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SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SEVENTH 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—Thomas Mark Bishop, Suzanne Kay Boyce, Douglas Niven Cameron, Patricia Margaret Crossin, Sean Edwards, David Julian Fawcett, Mark Lionel Furner, Scott Ludlam, Gavin Mark Marshall, Bridget McKenzie, Claire Mary Moore, Louise Clare Pratt, Arthur Sinodinos 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.

(7) Chosen by the Parliament of South Australia to fill a casual vacancy (vice M. J. Fisher, resigned 15.8.12), pursuant to section 15 of the Constitution.

**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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<th>Title</th>
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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>
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<tr>
<td><em>Minister Assisting the Prime Minister on Mental Health Reform</em></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><em>Minister Assisting the Prime Minister on the Centenary of ANZAC</em></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>
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<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></td>
<td>The Hon Wayne Swan MP</td>
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<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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<td>Senator the Hon Chris Evans</td>
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<td>The Hon Greg Combet AM MP</td>
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<tr>
<td><strong>Minister for Small Business</strong></td>
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<td>Senator the Hon Bob Carr</td>
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 9:30, read prayers and made an acknowledgement of country.

BILLS
Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Senator WATERS (Queensland) (09:31): I rise to continue my remarks on the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010. I want to take the opportunity to run through a few facts and figures about waste in Queensland. Unfortunately, it is not a pretty picture. Waste generation in Queensland is still increasing—and rapidly. Between 2003-04 and 2007-08 waste generation grew by 40 per cent. Over the same period the population increased by 10 per cent and retail turnover increased by 21 per cent. Our total volume of waste produced every year is simply huge. In 2008 there was an estimated 32.6 million tonnes generated from commercial, industrial, construction, demolition and household activities. This includes the data collected on waste that is classified for indefinite storage, such as fly-ash from electricity generation, which amounts to 22.3 million tonnes. Queensland households and businesses generate the remaining 10.3 million tonnes.

The trend over the past five years has been for a significant increase in waste generation and disposal. The data shows that domestic waste generation in 2007-08 was 40 per cent higher than in 2003-04 and yet, as I said, the population only grew by 10 per cent. In 2007-08 more than 60 per cent of the waste generated by households and businesses was disposed to landfill. According to the 2011 National Litter Index, Queensland is the most littered mainland state. Tasmania unfortunately tops the national list.

This bill, which I am really proud to support, proposes a solution for the 12 billion beverage containers that Australians use every year. It seeks to address practicably the fact that only about half of those are recycled, while most of the remainder wind up as litter or in landfill and, of course, much of that runs off into our precious marine environment. We have a serious problem with landfill and waste in Australia and, as I have already said, Queensland is one of the main contributors. It is just a really wasteful situation in Queensland and across Australia, which is exactly why we need a bill like this.

Some argue that there is no need for national leadership on waste and that we can just trust the states, so I want to put on record my deep concern about one of the many retrograde steps that the Newman government have taken in their short time in office so far. The Newman government wound back Queensland waste levy, which had been set at $35 a tonne, on 1 July this year. That levy had been designed to promote recycling by making the cost of landfill more expensive. But removing this fee for commercial, industrial and construction waste makes landfill in South-east Queensland a more attractive proposition for some operators in northern New South Wales, where a waste levy on those vast volumes of waste continues to apply, so we have South-east Queensland becoming a dumping ground for everybody's waste. This is a serious backward step for Queensland and, unfortunately, is one of the many backward steps and attacks on Queensland's environment under this new
government. We really need national leadership to tackle our waste issues—the states are just not up to it.

Returning to this bill, there is broad, consistent and very high support in the community for a container deposit scheme and there is a demonstrated willingness to pay. The study was done twice and we are now buried in the swamp of a regulatory impact statement process being undertaken by the Commonwealth on container deposits that simply has this proposal buried in quicksand. At best, we think this could result in a scheme being implemented in two or three years time, thanks to this analysis paralysis. We need to develop a sense of urgency. For every 12 months that we drag our heels on this, another 12 billion beverage containers are used.

The main industry-government program is the Australian Packaging Covenant, which sounds great but does not really deliver as much as industry seems to think. In fact, the latest information on the recycling rate for beverage containers shows that it has dropped to about 40 per cent, down from the 48 per cent that is claimed in the packaging regulatory impact statement. As a result, the overall recycling rate for all packaging has also dropped by about three points. This calls into question the claims made about the effectiveness of the Australian Packaging Covenant—it certainly continues to reach its own 2010 target of 65 per cent.

When you consider all the co-benefits of a container deposit scheme—more jobs, help for charities, new material drop-off centres and a big reduction in litter—it is a scheme that wins hands down. With regard to local government, which supports a container deposit scheme, the regulatory impact statement finds that it would benefit from a CDS by more than $2 billion over 20 years. When releasing the RIS the environment ministers said they:

… recognised that assessment of the costs and benefits of options has many dimensions and cannot be based on quantifiable matters alone.

The Consultation RIS acknowledges other potential benefits of better manage packaging, including the employment generated by more recycling, reduced use of energy and water, and the provision of infrastructure to support other recycling.

Surely the case has now been proven. If we want to solve the beverage container problem, acknowledged as the main packaging issue, then we should act now. Opponents of a CDS like to talk about how well we are doing in recycling packaging, but the figures are bulked out by the 70 per cent recycling rate for paper and cardboard. We do not have a problem here if you include those figures, and yet beverage containers are slumped at 40 per cent. The only certain and sustainable policy is a container deposit scheme. This factor is acknowledged by the RIS in comparison to the untested assumptions and fairyland targets proposed in other industry options.

My colleague Senator Ludlam has noted that this is a portfolio for patient people. The larger project of creating a genuinely sustainable Australia for cleaning up our act, for cleaning our fouled waterways, our parklands and our wilderness from rubbish and for recovering those valuable materials that go to waste is worth it. But now we are wasting time. Australia needs and is ready for this bill, and I commend it to the Senate.
point. It does not sound like a bad idea, does it? In spirit it is not but, instead of allowing the reasonable processes the government is taking through COAG to run their course, the Greens have put this bill up today. Instead of trying to get an outcome that is fitting with the South Australian scheme that has been running for 35 years and instead of trying to get an outcome that is fitting with the recently enacted Northern Territory scheme, the Greens want to throw out these schemes and implement a national scheme—a national scheme that is government run rather than use the current state based industry-run schemes as a base. There is definitely a need for further work in this area.

The schemes in South Australia and the Northern Territory are based on industry-run arrangements. This bill proposes a government-run scheme—a government-run scheme that would be a different mechanism over and above the two existing arrangements. Locally, this only leads to increased regulatory complexity as well as cost to industry and the community. I am unsure why the Greens consider it is a good thing to increase legislation in this space when we have a system that works. It is run in South Australia and the Northern Territory.

Federal Labor is committed to reducing the amount of packaging, waste and litter in our society. This includes increasing recycling facilities and schemes for beverage containers. We want to continue to work on this with state and territory governments through the COAG process to expand the schemes to all states and territories. We are not in favour of a national government-run scheme. What we are doing at the moment is to work through the COAG regulation impact statement process. This process is across the broad issues encompassing packaging waste and includes container deposit schemes. This process has just reached the decision regulation impact statement stage. That means that this bill, which would be over and above state schemes, would sideline all of the good work done during the COAG process. It is appropriate that we continue the good work underway in the COAG processes, work that is seeking to expand the South Australian and Northern Territory industry-run schemes, not impose national government-run regulation of packaging waste.

According to the consultation regulatory impact statement for COAG, Australia’s packaging recycling rate has increased from 39 per cent in 2003 to 63 per cent in 2011. This was achieved through concerted industry, state and local government action and also the Australian Packaging Covenant. I repeat: this increase in recycling rates in just eight years from 39 per cent to 63 per cent is quite an achievement and it has again, as I have said, been achieved through cooperation by industry, state and local governments with the Australian Packaging Covenant.

This matter has been progressed by government and industry working together. It seems illogical for the federal government to now impose a regulation that is different to that which has been cooperatively progressed. I understand that the Australian Packaging Covenant represents a commitment by governments and industry to the sustainable design, use and recovery of packaging. It is a voluntary component of this cooperative, co-regulatory model which has been designed to reduce the environmental impacts of consumer packaging. The covenant encourages improvements in packaging design, higher recycling rates and better stewardship of packaging. Product stewardship imposes an obligation on all those who benefit from production of consumer packaging to assume
a share of responsibility for a product over its life cycle.

There are currently over 800 signatories to the covenant, representing a significant proportion of industry in Australia. Participation in the covenant is voluntary, but brand owners with a turnover of over $5 million per annum who choose not to become signatories or who fail to comply with the covenant requirements are regulated under the National Environmental Protection (Used Packaging Materials) Measure. Each state implements the National Environment Protection Measure through its own regulations.

This covenant mechanism has, in part, seen Australia's packaging recycling rate increased from 39 per cent in 2003 to 63 per cent in 2011. Most Australians have access to broad municipal kerbside recycling services which have assisted Australians with household recycling activities. In 2009, over 91 per cent of Australian households used municipal kerbside recycling to recycle waste, an increase from 87 per cent in 2006. In 2009, almost all Australian households reported that they recycled waste and almost 90 per cent reported that they reused waste. This is a significant increase over the mid-1990s levels.

Labor has a proud record of environmental protection. Long before environmentalism became the movement that it is today, resplendent with a political party in this place, it was Labor that not only talked green but acted green—acting to protect the environment. It was a Labor premier of New South Wales who founded the Kosciusko National Park in 1944. It was a Labor government that intervened in 1983 to protect the Franklin River and surrounds. Prime Minister Hawke pushed for the enacting of the World Heritage Properties Conservation Act, which today sees some of Australia's most iconic sites protected.

It took a Labor government to lead world efforts to preserve Antarctica as a natural reserve devoted to peace and science. In 1988, Prime Minister Hawke was told it was a lost cause to push for a mining ban. Thanks to his perseverance and determination, over two decades later Antarctica remains free from mining. It was also the Hawke Labor government which preserved Kakadu National Park by standing up to stop mining at Coronation Hill in 1991. At the time, a section of the mining industry said the decision would 'make or break the development of Australia's resources'. Twenty years later we know Labor made the right decision in the national interest. It is Labor that World Heritage listed the wet tropics of Queensland, the Daintree rainforest, and Labor that created the Great Barrier Reef Marine Park and the authority to manage it.

This current Labor government has provided $200 million, the largest single commitment ever made, to address the threats of climate change and declining water quality to the Great Barrier Reef. Of course, it was a Labor government, the Keating government, which in 1992 signed and ratified the United Nations Framework Convention on Climate Change. We all know it took this Labor government to ratify the Kyoto protocol in 2007.

And let us not forget that state Labor around the country has a proud record too. New South Wales Labor brought together the resources and expertise of small agencies to create the Department of Environment and Conservation. They created financial incentives for pollution reduction by introducing load based licensing for air and water pollutants and enacted New South Wale's first contaminated land remediation
laws. Queensland Labor enacted laws in 2004 to phase out land clearing, and by January 2007 most clearing had been banned.

Tasmanian Labor, working with federal Labor, is working through the details to protect further high-conservation-value forests. Tasmanian Labor introduced the Climate Change (State Action) Act 2008 to provide for a legislated emissions reduction target to reduce emissions to at least 60 per cent below 1990 levels by 2050. Labor in Victoria committed the state to a 20 per cent emissions reduction target by 2020. ACT Labor has set a target of 40 per cent by 2020.

And let us not forget the Clean Energy Future package that federal Labor negotiated through this parliament, demonstrating our commitment to striking the balance between economic growth and environmental protection and putting a price on carbon that will cut Australia's emissions by five per cent by 2020. And by 2050 we will have cut our emissions by 80 per cent.

Acting to protect our environment and preserve our nation for generations to come is not new to Labor; we have been doing it proudly for years. I note a recent campaign launched by the Australian Workers Union in Tasmania around preserving both the mining industry and the natural environment. This is a campaign where mining industry employees are seeking community support to continue their trade in just one per cent of the region. The workers and their unions are saying that they have done both for over 100 years. They want to continue to do both for the next 100. Mining is a critical part of the region's economy, and with several major projects currently planned, mining will continue to play a central role in the northwest's future prosperity. Labor has a proud record of environmental protection. We continue to work hard to strike the balance.

This bill does not strike the right balance. It does not respect the national cooperative work that has been done across the whole packaging waste and litter issue. It is a heavy-handed, national approach that seeks to undo the good work done at the COAG table, good work that has been seeking to involve industry and all levels of government to find a good outcome.

