign ADIs under Reporting Standard ARS 320.0 [F2012L01329].


Civil Aviation Act—Civil Aviation Safety Regulations—

Instrument No. CASA EX90/12—Exemption – recording time-in-service; Determination – non-application of part of CAO 100.5 [F2012L01325].

Part 66 Manual of Standards Amendment Instrument 2012 (No. 2) [F2012L01328].

Part 145 Manual of Standards Amendment Instrument 2012 (No. 2) [F2012L01326].

Defence Act—Determinations under section 58B—Defence Determinations—

2012/31—Reserve health support – amendment.

2012/32—Post indexes – amendment.


2012/21—Section 32 (Transfer of Functions from ORER to CER) [F2012L01327].

2012/23—Section 32 (Transfer of Functions from DEEWR to DIISRTE) [F2012L01321].
Higher Education Support Act—Revocation of Approval as a Higher Education Provider—Nature Care College Pty Ltd [F2012L01315].

Migration Act—Migration Regulations—Instruments IMMI—

12/017—Pass marks and pool marks in relation to applications for general skilled migration visas (classes VE, VC, VF, VB, SI, SN and SP) [F2012L01317].

12/023—Skilled occupations, relevant assessing authorities and countries for general skilled migration visas [F2012L01320].

12/041—Points for Business Innovation Stream and Investor Stream of Business Innovation and Investment (Provisional) Visa [F2012L01313].

12/065—Skilled occupations, relevant assessing authorities, countries and points for general skilled migration visas and certain other visas [F2012L01322].

12/068—Skilled occupations, relevant assessing authorities, countries and points for general skilled migration visas and certain other visas [F2012L01314].

Parliamentary Service Act—Determination No. 1 of 2012—Secretary, Department of Parliamentary Services—Remuneration and other conditions of appointment.


Superannuation Act 1990—


Tabling

The following government documents were tabled:


National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the Research Involving Human Embryos Act 2002 for the period 1 September 2011 to 29 February 2012.