In December last year at the COAG table, environment ministers released the consultation regulation impact statement. This was an important step in better managing packaging waste and litter nationally. On 24 August this year, environment ministers met to consider outcomes of the consultation process and to make a decision on next steps in addressing the ongoing problems of packaging waste and litter. Ministers committed to progress to a decision regulation impact statement, and noted the strong response at the consultation regulation impact statement stage. This is the proper process for considering national regulation of packaging waste. It is the process agreed upon by COAG for any national regulatory reform. It is therefore important today that, while we may support the merits of this bill, we look to the COAG approach as a way forward—an approach that is seeking to build on current state based schemes and not to reinvent the wheel.

A regulation impact statement examines the likely impacts of a proposed regulation. It proposes a range of alternative options that could meet the government's policy objectives. It is an important means of providing evidence of what the problem that we are attempting to solve is and formalising the problem so that costs and benefits of each option can be assessed. This bill pre-empts the appropriate and transparent consideration of the costs and benefits of national approaches to packaging waste and litter which are currently underway.
Once the regulation impact statement process has concluded, COAG's Standing Council on Environment and Water will be in a better position to assess the merits of a range of national approaches to addressing packaging waste and litter, including a national container deposit scheme.

The Australian government and all state and territory governments made a commitment at the beginning of this process. This commitment was that the regulation impact statement process would be open and consultative, and allow for a balanced assessment of all options—including a national container deposit scheme. Consistent with the commitment to having an open and transparent process, stakeholders have been involved throughout—including through two workshops. The first workshop was used to gain the stakeholders' views on the range of problems. At the second, stakeholders sought to identify options which will target and address these problems.

At their recent meeting in August, ministers made a commitment that the process would continue to be transparent and consultative. As mentioned earlier, the consultation regulation impact statement was released on 7 December last year for an extended four-month public consultation. As part of the consultation process, a series of public forums were held. They commenced in Brisbane on 13 February this year and ran through to 7 March in capital cities, as well as the three regional centres of Bunbury, Townsville and Albury. These forums provided an opportunity for people to discuss the consultation regulation impact statement in further detail, to ask questions in relation to its findings and assumptions and, importantly, to give their views on the options that were proposed.

The consultation regulation impact statement was just that: a consultation document. It did not endorse one particular option over another, but aimed at stimulating further discussion on how to address this important issue. The subject has attracted a great deal of interest. Hundreds of submissions from industry, environment groups, the community and local government showed strong support for further action to address the impacts of packaging waste and litter. The community is getting behind this reform. We must follow the process that is seeking comprehensive change to management of packaging waste and litter. Yes, a container deposit scheme could play a good part in this.

We are moving through the process. I remind the Senate that ministers carefully considered the submissions received during the consultation process. The environment ministers committed to pushing ahead with a decision regulation impact statement to provide a more detailed analysis of the potential impacts of the options. Regulatory change can only take place once this decision regulation impact statement has been conducted, so this represents a significant step forward in this process. This is the appropriate process for considering national regulation of packaging waste and litter—national regulation that builds upon the good work done in South Australia and more recently in the Northern Territory and that builds upon the work done by all environment ministers and by industry.

Seven options were assessed in the consultation regulation impact statement in terms of their costs and benefits for packaging waste and litter. Two key stakeholders, the Boomerang Alliance and the beverage industry, proposed specific options to reduce packaging waste for the regulation impact statement to assess. At their August meeting ministers agreed that,
in addition to the options considered in the consultation regulation impact statement, three further options will be included in the decision regulation impact statement. The first additional option is an industry co-regulatory stewardship scheme that will focus on beverage containers only. The second additional option is an approach similar to the Australian Packaging Covenant, with a substantial increase in funding from industry for packaging recycling and litter initiatives. The third additional option is a container deposit model based on the South Australian system.

In accordance with ministers' commitment to a transparent and open process, they have agreed to undertake targeted consultation with key stakeholders on the design of additional options. The decision regulation impact statement will undertake a more detailed analysis, including regional and other distributional impacts of options. I have just articulated that we have three additional options on the table. These are going through the regulation impact statement channels. These are seeking to build on the existing work done over many years to limit packaging waste and litter.

The Australian government has consistently displayed its commitment to sustainability and responsible environmental management. This has been most recently seen in the enactment of the Product Stewardship Act 2011. This act, which passed the Australian parliament last year, provides the basis for a more efficient and environmentally responsible approach to waste management in Australia. Product stewardship means that everyone involved in the production, supply and use of the products we consume shares responsibility for those products from the point of design and manufacture through to disposal. The framework product stewardship legislation allows for national product stewardship schemes for specified classes of products to be established by regulation.

Regulations under the Product Stewardship Act established the National Television and Computer Recycling Scheme, which commenced on 8 November 2011. Three organisations have been approved to deliver e-waste collection and recycling services under this scheme. Canberra was the first to start this free e-waste recycling service in April 2012. This is the start of a nationwide rollout, boosting television and computer recycling rates to 30 per cent in 2012-13 and 80 per cent by 2021-22, to provide a long-term solution to television and computer waste. Televisions and computers contain valuable non-renewable resources, including gold and other precious metals, as well as hazardous materials including lead, bromine, mercury and zinc. By recycling them we can recover useful materials and at the same time reduce health and environmental risks. The National Television and Computer Recycling Scheme is funded and implemented by the television and computer industry and regulated by the Australian government under the Product Stewardship Act.

Again, I have articulated that Labor is committed to reducing both packaging waste and litter, as well as boosting recycling of a whole range of products. Labor is committed to striking a balance. Labor is committed to following established processes and working with stakeholders, including industry and other levels of government. The intent of this bill has merit. No-one in this place will dispute that. But what we need is to continue working through the current channels. We need to get the facts on the table through the regulation impact statement, because Labor is committed to continuing its proud record of getting the balance right between protecting the environment and promoting economic growth. It is why we are pricing
carbon, it is why we are creating the biggest marine national park in the world and it is why we are progressing this important waste management reform through the appropriate channels: the COAG process.

The Greens want to throw out the schemes operating in the Northern Territory and implement a national scheme over and above these schemes instead of trying to get an outcome that is fitting with the South Australian scheme that has been running for 35 years. This bill proposes a government-run scheme that would be a different mechanism over and above the two existing arrangements. Logically, this only leads to increased regulatory complexity as well as costs to industry and the community. Federal Labor is committed to reducing the amount of packaging waste and litter in our society. This includes increasing recycling facilities and schemes for beverage containers. We want to continue to work on this with state and territory governments through the COAG process, to expand the schemes to all state and territories.

Senator IAN MACDONALD (Queensland) (09:57): This is a debate on the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010, introduced by the Greens political party. It relates to recycling and deposit schemes that have been in force in South Australia for some time. Because it is a debate, I want to take issue with some of the contributions made by the previous two speakers. Can I say in relation to the last speaker that about the only thing that I agree with her and her party on is that we will not be supporting the bill before the chamber today, for the same reasons as the Labor Party has indicated. I will come back to that later.

I could not contain my mirth when I heard the previous speaker rewrite history yet again in telling us what a great environmental party the Australian Labor Party was. Those who have observed politics and governance for a long time, as I have, clearly understand that Labor's only interest in the environment is the second preference votes they can get from the Greens political party when dealing with the issues of the environment. I still remember then Senator Graham Richardson, the environment minister, up in my neck of North Queensland, in the wet tropics, speaking to a crowd who were about to lynch him because he was destroying their jobs—another Labor government destroying the jobs of workers. He was saying, 'We're here to save these pristine rainforests.' The only problem was these 'pristine rainforests' had been logged for 110 years previously. Yet Senator Richardson was saying they were pristine. Why was he saying that? Because Richo, as we all know, master tactician of the ballot box, knew that they were coming to an election in which they desperately needed the support of the fledgling Greens political party.

Richo did not worry about the workers' jobs. Where was the AWU when you needed them? Where was the CFMEU when you needed them? The workers' jobs just went like that, and none of the great unionists raised a whimper in support of the jobs. It was the same with the Tasmanian forest industry eventually, though I have to say the F part of the CFMEU back in the 2004 days did actually join with the Liberal government to protect workers' jobs. I am always very proud of the F part of the CFMEU for the work they did in 2004 to protect the jobs of workers in Tasmania. Regrettably, the Labor Party have been less than forceful since.

Senator Feeney: Michael O'Connor is now the national secretary.
Senator IAN MACDONALD: He was excellent. I had a lot of dealings with him. He was genuinely interested in workers' jobs, unlike the present head of the AWU, who says, 'If one job goes from the carbon tax, I'm out of here.' Just yesterday we had 900 jobs in the mining industry up my way. Mr Howes is still there. You could give a litany of jobs that have gone because of the carbon tax. The only jobs that haven't gone are Mr Howes's and those of his colleagues in the chamber.

The previous speaker rewrote history by saying that the Labor Party was so interested in the environment. The Labor Party's interest in the environment is always invoked. The previous speaker went through a list of things that were so-called achievements of the Labor Party. The Labor Party talks a lot about the environment but never does much. Let me give some facts on which party actually works and acts for the benefit of the environment in Australia. Which party was it that prohibited sand mining on Fraser Island, a very substantial step and one of the first environmental battles that the Liberal Party took up on behalf of the nation? Which party was it that actually banned whaling in Australian waters? It was the Liberal Party.

Which party was it that, contrary to the previous speaker, actually introduced the declaration of the Great Barrier Reef Marine Park? It was the Liberal-National party in conjunction with the Liberal National Party in Queensland. Which party was it that proclaimed Kakadu, Uluru, Christmas Island and the Coral Sea national parks? Which party was it that had five properties placed on the World Heritage List, including the Great Barrier Reef, Kakadu, the Willandra Lakes, Lord Howe Island and South-west Tasmania and, in the Howard government, the Heard and McDonald Islands in the Antarctic? Which party was it that took through the passage of the Antarctic Treaty (Environment and Protection) Act 1980 and the Antarctic Marine Living Resources Conservation Act 1981? Which party was it that regulated the uranium industry in the Northern Territory? Which party was it that enacted major pieces of legislation to control pollution, especially for the protection of the high seas? Which party was it that legislated for the introduction of unleaded petrol as a pollution control measure? Which party introduced the bicentennial waters program, the National Soil Conservation Program, the national tree program? Which party introduced the Natural Heritage Trust and the Green Corps, two practical, on-the-ground activities that actually did something for the environment that we live in? Which party had Australia's first minister for the environment? Again, the answer to all of those questions is the Liberal Party in conjunction with the coalition colleagues in the National Party, when you want real action, not vote-winning action, not action that allows you to strut round the stage and say that, by reducing Australia's 1.4 per cent of world emissions of carbon, we are going to save the world, and look at us, aren't we great—that is so typical of the Labor Party. Up there when the cameras are flashing the rhetoric is always pretty good, but the actual work on the environment is always very limited. I regret to say that, with one or two exceptions, the Greens political party is now no longer a party of the environment but a party of very left wing social, economic and political views. I am a proud member of the Liberal Party, a party that has a record of achievement on the environment.

I also want to make reference to Senator Waters's comment about waste generation in Australia. It reminded me that I was in Rockhampton the other week. The Rockhampton Regional Council, a medium-large regional council in my state of
Queensland, have set aside $3 million for the carbon tax on their landfill operation. That equates to $68 per rate notice issued in the Rockhampton Regional Council area. You wonder why costs of living are going up. That story is repeated right around Australia. If actions such as the tax on ordinary Australians for landfills were going to make a difference, you could grin and bear it. But everybody knows that what Australia is doing is in fact increasing its emissions by 2020. So it is not going to make one iota of difference to the world’s climate. I am one of those people who always acknowledges that the climate is changing, that it has been changing for millions of years and that it will continue to change. But the cost to Australia from this stupid carbon tax, this toxic carbon tax, is just horrendous, and that is why the first action of the Abbott government will be to remove it.

In debating this issue with other speakers, I have not yet come to the Environment Protection (Beverage Container Deposit Recovery Scheme) Bill 2010, except to say that, in this instance, we will be supporting the Labor Party in opposing the bill. Why? Because the environment ministers, as the COAG Standing Council on Environment and Water, at a meeting as recently as 24 August 2012 agreed to move forward and develop a decision regulation impact statement to undertake a more detailed analysis, including regional and other distributional impacts. The meeting on 24 August followed consultation by the standing committee in their December 2011 Packaging Impacts Consultation Regulation Impact Statement.

I think, as other speakers have mentioned, all Australians are concerned about littering and about recycling where that is appropriate. The South Australian government introduced its scheme for recycling of containers in that state back in 1977, and the world has certainly moved on since then. I live in a not so small rural area. It is a shire of about 20,000 people, and the town of Ayr, where I live, has about 10,000 people. For several years now, even our shire has had a waste recycling bin. We have a general rubbish bin, and recently we have achieved a green waste bin. So, right across Australia, Australians, supported by their local governments, have been involved in the recycling of waste products.

I am very pleased that our council, the Burdekin Shire Council, on which I once had the privilege of serving for 11 years, has been at the forefront in the use of not just the ordinary, if I might call it that, recycling bin but the green waste recycling bin as well in recent times. I could not quite understand Senator Waters, but certainly in the case of the Burdekin shire—and I am sure this applies elsewhere—those general recycling bins take beverage containers, paper and cardboard. They have indeed contributed substantially to recycling in our area, but I know the same thing is happening right around Australia. They have certainly assisted in reducing the amount of roadside waste and rubbish of beverage containers, which was, we all might recall, the initial thought behind the South Australian legislation way back in 1977. I congratulate local government right across Australia on the very good job it has done in promoting and developing those kerbside recycling initiatives, which have in many ways reduced the recycling benefit of initiatives such as the container deposit legislation.

There is still a way to go in relation to workplace waste as opposed to ordinary household waste, but that is the sort of thing that the government or the ministerial council is progressing. I am a bit critical of the federal government for failing to progress those ministerial forum discussions as quickly as we might have hoped, but I
think they are on the way now and we look forward to a good outcome from that particular forum. The difficulty is, as we all know—and this is not so much the case with South Australia, which, in a geographic sense, is a little bit insular—that with a place like Queensland with its close borders to New South Wales and a place like New South Wales with its close borders to the ACT, Queensland and Victoria, you have to have in place a national protocol where all states agree.

As with all regulation, it does come at a cost. We should not overlook the fact that these recycling schemes do come at a cost, which is passed through to the consumers in due course. The ministerial council did commission some research in May 2009, and this research was looked at by the Senate committee that reported on this bill some time ago. That report, prepared by consultants BDA Group and Wright Corporate Strategy, had attempted to quantify the cost of the benefits of introducing a scheme of the nature proposed by the Greens political party. In its quantification of those costs and benefits, it reported a total national annual net economic cost to government and the broader community, which took into account all of the compliance and administrative costs mentioned previously in this debate. The BDA report estimated that those costs would be around $492 million per annum in net terms. Overall it sees an economic cost of $763 million versus an economic benefit of $294 million—giving you that $492 million per annum net cost. Those costs do have to be taken into account, particularly in this time in the nation's economic cycle where things like the carbon tax are increasing costs and reducing employment opportunities and the mining tax substantially reducing employment opportunities. I understand the real figure of people unemployed or underemployed in Australia and looking for work or more work at the present time is in the order of 17.3 per cent. So it is a difficult time for our country, made worse by the additional costs that this government continues to pile upon ordinary citizens day after day. So we do have to bear in mind the costs.

The coalition, along with all of our other significant environmental initiatives, are very keen to see good recycling programs—programs that actually work; programs that do not add to the cost of living of ordinary Australians. We are keen to see the COAG meeting between the state environment ministers come up with its conclusions and we await the recommendations from the DRIS. For that reason, the coalition will not be supporting this bill.

Senator WRIGHT (South Australia) (10:16): I rise to speak on the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010. Australians use 12 billion beverage containers every year. This bill, introduced by my Greens colleague Senator Scott Ludlam, introduces a scheme for the environmentally sustainable management and reuse of those containers to apply throughout Australia. This is a major and long overdue reform. Only half of those 12 billion beverage containers are currently recycled. Too many of them end up as litter or in landfill.

The Australian Greens have long been a strong advocate for this approach. Recycling is important because it alleviates the need to use our precious natural resources when producing materials from scratch. It reduces the amount of energy and water used in product development, it decreases air emissions created by the processing of new containers and it lowers the cost of waste collection and sorting.
As I have said in this place before, 200 years of increasingly intensive industrialisation, fuelled by the burning of fossil fuels and coupled with an exponential increase in the earth's population, has led to the situation that is before us. It is one that we must grasp in this decade of the 21st century. Our environment is at risk. We are facing serious consequences from increasing greenhouse gases in the atmosphere, especially carbon dioxide and methane. For the sake of our future and our kids and our grandkids we must use every means to reduce our impact on our planet. This container deposit legislation scheme is a critical step.

I am proud to say that my state of South Australia has had a container deposit legislation scheme in place since the 1970s. South Australia provides a case in point as to the benefits and successes of these schemes. Our container deposit scheme works in conjunction with kerbside schemes. In South Australia the beverage companies own their unredeemed deposits. South Australia has achieved a recovery rate of over 80 per cent of containers, with 1.5 tonnes per person recycled each year. The South Australian statutory authority Zero Waste SA was established in 2003 and since then the total amount of waste disposed to landfill has decreased by over 15 per cent to 2008, despite population growth.

According to the National Waste Report 2010, waste generation in South Australia for 2006-07 was 2,090 kilograms per person, which is 0.5 per cent above the national average generation of 2,080 kilograms per person. In 2010-11, approximately 47,000 tonnes or 593 million beverage containers were returned for refund, a rate of 80.4 per cent. South Australian councils have benefited from the scheme, with some reporting incomes of up to $90,000 per year. As well, kerbside recycling is more economically viable, as reduced volumes require fewer collection services and sorting operations and reduce landfill and associated levy costs.

Community organisations have also benefited. Those that operate collection depots use the income to fund their numerous activities, such as the Scouts, who earn approximately $9 million a year from recycling containers. As the founder of Keep Australia Beautiful, Ian Kiernan, has said: What happens (in South Australia) is that instead of seeing a bit of rubbish beside the road or the beach, you see a bit of money—and (the rubbish) is gone.

In addition to South Australia's container deposit legislation, Zero Waste SA promotes recycling and minimisation of waste at home, work and in industry. We have legislation to reduce the use of checkout style plastic bags used in supermarkets.

South Australia's recycling and waste management achievements have been recognised by UN-HABITAT in its 2010 international report Solid Waste Management in the World's Cities. This report considered 22 cities across the world and highlighted that: Adelaide's and South Australia's waste resources management system is in some respects global best practice. South Australia has demonstrated a high level of political commitment and willingness to 'stick its neck out' and implement some policies and legislation upon which other administrations take a more conservative position.

The South Australian community overwhelmingly supports our container deposit scheme, with 92 per cent in favour.

I am proud to share these positive achievements of my state and, as a federal parliamentarian, I want to see good ideas from South Australia going national. It is time for the national container deposit scheme outlined in this Australian Greens bill, and I commend it to the Senate.
Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (10:21): I rise to speak on the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2012, introduced by Senator Ludlam. As you have heard from the government speakers, we will be opposing this legislation. Opposition to this bill does not mean that I rise to speak against the environment. It does not mean I rise to speak against recycling. In fact, I support both. I rise today to speak against this bill as another example of developing policies without solid foundation or thought to their implementation.

Let me tell you about the things that we do agree on. We agree that we should do more to manage packaging waste. We agree that recycling is important. The difference is Labor make responsible choices when developing policies. A container deposit scheme has been in place, as we have heard in this chamber today, in South Australia since 1977 and in the Northern Territory since January this year. However, what is proposed by Senator Ludlam's bill is different to those schemes. The schemes in South Australia and the Northern Territory are based on industry run arrangements, whereas this bill proposes a government run scheme. Because of this key difference, this bill would introduce a different mechanism over the top of these two existing arrangements, increasing regulation and potential cost to industry and the community. More regulatory complexity and cost to industry and cost to the community to recycle bottles and cans is irresponsible and not what Australians want.

Labor believe in looking after the environment. We understand that looking after our beautiful and unique country is one of the best ways to ensure a prosperous future. We want to deal with this issue in a responsible and measured way, a way in which we all benefit—the community, the industry and the environment. The Australian government, as well as state and territory governments, are committed to reducing the amount of packaging waste and litter in our society, including beverage containers. To suggest anything else is simply ridiculous.

In 2010 Commonwealth, state and territory environment ministers agreed to examine and release to industry interest groups and the community for consultation options for the better management of packaging waste. As part of this process a consultation regulation impact study was developed. This report examined options for dealing with packaging waste, including container deposit legislation. In December 2012 the consultation regulation impact statement was released by environment ministers. This was a significant step in better managing all of the packaging waste and litter nationally. Hundreds of submissions were received from industry, environment groups, the community and local government in response to the consultation RIS. This shows strong support by Australians for further action to address the impacts of packaging waste and litter.

The environment ministers have carefully considered the submissions received during the consultation process and will develop a decision regulatory impact statement to provide a more detailed analysis of the potential impacts of the options. When we consider any policy change, we must consider what possible consequences this change may have. Regulatory change can only take place once a decision RIS has been conducted, so this represents a significant step forward in this process. This is the appropriate process for considering national regulation of packaging waste because it is the process agreed upon by COAG for any national regulatory reform. We have these
processes so that we can make the best decisions possible when we have fully reviewed the evidence.

The RIS examines the likely impacts of proposed regulations and a range of alternative options that could meet the government's policy objectives. It is the responsible and considered way of making changes. Once the RIS process has concluded, the COAG Standing Council on Environment and Water will be in a better position to assess the merits of a range of national approaches to addressing packaging waste and litter, including a national container deposit scheme. It is an important means of providing evidence of what the problem is and what we are attempting to solve. It allows for the formalising of the costs and benefits of each option so that they can be assessed. Labor is committed to weighing the costs and the benefits of the national regulation reform.

It is clear that this bill is an attempt to pre-empt the appropriate and transparent considerations of the costs and benefits of a national approach to packaging waste and litter that is currently underway. Labor are taking action on the issue. We are taking action responsibly and with due diligence. The consultation regulation impact statement was released on 7 December 2011 for an extended four-month public consultation. By consulting with a wide range of stakeholders, including industry, the community, and state and local governments, Labor are showing our commitment to finding the best solution rather than just putting something up in the Senate where there has been no considered consultation. We are taking responsible action. The Australian Labor government and all state and territory governments made a commitment at the beginning of the RIS process that it would be open, that consultation would be allowed and that there would be a balanced assessment of all options, including a national container deposit scheme. We have kept that commitment.

The process has been open and transparent. Stakeholders have been involved throughout. Two workshops have been held: the first to gain views on what are a range of problems and the second to identify options which will target and address these problems. They commenced in Brisbane on 13 February this year and ran through to 7 March in capital cities as well as three regional centres: Bunbury, Townsville and Albury. In total, about 250 people attended the sessions, and each session consisted of a two-hour public forum, including presentations by PricewaterhouseCoopers on the economic analysis. These forums provided an opportunity for people to discuss the consultation RIS in further detail. They were able to ask questions in relation to its findings and, very importantly, they were able to give their views on the options proposed.

The subject has attracted a great deal of interest. Hundreds of submissions from industry, environment groups, the community and local government showed strong support for further action to address the impacts of packaging waste and litter. This shows that the Australian people, like Labor, are concerned about the impact of packaging waste and that they want a solution that will help the environment. The consultation RIS collected some fantastic statistics about the Australian people's commitment to recycling and the environment. According to the consultation RIS, Australia's packaging recycling rate increased from 39 per cent in 2003 to 63.1 per cent in 2011. Recycling in Australia is on the rise. This was achieved through concerted industry and state and local government action and through the Australian Packaging Covenant.
Most Australians have access to kerbside recycling services, which have assisted Australians with household recycling activities. Yellow-top wheelie bins are now a common sight in the average Australian suburban street. In 2009, over 91 per cent of Australian households used kerbside recycling to recycle waste, an increase from 87 per cent in 2006. In that same year, almost all Australian households, 98 per cent, reported that they recycled waste and 86 per cent reported that they re-used waste. Recycling has become a way of life in Australia and we want it to increase. According to the Australian Bureau of Statistics, as far back as 1996, 91 per cent of Australian households reported some form of waste recycling and/or re-use activity.

What we can see here is that Australians are committed to recycling and that the programs currently in place are working. Rather than just introduce a package fix into the Senate that would create all sorts of red tape and expense for the industry and for the Australian people, we are doing our homework and will come up with a solution which will be appropriate and measured. The consultation RIS, which had the opportunity to engage with Australians on the issue of recycling, was just that: a consultation document. It did not endorse one particular option over another but was aimed at stimulating further discussion on how to address this important issue.

At their August meeting a few weeks ago, the environment ministers made a commitment that the process would continue to be transparent and that they would continue to consult industry, community and government. The packaging impacts regulation impact statement is examining a range of options for managing packaging waste. Seven options were assessed in the consultation RIS in terms of their costs and benefits for packaging waste and litter. Two key stakeholders, the Boomerang Alliance and the beverage industry, proposed specific options to reduce packaging waste. The Boomerang Alliance, who support a collection deposit scheme, congratulated the RIS consultants on their effort in compiling such a range of data and detailed analysis.

At the August meeting, the environment ministers agreed that, in addition to the options considered in the consultation RIS, three further options will be included in the decision RIS. The first of these options is an industry co-regulatory stewardship scheme that will focus on beverage containers only. The second additional option is an approach similar to the Australian Packaging Covenant, with a substantial increase in funding from industry for packaging recycling and litter initiatives. The third additional option is a container deposit model based on the South Australian system.

The environment ministers have agreed to undertake targeted consultations with key stakeholders on the design of additional options, in accordance with their commitment to a transparent and open process. The decision RIS will undertake a more detailed analysis. Its focus will include the regional impacts of these options. This demonstrates the seriousness of this Labor government's commitment to finding an appropriate solution which will encourage Australians to recycle more.

That is not the only step Labor is taking to promote the protection of the environment. The Australian government has consistently shown its commitment to sustainability and responsible environmental management through legislation and action. This has been most recently seen in the enactment of the Product Stewardship Act 2011. The Product Stewardship Act passed the Australian parliament last year. It provides the basis for a more efficient and environmentally
responsible approach to waste management in Australia. It demonstrates Labor's commitment to the environment. Product stewardship means that everyone involved in the production, supply and use of the products we consume shares responsibility for those products. This extends all the way from the point of design through to the manufacturing process, right through to the end of the product's life and disposal.

Three organisations have been approved to deliver e-waste collection and recycling services under the scheme. In April 2012, right here in Canberra the first free e-waste recycling service started. This is just the beginning. It is the start of a nationwide rollout. It will boost television and computer recycling rates to 30 per cent in 2012-13 and to 80 per cent by 2021-22, providing a long-term solution to television and computer waste.

Technology is rapidly developing and, as new products are introduced, old ones are discarded, and it is very important that we can cope with this waste by recycling rather than packing it up in the boot of the car and dumping it in the landfill at the nearest tip. Televisions and computers contain valuable non-renewable resources, including gold and other precious metals, as well as hazardous materials, including lead, bromine, mercury and zinc. By recycling them, we can recover useful materials and at the same time reduce health and environmental risks. This is a win-win situation and demonstrates the positive results of recycling. The National Television and Computer Recycling Scheme is funded and implemented by the television and computer industry and regulated by the Australia government under the Product Stewardship Act.

Recycling is not the only way to protect the environment. Labor is taking this fight to many fronts. Further, the Labor government has demonstrated its commitment to the environment through its grant program Caring for our Country. Through this project, the Labor government will fund 66 new projects across the nation at a cost of $12.5 million. These projects will protect Australia's natural environment. They will safeguard our iconic natural places and protect our unique species. These projects demonstrate a responsible commitment to the environment. They are funded under the 2012-13 Caring for our Country business plan. They represent value for money and are located all across Australia. These Caring for our Country projects include funding natural resource management areas in Western Australia to regions on the eastern seaboard. Projects addressing Indigenous engagement and Northern and remote Australia are also well represented. Safeguarding our iconic natural places is essential in our continent-wide strategy for environmental protection. Caring for our Country not only protects our environment but also protects and enhances the social and economic values of our iconic regions.

Australia is one of the most biodiverse places on the planet and we have a responsibility to protect it for ourselves and for the citizens of the world now and into the future. We all know that habitat degradation, the spread of invasive pest plants and animals, the effects of climate change and human activity pose significant threats to our environment. The Labor government are acting to address this. Through the introduction of our carbon price mechanism we have shown that this government have a clear plan to cut pollution, tackle climate change and deliver the economic reform Australia needs to move to a clean energy future. We have put a price on pollution—the carbon price. It is a cheap and fair way to cut pollution. It will build a clean future for Australia and a clean energy economy. We
are leading the world in this form of environmental protection. This scheme is the best way to stop businesses polluting as it gives businesses an incentive to invest in clean energy. Charging industries when they pollute is the surest way to change this behaviour and make Australia a cleaner place. We are reinvesting this money to assist families and households.

Labor has not shied away from making the tough decisions when it comes to protecting the environment. We understand that we must do this to ensure the health of our great land and for our economic future. These decisions are not easy. They take thousands of hours of intensive policy research and development. They are complex. We understand this. This bill is yet another clear demonstration of the failure to understand this process. It is not well thought through. It has not taken into account the economic consequences of trying to push a bill through this place without due diligence. On the other hand, we want to do what is right for the Australian people, for industries who employ many thousands of Australians and for the environment. We do not think that this is mutually exclusive. We believe that there is a solution that will be of benefit to all of these groups, and we are working with state and territory governments to find it.

I ask those listening or reading the Hansard to not be misled: The vote that we will cast in this place today opposing this bill is not a reflection of our views on recycling or on the environment, as the Greens will no doubt try to claim. The vote we are casting today is in favour of good process, sound policy and doing the right, the fair, the open and the honest thing by industry, by the environment and, most importantly, by the Australian people.

We live in a very special country and we have a unique responsibility to protect it. The Labor Party take this responsibility very, very seriously. Do not for one moment think otherwise. So today I rise not to oppose the environment; nor do I rise to oppose recycling. I rise to oppose a bill which does not propose an adequate solution to the management of packaged waste. This bill is pre-empting the results of a long period of consultation that is being undertaken. It is not a bill that will provide the solutions we need or the careful consideration that the Australian people and the environment deserve.

Senator THISTLETHWAITE (New South Wales) (10:41): I rise to make a very brief contribution to this debate on the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010—and I thank Senator Xenophon for allowing me to do so prior to his contribution. The government is opposed to this bill for a number of reasons. I am opposed for the reasons that have been outlined by Senator Brown quite eloquently relating to the process of consultation that is underway between the federal government and the states concerning measures to improve recycling rates and look at schemes to promote recycling in our country.

Traditionally, beverage container deposit schemes have been operated on a state basis and reflect state environmental laws. The two that are operating in South Australia and in the Northern Territory are industry-run schemes on a cooperative basis. That is the approach that I believe is necessary for a successful scheme to be developed nationally, and that is the process that the federal government has entered into through COAG in cooperation with the states. The three largest states in the Commonwealth are involved in that and are essential to the successful development of any container
deposit scheme operating on a national basis. I oppose this bill on the basis that there is a great risk that this bill would undermine that process going on at a national level.

I am also opposed to this bill because I believe it raises constitutional issues in the method by which it has been introduced into the parliament. The bill at clause 13 provides that a producer or importer must pay the levy within 14 days after the end of the month in which the beverage container was sold to a wholesaler, retailer or individual, or to a producer or distributor of beverages in beverage containers. There is, I believe, an issue of constitutional validity in that it may be construed that the bill imposes taxation. The relevant High Court authority on this issue is the case of Australian Tape Manufacturers Association Ltd and the Commonwealth—a decision of the High Court of Australia of 1993—where the majority of the court, Chief Justice Mason and Justices Brennan, Deane and Gaudron, found that that:

… the collecting body of a fee does not have to be a public body for the fee to be regarded as a tax. Therefore a levy collected by a private body dictated by a statute for public purposes gives the private body a public character.

And therefore raises a question mark over the validity of the levy.

The Commonwealth can, of course, apply a bill for taxation but, as we well know, section 53 of the Commonwealth Constitution says:

Proposed laws appropriating revenue or moneys, or imposing taxation, shall not originate in the Senate—

which this bill proposes to do. Therefore I believe it raises an issue of constitutional validity, and certainly a question mark over the bill, and it is something that would no doubt be considered were the Senate to pass this legislation. That is another reason that I am opposed to the bill. But, on the whole, again I raise the issue of the process of consultation that is being undertaken at the moment with the states and the very great risk that the passage of this bill would undermine that cooperative process.

Senator XENOPHON (South Australia) (10:46): I will address Senator Thistlethwaite's considered contribution in relation to the constitutionality of this. I do not necessarily accept the point that is being made by Senator Thistlethwaite but I think that, even if that did have validity, the government could still indicate whether it supports the intent of this bill and supports a national container deposit scheme. So I think that is a separate issue. Let us not used that not use that as an excuse not to do something—and I am not suggesting that the good Senator was doing that. We need to make a decision in this place on this question: is this a piece of policy that we support or not? I believe this bill, the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010, is a piece of legislation that we ought to support.

The benefits of container deposit schemes are impressive, and the facts and figures suggest that they actually work. The South Australian scheme, which has been operating for over 30 years, achieves a recycling rate of more than 80 per cent—which is nearly double that of the rest of the country. When the scheme was originally introduced, the Australian Food and Grocery Council decried it as a 'tax on drinks'. Today, more than 98 per cent of the South Australian community supports it. I should say parenthetically of the Australian Food and Grocery Council that they are the same mob that have been fighting tooth and nail any sensible reforms as to country of origin food labelling laws, which the overwhelming majority of Australians support. There are
some issues on which I am very happy to work with the Australian Food and Grocery Council in terms of private labels and the dominance of Coles and Woolworths, but when it comes to these issues, which I think are very much in the community and public interest, they are on the wrong side of history.

There has been 98 per cent support in South Australia for the container deposit scheme. I am sure governments around the world dream of the day when a new tax is supported by 98 per cent of its constituents. While it is early days for the Northern Territory, the container deposit scheme there has already increased recycling rates by more than 100 per cent. And that is not just beverage containers; it is recycling overall.

The evidence is mounting up that container deposits are a valuable piece of environmental policy—and cost effective at that. A national container deposit scheme would make a significant difference. Despite our best efforts to lift our recycling rates, our consumption continues to grow and we now landfill more than 21 million tonnes of waste every year. According to the Boomerang Alliance, a group of environmental organisations which has been studying container deposit schemes across the world for more than 10 years, a national deposit scheme would reduce the amount of rubbish in our parks, beaches and roadsides by as much as 15 per cent. Mr Acting Deputy President Bishop, I do not know whether you have ever done the trip across the Nullarbor into South Australia, but I know that those who travel across the border into Victoria, for instance, actually notice a difference in terms of roadside rubbish. I believe that is principally because of our container deposit scheme. You actually see a difference while on the roads in terms of the amount of rubbish that is left by the roadside.

A national container deposit scheme would increase Australia's recycling by more than 600,000 tonnes each year. That is more than 600,000 tonnes of rubbish not going into landfill. It would also reduce greenhouse gas emissions by more than 1.3 million tonnes every year, the equivalent of taking 140,000 cars off the road in terms of air quality improvement. That is a much more efficient way of doing things than the aborted cash for clunkers scheme. It would also create jobs—about 4,000—mostly in rural and regional Australia, according to the Boomerang Alliance, and I think that has been robustly looked at by them.

But there is a possible downside that is completely avoidable with appropriate safeguards. Research conducted by the Boomerang Alliance and released publicly in August indicates that Coca-Cola, Lion Nathan and Schweppes could be charging prices that are not reflective of the cost of the container deposit schemes in South Australia and the Northern Territory. The container deposit schemes in South Australia and the Northern Territory see customers refunded 10c per eligible can or bottle when they are recycled. The majority of beverage companies do the right thing by only passing on the net cost of about 10c to customers. Unfortunately, there are a few who may not. For example, as published in the Boomerang Alliance's report, catalogues for Coles supermarkets for the month of July of this year showed price differences between states for the same products. Three bottles of Coca-Cola brand soft drink varieties were advertised for $7 in Sydney and Perth, where there are no container deposit schemes. In Adelaide and Darwin, where schemes are in place, the same three bottles were advertised for $8. I quote from the report:

Coca Cola Amatil brands like Coke, Coke Zero, Diet Coke, Sprite, Lift, Mt Franklin and Mother Energy drinks prices in Adelaide and
Darwin are on average 22 cents more than those in other major cities …

On average, as the Boomerang Alliance found, Schweppes brands were 16.5c more. This is not a price difference reflected across the board on beverages between states. According to the Boomerang Alliance, other drinks averaged just 1.4c more per item in Adelaide and Darwin compared with other major cities. While a few extra cents or so per bottle may not seem an amount worth worrying about, let me put it in these terms: every year it equates to an extra $31.9 million that customers are paying for these products in South Australia and the Northern Territory. According to the Boomerang Alliance these are avoidable costs. That is why I have done some work on this with the Boomerang Alliance. In August of this year, I wrote to Mr Rod Sims, Chairman of the Australian Competition and Consumer Commission, and pointed this out and made a formal complaint in regard to these issues. I hope that the ACCC will find it within its remit to thoroughly investigate this issue to determine whether there is any profiteering, because the Australian Food and Grocery Council assert in their media release of 25 June 2012 that price rises have been as a result of the container deposit scheme. That seems to be something worth investigation by the ACCC. If price gouging is going on, if consumers are being charged more, then that should be looked at—in the same way that the ACCC quite rightly should pick up on and prosecute and enforce the law against any companies making false assertions in relation to the impact of a carbon tax. If people are price gouging as a result of the carbon tax, they ought to be prosecuted. Similarly, if they are price gouging or purporting that there will be unfair impacts on consumers because of the container deposit scheme, that should be looked at.

Within a free market, I am comfortable with companies passing on the net cost of the container deposit scheme to customers, but this seems to go much further. The evidence suggests that companies are manipulating their prices and ignoring the value of unredeemed and scrap sales which offset most of their cost. That is why I wrote to the ACCC asking them to investigate the pricing practices of Coca-Cola, Schweppes and Lion Nathan, particularly given the ACCC’s recent crackdown on profiteering as a result of the carbon tax. I have also called on the South Australian government to investigate the beverage companies and their pricing in relation to the container deposit scheme. But, most of all, I am calling on Coca-Cola, Lion Nathan and Schweppes to stop any practice which could be seen as price gouging from consumers. If this is how customers are being treated then that is something that ought to stop.

Container deposit schemes are a public good. They increase recycling rates and reduce landfill. They are supported by communities and, at least in my home state, they give kids the chance to earn some extra pocket money. If these schemes are being rorted to increase profits, that goes against their underlying premise, and a little bit in return can stimulate a lot of public good. I strongly encourage the government to request that the ACCC monitor this scheme should the legislation pass. But, in any event, it ought to. It has been a successful scheme for over 30 years in South Australia and the time has come for its national adoption. We cannot allow companies to take advantage of community and political goodwill. It has received 98 per cent support in my home state. This is a very modest cost impost on consumers, which will lead to a lot of public good and that is why I support this bill.

Senator WHISH-WILSON (Tasmania) (10:55): Having seen the schoolkids up in
the gallery who are of a very similar age to my kids in Tassie, it occurred to me that there is a contrast between taking action on cleaning up rubbish and what we are doing here in parliament today with the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010. I want to mention a program that my two children are involved in, particularly my 13-year-old daughter at Riverside High School—a nationwide program called Expedition Class. It is funded partly by the Bookend Trust in Tasmania and they have a program called Coastwatchers. A very fine gentleman, Andrew Hughes, is on his bike cycling around the country, visiting schools and taking schoolkids to clean up beaches. They make sculptures out of marine debris—sculptures of sea animals that are impacted by marine debris—and then they do projects about how these marine animals are being impacted by beverage containers, which were the key part of the marine debris I mentioned yesterday in the public interest debate.

The point I am trying to make is that there are people in this country—including the Surfrider Foundation, whom I have worked with for years; the Tangaroa Blue Foundation, and other organisations—that are taking action on reducing rubbish. We have Keep Australia Beautiful and other organisations, but the connection with the marine environment is one that has not been made yet. I think our parliament needs to take action. What has pleased me today listening to the debate is that all parties in this chamber believe in reducing waste in the environment. However, it is obvious that a container deposit scheme has been discussed nationally for over 20 years. In fact, it has been discussed internationally in lots of different countries and at international conventions. Policy instruments to try to remove debris from our waterways, landscapes and landfill include things such as recycling.

A container deposit scheme is a market based instrument that relies on a price incentive. It uses markets; it is not in itself seen to be a regulatory instrument. It provides an incentive for people to change their behaviour and there is a reward in place for people to pick up trash—cash for containers. Cash for cans is an Australian icon as old as Vegemite. It has been around for a long time. Most of us in this chamber grew up with something like that—whether it was for milk bottles or for other containers. We know from the survey work done by the Boomerang Alliance that most Australians agree with the concept. It was fantastic to hear Senator Xenophon talking with such pride about how clean his state is. Unfortunately we cannot say that about the whole country. Our bill here today is designed to put in place a national scheme. That is not taking away from the fact that there is a state and a territory that already have a container deposit scheme. However, as was mentioned by Senator Xenophon and will be covered by my colleague Senator Ludlam, we have concerns about an industry administered scheme. This bill is for a government administered scheme, and there are a lot of advantages to that. We also believe that the process underway at COAG, while positive, is just more talk. We have heard senators in the chamber talking about that process today, but that is what it is—it is talk. It is not action and it is not leadership. We have the potential today to put in place a scheme where parliament nationally can show leadership on this issue. I reiterate: parliament can take action.

A market based scheme has worked well in other areas when we deal with pollution, and that is essentially what this is. We are talking about rubbish—cans and plastic bottles—but rubbish is pollution. It is a by-
product or part of production and consumption. As I mentioned yesterday in the public interest debate, a container deposit scheme is unique in terms of its policy prescriptions because it puts an emphasis on the consumer as well as on the producer to take some action. The scheme has often been criticised by the industry as not their responsibility in terms of this rubbish that is thrown out the door. If you throw a plastic bottle or a can out the window when you are driving you get fined for that; there is a penalty in place for that. But we know that up to half of the beverage containers in this country do not make their way into home recycling—which has benefits and is admirable—but find their way into waterways and ultimately into the ocean and other areas over time and then they photodegrade. So we need a scheme that incentivises people to do the right thing and that works well in terms of its funding. We have various scenarios on what this would cost. We are convinced that this is a neat solution to a dirty problem. We are also convinced that it will be a popular solution.

I mentioned yesterday that recent work by the CSIRO on the marine debris database has shown that between a third and a half of all plastics found in Australia are beverage containers. The database is growing. This is a very new area of focus for the scientific community. However, the problem with damaging marine animals and the research that has been done on that has been around for years. I would like to stress that our use of plastics grows exponentially every day. For 40 years the world has wanted to get rid of plastics in the oceans but has not been able to; in fact, the problem continues to get worse. I would like to see not just a national container deposit scheme, I would like to see an international container deposit scheme. When I think about walking on the beach with my kids, I wonder how else we can solve this problem. A lot of plastic that is washed up on our beaches does come from China and other countries. The plastics that we find in the south-west of Tasmania in the World Heritage areas wash up from all around the world. If we are going to get rid of this problem or tackle it effectively we need a policy prescription that can be rolled out right around the globe.

If it makes sense to put a container deposit scheme in place, why hasn't it happened? What is it that is holding this back? The answer to that is industry. Industry is in talks. Industry does not want to see a national container deposit scheme. Which industry? The Grocery Council covers a large number of beverage companies and packaging companies, and they are a very powerful lobby group. If we had agreement from the big companies like Coca-Cola that this was an effective solution to the problem then we would get some action. This is why it has been held up so long, this is why we have been talking about the problem for 20 years, this is why we are doing more talking in COAG: industry does not want to see a national container deposit scheme.

I firmly believe that businesses and companies should be part of the solution and that it will be to their benefit to be part of the solution. I would encourage a positive attitude and action towards working with industry to get recognition that a container deposit scheme is an effective way of tackling this problem. It is not the only way; it is just one tool in the chest. There are lots of other things we need to do to encourage more recycling and to encourage participation by consumers in acknowledging issues with single use plastics and packaging. We need to invest in biodegradable plastic products, which are starting to become more commonplace now but are too expensive because of economies of scale. We do need to consider other
regulatory measures on things such as plastic bags. We are all familiar with this. As I said, we have been talking about it for years. I would encourage all senators in this chamber and everyone who reads *Hansard* to do what the school kids are doing: take some action to help clean up this problem. You can do that by supporting our container deposit bill today.

**Senator LUDLAM** (Western Australia) (11:06): I rise to close the debate on the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010 but it is with no great pleasure that I do so. This bill is, from memory, the first one that I introduced when I arrived here in 2008. Today on the basis of the rather lacklustre contributions from the other parties, with the honourable exception of Senator Xenophon, I have no expectation that the bill will be carried. Of course that is not the end of the story. This is a very popular scheme. It is nice to have Senator Crossin chairing us because, if she had been able to take part in the debate, she would be able say that the NT government had dug its heels in, stuck to its guns and introduced a scheme for container deposits—the second jurisdiction in the country to do so against a fierce attack by the beverage industry. I will talk a little bit more this morning about how that is playing out on the national stage.

To his great credit, Chief Minister Henderson issued one of the most sharply worded press statements I have ever seen from any minister's office anywhere telling Coca-Cola Amatil by name to back away from the kind of bullying countercampaign that they have run. I will describe in a little detail this morning exactly how audacious the beverage industry has become, or I should say to be accurate: some sections of the beverage industry. There are a couple of companies—in fact half the industry, you could say—that has stayed out of the grubby attack on this extremely popular scheme.

This is a bit reminiscent of the way the debate around a national feed-in tariff has played out: an extraordinarily popular initiative that has been proven to work in jurisdictions elsewhere that has been attacked by some sections of industry and now we are getting a patchwork of schemes getting set up all over the place. In the case of a feed-in tariff, the Australian Greens have a bill that would provide for a nationally consistent scheme, which is what some sections of industry, quite rightly, are asking for. In the case of a container deposit system, again we believe there is room—and a very strong case—for a nationally consistent scheme so that industry knows where it stands, as do the public. But instead my colleagues in state and territory parliaments around the country are getting consistent container deposit schemes. My colleague Robin Chapple has a bill in the Western Australian parliament that would provide for it in WA if Canberra cannot be bothered to pick up the campaign. So we are likely to end up with a patchwork of schemes. We believe a nationally consistent approach is the right one.

Sections of the beverage industry led by Coca-Cola Amatil have a fourfold strategy of undermining the case for container deposit schemes. One of the Labor senators said before: ‘This is not what people want.' Actually, they do. Consistent polls show 80, 90 per cent or even into the high 90s support for a container deposit system, partly because we have seen it working in South Australia since the 1970s; we know that it works.

The fourfold strategy is to delay, confuse, attack and then rort—and we are seeing this played out absolutely beautifully at the moment by the beverage industry. The
delaying strategy is very well known, and I have spoken of it extensively before. We saw government senators struggling to stay awake as they described the RIS process, which Senator Farrell, who has just joined us, is intimately familiar with. People just roll their eyes when they realise what the scheme has had to go through. It is the regulatory equivalent of holding a pillow over somebody's head. They have decided to try and smother the scheme in various forms of regulatory impact statements in order to delay it for as long as possible. Delay, delay, delay—tie it up in the kind of brown tape that we have seen industry use in order to delay, for example, the rollout of successful renewable energy incentive schemes.

Delay has been reasonably successful but, as some government senators have pointed out, we are seeing some slow progress through COAG—achingly slow, but it is occurring. So industry has moved to stage 2, which is to try and confuse the debate and introduce data into the process to try and poison the economic models that are used to assess in a regulatory impact statement which scheme is better, which is better value for money, which is likely to be more successful. For example, you could see—if you want to read it in this way—the RIS claiming that a CDS would cost $1.4 billion. That sounds like a lot of money—of course it is a lot of money; anything is with a 'b' in front of it. However, that is over 20 years, so it averages out, even if you believe that cost, at about $70 million a year. Here is where it gets interesting: the industry has been very happy to make sure that these figures include participation costs or inconvenience costs, which is an imaginary number. It is a made-up number to try and tip the financial scales in these spreadsheets against a container deposit scheme.

It is reasonably well understood, because we have got these schemes on their feet around the country in a couple of places and elsewhere around the world—in places like Canada—that the actual financial flows and costs of running a scheme are no more than about half a cent, if that, per container. That is the transaction cost of making sure a scheme like this works, and that should be accounted for separately to the 10c deposit that is then refunded when you do the right thing. So the whole idea of introducing an imaginary inconvenience cost to the financial models is for no other reason than to make it look appallingly expensive so that opponents of the scheme can then be marching around the landscape waving a piece of paper that says it is going to cost more than a billion dollars. It is a total fabrication. In fact the scheme that is represented in the bill before us—just in case there is a possibility of changing the minds of a few senators—is revenue positive because of the small number of unredeemed deposits.

We know from long experience in South Australia that no scheme is perfect—recycling rates there are up above 80 per cent, much higher than the rest of the country. That other 20 per cent are things that have still gone to landfill. They have gone out with the regular kerbside. They have ended up in the ocean, as Senator Whish-Wilson has so eloquently reminded us. Those deposits are never redeemed, and that is how the scheme pays for itself. That is how the network of collection centres are rolled out and that is how in a mature model you would find, I think, a revenue source that would enable you to do things like beach clean-ups, get some of the plastics out of the ocean or support alternate production methods. We can now get plastics made
from cellulose that simply disintegrate if they are not recycled and genuinely biodegrade in ways that plastics simply do not.

When the strategy of delaying and confusing fails, the industry goes on the attack—and I could pin a crushed beer can on the chests of those who thought up this campaign as some kind of medal for the most brazenly offensive bit of rent-seeking that has ever been devised by way of an advertising campaign. People would have been well aware. A Current Affair ran a piece on this not so long ago, but you probably would have seen the full-page ads in most of the national daily newspapers with the headline: 'Unlike some politicians we think you have already paid your fair share of tax'. And there is a picture of a bunch of empty beverage containers with the word 'extra' plastered over them, as though the evil government and the evil Greens have come up with some scheme to make you pay even more for beverage containers. Those ads were run by the Australian Food and Grocery Council, and I will have a little more to say about them in a moment. The banner, of course, is 'No drink container tax'. So it is ripping off this fictional campaign that Mr Abbott has been running that the carbon price instrument and the clean energy package represent offensive taxes on Australians.

But this is something other. The industry has then gone ahead and produced modelling as to what would happen if a container deposit scheme along the lines of the one that is operating in the Northern Territory now were to run nationally, with the industry in control of how much it costs. It will cost hundreds of dollars a year, and that, I think, is the gift of whoever thought this up. The scheme has become more expensive than it needed to in the Northern Territory, and the reason it is so expensive is that the industry is profiteering. They have just added holding costs; they have added carriage costs to the containers and are basically roting the scheme. They are profiteering; they have just added a margin on top when the scheme, in fact, would quite handily have paid for itself out of the unredeemed deposits. No, instead they have just added a holding cost, and that is why the scheme is more expensive in the Northern Territory than it needs to be.

What an act of brazen genius to then commission somebody to run a series of full-page ads saying, 'If the beverage industry is allowed to run this scheme nationally it will cost you hundreds of dollars a year, so make sure that you vote against the container deposit scheme.' I hope that nobody on the government benches has been sucked in by this thing. And I also note in Senator Macdonald's contribution—and he is normally not short of a certain amount of venom and anti-Greens polemic—that even he did not bother to use these fabrications that are being produced by sections of the beverage industry. I do not think that even Senator Macdonald was sucked in by this.

So I hope that our environment minister has not been. When the industry tried it on in the Northern Territory, Chief Minister Henderson pushed back and told Coca-Cola Amatil to get stuffed—to his great credit. With my Western Australian colleagues in 2008, unfortunately, the story was different. The beverage industry went on the attack against a state container deposit scheme in WA. They ran a marginal seat campaign running the same kind of highly deceptive advertising that they are running now, and the Carpenter government backed down. So we do not have a state container deposit scheme. The state ALP is still talking about it and, as I said, my Greens colleague Robyn Chappell has a bill; but we do not have a scheme operating in WA because of the
same deceptive and misleading campaign that the industry is trying to run now.

I must admit that this is something other; there is a part of me that actually admires just how brazenly offensive this is. I have never seen anything quite like it. As Senator Xenophon has intimated, we will be writing to the ACCC to investigate whether an industry that runs ads saying that if this scheme is introduced the government will be taxing you and making your life more expensive as a result of charges that they themselves have added to make the scheme much more expensive than it needs to be is in fact being deceptive and misleading. I will be very, very interested to see what the ACCC thinks of that kind of conduct.

I will also indicate now for the benefit of any of the minister's advisers who are listening, or the minister himself, that if we will be going into negotiations with the government to seek a short Senate inquiry into whether the industry has basically ripped off and undermined the scheme in the Northern Territory. The Boomerang Alliance paper that Senator Xenophon was speaking briefly to before contains some very interesting financial data about if beverages are more expensive in South Australia and the Territory when you net out the increased costs, the transport costs of shipping materials to the Northern Territory. The figures break out very interestingly. For Coca-Cola Amatil, Lion Nathan National Foods and Schweppes, who happen to be members and financial supporters of the Australian Food and Grocery Council, yes, there does appear to be a margin there. This smells enough for the ACCC, and I believe a Senate inquiry, to want to take a look at it.

When you look at Fosters, Diageo and Coopers on the other hand, there is no imprint; there is no additional price being levied by them. It appears that the part of the industry that is running this deceptive campaign under the rubric of the Australian Food and Grocery Council is actually ripping us off. Then they have the nerve to run a national ad campaign saying, 'Careful, you don't want to let us rip you off nationally. It'll cost you hundreds of dollars a year.' Breathtaking. I think this is, in fact, a very clear-cut example of profiteering. There is your fourfold strategy: delay, confuse, attack and, when you lose, just gouge. Turn it to your advantage. Brilliant—absolutely brilliant! It has to stop.

We will get a national container deposit scheme, I believe. The Australian Greens will come back with a bill. We will take advice from the industry and we will take the benefit of the work that has been done in the regulatory impact assessment process to see if the bill needs to be changed at all. We have always been open to negotiation and counterproposals on this one. But instead, we have seen a rather feeble response from government senators coming in here and reading from their talking points. Check the Hansard: there are a whole slabs of the contributions that are basically word for word. Please come in here, at least, with an original thought in your head. At least Senator Thistlethwaite, although completely off target, had a go at an original angle attacking the scheme.

What bugs me the most, I guess, is when we come in here with a concept that is proven, that is extremely popular and that is something that even Commonwealth environment minister, Tony Burke, has said that he supports, we are told, 'Yes, we support you in principle but we are going to vote against your bill because what we would rather do is spend another couple of decades crawling through a regulatory impact assessment process while we are undermined, white-anted and sandbagged by these parts of the beverage industry every
step of the way.' We do not have decades. For any senators who were not in the chamber yesterday, Senator Whish-Wilson spoke so eloquently of the garbage patches that are arising in the middle of the world's great oceans and the trash washed up on beaches and inside marine creatures—the garbage that is left and ends up washing into rivers. Materials that we could use end up getting turfed into landfill; dumped and rotting, giving off greenhouse gas emissions or just being lost to industrial recycling processes forever. It is heartbreaking. It is absolutely time that we took action.

So we indicate for the benefit of senators now that we will call a division on this bill. We believe very strongly that its time is not too far away. We encourage the environment minister to work with us to introduce a brief Senate inquiry into whether the industry is basically white-anted and is now profiteering off the schemes in the NT, and arguably in South Australia as well. We will be back with another bill; this story is not yet concluded, and it will not be until we have what the vast majority of Australians want—a national container deposit scheme.

The ACTING DEPUTY PRESIDENT (Senator Crossin): The question is that the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010 be read a second time.

The Senate divided. [11:26]

(The Acting Deputy President—Senator Crossin)

Ayes.....................10
Noes.....................33
Majority.................23

AYES

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

NOES

Back, CJ
Bilyk, CL
Boyce, SK
Bushby, DC (teller)
Colbeck, R
Cormann, M
Edwards, S
Faulkner, J
Furner, ML
Macdonald, ID
Marshall, GM
Moore, CM
Ruston, A
Smith, D
Sterle, G
Thorp, LE
Williams, JR

Bernardi, C
Bishop, TM
Brown, CL
Cameron, DN
Collins, JMA
Crossin, P
Farrell, D
Feeney, D
Gallacher, AM
Madigan, JJ
McKenzie, B
Pratt, LC
Singh, LM
Stephens, U
Thistlethwaite, M
Urquhart, AE

Question negatived.

Government Investment Funds Amendment (Ethical Investments) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator DI NATALE (Victoria) (11:29): I am very pleased to have the opportunity to speak today on this bill. It is a bill that was crafted to ensure that public funds are invested ethically and not counter to the wishes of the Australian community, invested in a way that does not undermine Australian public policy. It is an idea whose time has come. It is not a controversial idea and it is why I have brought this bill to the parliament.

The bill sets out to improve the Future Fund. The Future Fund was created in 2006 in order to set aside money to cover the government's unfunded superannuation liabilities. It currently has about $80 billion under management and is expected to grow to about $140 billion by 2020. The Future
The Future Fund is already the 13th-largest sovereign wealth fund, with the other nation-building funds being the Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund, which add another $17 billion to the total. It is a lot of money in anyone's book, and investing it is a very important task. It is big enough to move money markets, and that is why the fund's investments are overseen by a board of guardians who are independent of government. I will talk about that more in a moment.

We agree that the fund must remain independent of government. We know that when the returns do eventuate we want the money to be there, soundly and prudently invested. But at the same time we acknowledge that a pool of this size has a lot of power and the power could be used for good, for neutral purposes and also to do harm. The Greens do not think the Future Fund should be a primary vehicle for creating social change, but we understand that it is proper and right that the fund be a neutral actor in the financial markets, able to make long-term investment decisions independent of political agendas.

But what if the fund's investments are actively creating harm? As a responsible government we are obliged to ensure that any harm we are causing is minimised, whether that be direct or indirect harm, and that is what this bill does. It does not give government veto power over all investment decisions; it merely obliges the Future Fund to consider potential harms when making investments. It is not an abstract concept; we believe that some of the fund's investments are already causing harm. They are doing so by supporting and profiting from industries that have a strong negative impact on the wellbeing of Australian citizens and citizens right around the world.

So which of those investments are problematic? The most glaring example is tobacco. At last count the future fund had over $210 million invested in tobacco. It includes $55 million in British American Tobacco, $44 million in Philip Morris and $48 million in Lorillard—a horrifying set of numbers. Australia has been a world leader in tobacco control. The government are to be congratulated for the leadership they have shown in this area, and I was proud to support the plain-packaging legislation that came to this parliament last year. It will save lives, and it was only last month that it survived a High Court challenge—a challenge that came from these very same companies that we are investing in. The fund is investing in companies that sued the Commonwealth for the right to more efficiently kill its citizens.

Tobacco kills 15,000 Australians every year. It costs the country over $30 billion per annum in direct and indirect costs. That includes $600 million in direct hospital costs, which is just the beginning of the burden it puts on the health system. The situation is worse overseas and is getting more serious by the day. Almost a third of men worldwide still smoke, and it is a habit that will kill half of them. It is in the developing world that tobacco use is on the rise. We have laws that are lax, unrestricted advertising and very low taxes, and the real growth industry is in young people.

Every day up to 100,000 young people start smoking somewhere in the world. Indonesia has a famous customer: a young boy who at the age of four years has a pack-a-day habit. It might seem sensational, but he is not alone. Two per cent of smokers start at the age of four in that country, and many more begin by the age of 10. It is no surprise that the filters on these cigarettes have sweetened tips. When those tobacco shares
pay dividends, this is where the money is coming from.

Since I started this speech, many, many more people will have died. As a medical practitioner, I have seen the pain, suffering and fear in a person's eyes when they are told they will die because of their addiction to nicotine. It kills people and destroys families, and it is no wonder the medical profession is so strongly in support of this bill.

It is important to look a little bit at this industry that we are investing in. Since its creation, its primary objective was to manufacture doubt around its own product, so it relied heavily on scientists with guidance from industry lawyers and PR experts to manufacture doubt about its product. These guns for hire, some of them willing, who believe that any regulation in the marketplace is a bad thing even if people are dying, cause many more people to suffer. We have now seen millions of pages of documents released during tobacco litigation which demonstrate the links between parts of the scientific community and the PR community, and they show the crucial role that these guns for hire played in sowing doubt about the links between smoking and cancer. It is interesting that the same sort of strategy—the tobacco strategy—is being applied to a number of other issues, including environmental issues like global warming.

The industry's position was that there was no proof that tobacco was bad, and they manufactured a debate convincing the media that it had an obligation to present both sides of the debate. They made sure the industry got facts. The so-called 'balanced campaign' involved aggressive dissemination and promotion to editors and publishers of information that supported the industry's position. The appeal to journalistic balance as well as perhaps the industry's large advertising budget resonated with writers and editors right around the world. They produced junk science to undermine peer reviewed real science and, much like global warming, they were successful. In 1964, when the Surgeon General of the United States produced a report that unequivocally said that smoking was bad for people and that it killed them—a report based on 7,000 scientific studies—you would assume that the industry would have said, 'We're beat.' But no. How did it respond? More denial. The industry stated: 'There is no scientific evidence that cigarette smoking causes lung cancer or other disease.' It was a case of white is black and black is white. They fought harder. They redoubled their efforts to challenge the science. They changed the name of their industry fund to the Council for Tobacco Research—dropping the word 'industry'. They then funded many more handpicked scientists and sponsored a number of medical institutions.

In 1965, when congress decided to put warnings on tobacco packages and advertisements, the tobacco industry responded with a parade of dissenting doctors. In 1969, when the American Communications Commission decided to ban cigarette advertising, the industry again responded with: 'There is no demonstrated causal relationship between smoking and lung cancer.' They were ultimately found guilty of lying, in part because the trail of PR documents showed very clearly that they knew the dangers of smoking as early as 1953 and had conspired to suppress that knowledge. They conspired to fight the facts and, in the words of one author, 'merchandised out'. But it took a long time for those facts to emerge and, in the intervening years, when the community believed that there was reasonable doubt around the harms of smoking, people died. It
was not until the 1990s that the industry began to lose court cases. And it was not until 2009—more than half a century after the tobacco industry itself knew of the damage it was causing—that tobacco was finally regulated as an addictive product in the United States.

The international community would applaud us for divesting ourselves of tobacco, and we have an obligation to do so. We have signed on to a framework convention on tobacco control, which states very clearly, 'Parties should not invest in the tobacco industry and related ventures.'

Despite all of this, there are people in the investment community who say that tobacco is a good investment, that profits from it in the developing world are growing and that many people, especially women, remain unaddicted to it. But the reality is that tobacco is a sunset industry. The trail of death that it leaves in its wake makes it an unsustainable business. We simply cannot afford to continue investing in this industry. We cannot support it. It is unthinkable that we send any more public funds its way—funds that come at the expense of its victims. This investment is irresponsible. It undermines our work on tobacco control and makes a mockery of our treaty obligations. It is unsustainable and unethical and the public want it to stop.

Tobacco is one part of the Future Fund of which we must divest ourselves, but it is not the only one. The fund has substantial investments in companies that make nuclear weapons. According to analysis by the International Campaign to Abolish Nuclear Weapons, the fund has over $133 million invested in companies involved in this industry. Given Australia's goal of a world without nuclear weapons, it is hard to see how these investments do not put us in a position as absurd as our position is on tobacco. The fund's investments also risk a conflict with our important foreign aid programs. As we invest in combating non-communicable diseases in the Pacific, the companies in which we invest are selling people cigarettes. As we invest in and push for human rights, labour rights and stronger environmental protections in our region, we are investing in companies that are exploiting workers and bulldozing rainforest in those countries.

This bill makes it plain as to the reason we need ethical investment guidelines. The bill directs the minister to provide some ethical investment guidelines to the Future Fund. It would mean that the fund would be obliged to consider the investments it makes against a set of guidelines to be developed by the minister in conjunction with the fund. The fund already has some limits on what it can invest in. It cannot invest in businesses that are illegal in Australia, no matter how profitable they may be. You might make money out of investing in a cocaine cartel or gun-running but it is good to know that Australian taxpayer dollars are not going to fund them. It is worth noting that the fund has already divested itself of some investments for this very reason. Because Australia is a signatory to the Convention on Cluster Munitions, manufacturing or deploying these bombs would be illegal here. So the fund divested itself of these stocks; it divested itself of the companies that make these deadly weapons. This is as it should be, and I congratulate the fund for taking that decision. The divestment set an important and welcome precedent. The government did not tell the fund to get out of cluster munitions. The fund made that decision as one that is compatible with its mandate and its responsibilities.

It is true that the government cannot tell the Future Fund what to invest in. The board of guardians manage the portfolio and do not take orders from the minister on whether any
investment is good or bad, either in the long term or the short term, and whether it is ethical or unethical. However, the fund does take some direction from the government, and this is by way of investment mandate. Under the act, the relevant ministers may provide the board written guidance and, indeed, must do so. The current mandate invested in 2006 specifies the returns the fund should aim for and the level of risk to take. It states that the board must have regard to international best practice with regard to corporate governance, including its voting policy.

Unfortunately, the mandate does not also state that the fund must balance its quest for returns with investment policies that do not harm Australia and the world. I have no reason to believe that it could not do that. Nevertheless, the mandate does provide an example of government direction that is hands-off and divorced from everyday investment decisions.

Given that the board must consider the mandate when devising an investment strategy, they could also have some guidelines around an approach to responsible investment—and that is what this bill does. It does not go into any detail about the ethical investment guidelines that the board must follow. It is up to the minister and could be as simple as instructions that the fund must follow world's best practice regarding the ethical implications of its investment. The bill, however, does specify that some investments should at a minimum be covered by the guidelines and that the fund should divest itself of these investments. They are: tobacco, cluster munitions and nuclear weapons. It is not a long list; in fact, it is a very short list. It could operate in the same way as the investment mandate currently does at arms-length from the government.

It is not an unusual thing for a sovereign wealth fund to do. There are precedents right around the world. Government and non-government institutions, our funds, are increasingly developing responsible and ethical investment practices that are very robust and yet do not compromise the returns that funds are making. Norway’s government pension fund, for example, is a sovereign wealth fund similar to the Future Fund. It is leading the world in this area. It has gotten out of tobacco, divested itself of stock in mining companies and nuclear weapons are out—yet, by all accounts, the fund does well. In our own region, the New Zealand superannuation fund has had a responsible investment policy for some time. It began divesting of tobacco in 2007 and cluster bombs in 2008.

There are precedents here in Australia. To their credit, the ACT government, in large part due to pressure from the Greens, just last month put in place guidelines that will see it divest itself of tobacco, cluster bombs and landmines. New South Wales may be next. In the private sector there is also momentum. On 1 July First State Super announced they have excluded tobacco companies from their portfolios. There is ample precedent for what this bill sets out to do. If anything, Australia’s nation-building funds are lagging behind.

The fund claim to have policies that already do this, that are sufficient. They claim rigorous ownership rights and environmental, social and governance policy. But, in their evidence given to the inquiry into this bill, they claimed that they use their power as investors to work with companies and improve their record on these issues. I am not an expert in this field of investment, but I do fail to see how a policy can be sufficient, let alone best practice, if we have a third of a billion dollars invested in tobacco and nuclear weapons.
Of course, the fund have raised the issue of independence and, as I have said previously, I do believe that independence is important and appropriate. But I remain unconvinced that a set of guidelines would somehow compromise this independence. I appreciate that investments are complex and it may add some small complexity to our relationships with third-party fund managers, but it is a small price that is worth paying. We understand that the fund, through this bill, should be consulted—and it will be. I would be perfectly happy to see the fund consulted and it itself develop some guidelines around its ethical investment responsibilities. The bill makes it explicit that this should happen. I note that, if the bill is passed, it will not cause any disruption to the fund and that the existing portfolio has 12 months to dispose of any important investments that conflict with the new guidelines.

This legislation would resolve the preposterous conflict that exists between the Future Fund's global investments and Australia's global tobacco reform agenda. It brings Australia up to par with world's best practice regarding responsible and ethical investment. That is the problem that brings us here today. The Future Fund should be at arms-length but it is public money invested and it is a public institution. That fact alone obliges us to consider the implications of its actions. It is a tool that exists to achieve a specific aim—to take a liability off the budget books. The fund should be independent but only as independent as it needs to be to meet this goal. It should seek profits only in so far as they help to balance the ledger. If we cannot do that without causing harm in other countries, how can we endorse this enterprise? Luckily, the choice is easy. A responsible investment is not contrary to profitable investment and this bill finally aligns both of those goals.

 Senator STEPHENS (New South Wales) (11:50): In the brief time available to me I make the point that the government supports the recommendations of the Senate Finance and Public Administration Committee, as presented in its report, and agrees with the committee's recommendation that this bill, the Government Investment Funds Amendment (Ethical Investments) Bill 2011, not be passed because it would change the existing legislative framework, governance principles and investment decision-making structure of the Future Fund and would undermine the independence of the board and would likely result in conflicting objectives for the board. The bill would create a second set of ministerial directions with different policy objectives which are likely to change over time and could actually result in ministers prohibiting certain types of investment and create conflict such as many unintended consequences. The bill would pose many practical difficulties and impact on the cost and return for the Future Fund. It would certainly create great difficulties.

It is unfortunate that I do not have time to address the many issues that were raised in Senator Di Natale's speech. I need to say that it was the view of the committee, the Future Fund and of course the government that the bill would create ambiguity around the role of the Future Fund board and the potential for conflicts of interest in objectives when making investment decisions, that the provisions of the bill would constrain the ability of the board to deliver on its long-term investment strategy and would have serious implications for costs, financial returns and the strength of the government's long-term financial position.

Debate adjourned.
NOTICES

Presentation

Senator Cormann to move:

That there be laid on the table by the Minister representing the Treasurer, no later than noon on Wednesday, 19 September 2012, information for each of the financial years 2012-13, 2013-14, 2014-15 and 2015-16 regarding:

(a) the cost to the Budget of the various state government royalty increases announced after 2 May 2010 on coal and iron ore that are creditable against any Minerals Resource Rent Tax (MRRT) liability, broken down by state and commodity; and

(b) the cost to the Budget of the upfront tax deductions able to be claimed by existing mining projects that are subject to the MRRT on the basis of the market valuation method.

Senator Rhiannon to move:

That the Senate—

(a) notes that:

(i) the Parramatta Female Factory Precinct Association and the Parramatta Female Factory Friends/Action Group are campaigning to include Australia’s first female convict establishment on the National Heritage List,

(ii) in August 2012, the New South Wales Government announced the development of a master plan for the Parramatta Heritage Precinct and proposed a public/private enterprise to enable the 'adaptive reuse' of the heritage sites for commercial and residential purposes, posing a threat to its heritage values,

(iii) the Community Affairs References Committee report Forgotten Australians (2004) calls for the Commonwealth and State Governments, in conjunction with the Churches and agencies, to provide funding for the erection of suitable memorials commemorating care leavers', and

(iv) the House of Representatives Standing Committee on Legal and Constitutional Affairs report Half Way to Equal (1992) recommends the establishment of a ‘National Women’s Place’, recognising women’s history and contribution; and

(b) calls on the Government to:

(i) include the National Heritage List nomination relating to the Parramatta Female Factory Precinct in the 2012 final Priority Assessment List, and

(ii) contribute funding to act on the recommendations of the Forgotten Australians report, including to create a memorial garden, plaque and a heritage centre at the Precinct using the buildings and grounds of the former Parramatta Girls Home, which forms part of the Precinct.

Senator Waters to move:

That the Senate—

(a) notes:

(i) the intention of the Minister for Sustainability, Environment, Water, Population and Communities (Mr Burke) to transfer responsibility for protecting our nationally threatened species and wilderness places to state governments by March 2013, and

(ii) that the Tasmanian Premier (Ms Giddings) is ready to sacrifice the Tarkine wilderness for mining and development; and

(b) calls on the Government to retain responsibility for all major decisions on environmentally damaging projects that affect our nationally threatened species and wilderness places.

Senator Hanson-Young to move:

That there be laid on the table by the Minister representing the Minister for Immigration and Citizenship, no later than 21 September 2012, the contract between the Commonwealth Government and:

(a) Transfield Services for the service provision on Nauru for offshore processing of asylum seekers;

(b) International Health and Medical Services for the service provision on Nauru for offshore processing of asylum seekers; and

(c) the Salvation Army for the service provision on Nauru for offshore processing of asylum seekers.

Senator Collins to move:
That the government business orders of the day relating to the Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011 and two related bills, and the Customs Amendment (Anti-dumping Improvements) Bill (No. 3) 2012 may be taken together for their remaining stages.

Senator Collins to move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the Environment Protection and Biodiversity Conservation Amendment (Declared Fishing Activities) Bill 2012, allowing it to be considered during this period of sittings.

Senator Milne to move:

That the following bill be introduced: A bill for an act to amend the law relating to competition and consumers, and for related purposes.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (11:52): 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 Environment Protection and Biodiversity Conservation Amendment (Declared Fishing Activities) Bill 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—

Purpose of the Bill

To amend the Environment Protection and Biodiversity Conservation Act 1999 (Cth) to allow the responsible Minister to prohibit a new fishing activity while an expert scientific committee undertakes a full scientific assessment of the potential impacts of the fishing activity on:

• protected species and the Commonwealth marine environment; and
• any other matters that the Minister considers relevant to ensure community confidence in the sustainability of the new fishing activity.

Reasons for Urgency

There is significant community concern about the impact in Commonwealth fisheries of new fishing activities that are of a size and scale greater than has previously occurred in Australian waters. Further, there is not currently a general power available under the EPBC Act to suspend such new large-scale operations from fishing pending further scientific assessment by an expert committee.

An example of such a new large-scale fishing operation is the FV Abel Tasman which is about to commence fishing in the Small Pelagic Fishery.

Urgent passage of the bill will grant the Minister power to suspend new fishing activities (where the nature of the activity is new and its potential impact warrants a precautionary approach) while an independent assessment is undertaken of the potential impacts of the new activity by an expert committee.

COMMITTEES

Selection of Bills Committee

Report


Ordered that the report be adopted.

Senator CAROL BROWN: I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 11 OF 2012

1. The committee met in private session on Wednesday, 12 September 2012 at 7.14 pm.
2. The committee resolved to recommend—
That the Migration Amendment (Health Care for Asylum Seekers) Bill 2012 be referred immediately to the Legal and Constitutional
Affairs Legislation Committee for inquiry and report by 20 November 2012 (see appendix 1 for a statement of reasons for referral).

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

- Aviation Legislation Amendment (Liability and Insurance) Bill 2012
- Marriage Amendment Bill (No. 2) 2012
- National Portrait Gallery of Australia Bill 2012

The committee recommends accordingly.

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

- Broadcasting Services Amendment (Public Interest Test) Bill 2012
- Corporations Legislation Amendment (Derivative Transactions) Bill 2012
- Dental Benefits Amendment Bill 2012
- Environment Protection and Biodiversity Conservation Amendment (Declared Fishing Activities) Bill 2012
- Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012
- Industrial Chemicals (Notification and Assessment) Amendment Bill 2012
- Minerals Resource Rent Tax Amendment (Protecting Revenue) Bill 2012
- Protecting Children from Junk Food Advertising (Broadcasting and Telecommunications Amendment) Bill 2011
- Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012
- Special Broadcasting Service Amendment (Natural Program Breaks and Disruptive Advertising) Bill 2012.

(Carol Brown)

Acting Chair

[APPENDIX 1]

SELECTION OF BILLS COMMITTEE

Proposal to refer a bill to a committee

Name of bill: Migration Amendment (Health Care for Asylum Seekers) Bill 2012

Reasons for referral/principal issues for consideration:

To hear from medical, psychiatric and psychological experts about the proposal for an independent Health Care Panel to monitor and evaluate the health and wellbeing of asylum seekers who have been sent offshore to Nauru. There are a number of experts who were familiar with issues arising from the last Pacific Solution, and who are familiar with issues arising within the current Immigration Detention Network, who will be able to provide valuable feedback into the proposal for a Panel and its functions.

Possible submissions or evidence from:

- Professor Louise Newman
- Professor Patrick McGorry
- Asylum Seeker Resource Centre
- Hotham Mission Asylum Seeker Project
- Refugee Advice and Casework Service Australia
- Amnesty International
- Refugee Council of Australia
- Australian Children's Commissioners
- ChildOut
- Headspace
- Immigration Health Advisory Group (formerly DHAG)
- Foundation House
- Australian Medical Association (AMA)
- Royal Australian College of General Practitioners (RACGP)
- Royal Australian and New Zealand College of Psychiatrists (RANZCP)
- Royal Australian College of Physicians (RACP)
- Australian Psychological Society (APS)
DIAC
IHMS
Forum of Australian Services for Survivors of Torture and Trauma
Salvation Army
Save the Children
United Voice
Brigidine Nuns
Victorian Refugee Health Network
Committee to which bill is to be referred:
Legal and Constitutional Affairs
Possible hearing date(s):
week beginning 22 October
Possible reporting date:
20 Nov 2012
(signed)
Senator Siewert
Whip/Selection of Bills Committee member

BUSINESS
Leave of Absence
Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (11:53): by leave—I move:
That leave of absence be granted to the following senators:
(a) Senators Bob Carr and Singh, from 17 September to 20 September 2012, on account of parliamentary business; and
(b) Senator Farrell, for 19 September 2012, on account of personal reasons.
Question agreed to.

Consideration of Legislation
Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (11:53): I move:
That the following government business orders of the day be considered from 12.45 pm till not later than 2.00 pm today:

   No. 2 Maritime Legislation Amendment Bill 2012
   No. 3 Transport Safety Investigation Amendment Bill
   No. 4 Legislative Instruments Amendment (Sunsetting Measures) Bill 2012
   No. 5 Statute Law Revision Bill 2012
   No. 6 Customs Tariff Amendment (2012 Measures No. 1) Bill 2012
   No. 7 Customs Tariff Amendment (Schedule 4) Bill 2012
   No. 8 Greenhouse and Energy Minimum Standards Bill 2012
   Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012
   No. 9 International Monetary Agreements Amendment (Loans) Bill 2012
   No. 10 Statute Stocktake (Appropriations) Bill (No. 1) 2012.
Question agreed to.

Rearrangement
Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (11:54): I move:
That the order of general business for consideration today be as follows:
(a) general business notice of motion No. 926 relating to the Gillard Government's budget; and
(b) orders of the day relating to government documents.
Question agreed to.

Senate Temporary Orders
Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (11:54): I move:
That the general business order of the day relating to the Environment Protection and Biodiversity Conservation Amendment (Making Marine Parks Accountable) Bill 2012 be
considered on Thursday, 20 September 2012 under the temporary order relating to the consideration of private senators’ bills.

Question agreed to.

Leave of Absence
Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (11:54): by leave—I move:

That leave of absence be granted to the following senator:

(a) Senator Johnston for 13 September 2012 on account of parliamentary business.

Question agreed to.

NOTICES
Postponement

The following items of business were postponed:

General business notice of motion no. 930 standing in the name of Senator Hanson-Young for today, relating to marriage equality legislation, postponed till 20 September 2012.

COMMITTEES

Rural and Regional Affairs and Transport References Committee
Reference

Senator XENOPHON (South Australia) (11:55): I move:

That the following matters be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 29 November 2012:

(a) the findings of the Australian Transport Safety Bureau into the ditching of VH-NGA Westwind II, operated by Pel-Air Aviation Pty Ltd, in the ocean near Norfolk Island airport on 18 November 2009;

(b) the nature of, and protocols involved in, communications between agencies and directly interested parties in an aviation accident investigation and the reporting process;

(c) the mechanisms in place to ensure recommendations from aviation accident investigations are implemented in a timely manner; and

(d) any related matters.

Question agreed to.

Economics Legislation Committee

Electricity Prices Committee

Public Works Committee

Meeting

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (11:56): On behalf of Senators Bishop, Thistlethwaite and Urquhart, I move:

That the Economics Legislation Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 13 September 2012, from 3.30 pm.

That the Select Committee on Electricity Prices be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Monday, 17 September 2012, from 4.45 pm.

That the Parliamentary Standing Committee on Public Works be authorised to meet during the sitting of the Senate on Thursday, 13 September 2012, from 5 pm, for the purpose of making an inspection.

Question agreed to.

BILLS

Environment Protection and Biodiversity Conservation Amendment (Making Marine Parks Accountable) Bill 2012

First Reading

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (11:56): On behalf of Senator Colbeck, I move:

Question agreed to.

Senator KROGER: I present the bill and move:

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

Question agreed to.
Bill read a first time.

Second Reading

Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (11:57): I present the explanatory memorandum for the bill and I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION AMENDMENT (MAKING MARINE PARKS ACCOUNTABLE) BILL 2012


We face a choice in this country.

We can bumble along. Lurch from policy grab to policy grab. Adjust and realign policy settings as we get jostled by ENGOs and lobby groups.

Or we can put in place strong systems and processes. Proven over the test of time and trusted. Processes which engage the community and are based on methodical, scientific endeavour.

We know this country is bounded by the most magnificent stretches of ocean. I know this well, coming from the island state of Tasmania. It is intrinsically part of who we are.

It is possibly because of this love affair we have as a country with our oceans that Australia has built an international reputation for its management of marine areas which is absolutely second to none.

The Coalition has demonstrable record here. These are not empty words.

It was the Coalition Government in 2006 that began the process of establishing an integrated network of Marine Protected Areas around Australia’s coastline.

It was the Coalition Government that established the Great Barrier Reef Marine Park.

We are a central part of that proud history of world class environmental management.

We also support a balanced approach.

It’s not just substantial economic activity at stake. Some $2.2 billion a year recreational fishers put into the national economy. There is profound connection between our communities, our coastlines and our oceans.

We don’t believe these things are incompatible. We believe that in the overwhelming majority of cases, those things can exist harmoniously. We certainly don’t believe in locking people out of waters which are essentially theirs’.

This is now at risk though. This proud history is in danger. And that is what this amendment is about today. Restoring some commonsense. Restoring the science. Restoring some say on the part of the community.

Because that’s not where our Government is going.

We know this Government is poised to lock up great swathes of Commonwealth waters.

If left unchecked they will bring in a series of Marine Park Areas which make no real sense at all.

Because they are not based on science. They are not based on community engagement.

Instead they are based on a series of discussions which were selective. Which were secret. Which were not really representative. And were certainly not based on science. More a series of trade-offs between competing interests and brokered by the Environment Minister Tony Burke.

How do I know this? Because in my role as Parliamentary Secretary for Fisheries it’s my job. I’ve been following this black box marine park process with intense interest.

But also though personal experience.
In January this year, with my colleague, the Member for Hinkler Paul Neville, we had the chance to attend one of these sessions. The fishermen were happy for us to be there. But the Government formally refused. An open and transparent process? No. I can tell you from personal experience it has not been.

But that’s what this bill today is about. Bringing the engagement back. Bringing the science back.

To give the community to have faith in the way Marine Park Areas are nominated and managed.

This amendment will make the Government accountable. Make the Minister accountable.

It would make law that the community be consulted appropriately.

And it would establish an expert panel to review the science upon which our recent proud history of marine park management is based.

Not cynical tradeoffs. Not an exercise of political leverage and favour.

But proven experts. Reporting without fear or favour, the results of their work put on display for all to see. That’s something you can have faith in. That’s something you can trust.

So for mine the choice is pretty clear.

Do you want environmental policy which lurches from scenario to scenario.

Or a proud continuance of a recent history which has Australia rightly recognised as leading the world managing its marine areas.

I’d say that choice is pretty clear.

Senator KROGER: I seek leave for Senator Colbeck to continue his remarks later.

Leave granted; debate adjourned.

MOTIONS

R U OK? Day

Senator FIERRAVANTI-WELLS (New South Wales) (11:58): I, and also on behalf of Senator Wright, move:

That the Senate—

(a) notes that Thursday, 13 September 2012 is R U OK? Day;
(b) recognises that:

(i) today, six Australians will die through suicide and more than 200 will make a suicide attempt,

(ii) one in four deaths among young people occur through suicide,

(iii) suicide is the leading cause of death for 15 to 24 year olds each year at 23.3 per cent,

(iv) suicide is the biggest killer of men under 44 and women under 34, and

(v) suicide currently ranks 15th in the overall causes of death in Australia;
(c) encourages people of all backgrounds to regularly check in with each other and ask the question, ‘Are you ok?’, because a conversation could change a life; and
(d) calls on the Government to increase efforts to raise awareness about the problems and complexity of suicide, especially among our young Australians.

Question agreed to.

Endangered Species

Senator WATERS (Queensland) (11:58):

I move:

That the Senate—

(a) notes:

(i) the intention of the Minister for Sustainability, Environment, Water, Population and Communities (Mr Burke) to transfer responsibility for protecting our nationally threatened species and wilderness places to state governments by March 2013, and

(ii) that the Victorian Premier (Mr Baillieu) is ready to sacrifice the endangered Leadbeater’s Possum for logging and development; and

(b) calls on the Government to retain responsibility for all major decisions on environmentally damaging projects that affect our nationally threatened species and wilderness places.
The PRESIDENT: The question is that the motion moved by Senator Waters be agreed to.

The Senate divided. [12:03]

(The President—Senator Hogg)

Ayes................. 10
Noes............... 36
Majority.......... 26

AYES

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

NOES

Back, CJ Bernardi, C
Bilyk, CL Bishop, TM
Boyce, SK Brown, CL
Bushby, DC Cameron, DN
Cash, MC Colbeck, R
Collins, JMA Crossin, P
Edwards, S Fawcett, DJ
Feeney, D Fieravanti-Wells, C
Fifield, MP Furner, ML
Gallacher, AM Hogg, JJ
Kroger, H (teller) Lundy, KA
Marshall, GM McKenzie, B
McLucas, J Moore, CM
Pratt, LC Ruston, A
Ryan, SM Singh, LM
Smith, D Sterle, G
Thistlethwaite, M Thorp, LE
Urquhart, AE Williams, JR

Question negatived.

United Nations Declaration on the Rights of Indigenous Peoples

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:05): I move:

That the Senate—

(a) notes that 13 September 2012 is the 5th anniversary of the United Nations Declaration on the Rights of Indigenous Peoples;

(b) congratulates the Government on expressing support for this important document in 2009; and

(c) calls on the Government to continue to work towards implementing this declaration into policy and domestic law, including the ratification of the International Labour Organization Convention No. 169.

Question agreed to.

BILLS

Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012

First Reading

Bill received from the House of Representatives.

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (12:07): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator JACINTA COLLINS (Victoria—Manager of Government Business in the Senate and Parliamentary Secretary for School Education and Workplace Relations) (12:08): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

Today I introduce a bill to amend the Commonwealth Inscribed Stock Act 1911 and the Corporations Act 2001.

This bill delivers another key plank in the Gillard Government's Competitive and Sustainable Banking Package, which the Deputy...
Prime Minister announced in December 2010. The overall objectives of the package are to improve consumer protection in banking services, to support smaller lenders in increasing competitive pressure on the big banks, and to secure the long-term safety and sustainability of the Australian financial system by reducing reliance on offshore wholesale funding markets.

As part of these objectives the Government has committed to fostering a deep and liquid corporate bond market. Establishing a strong and liquid retail market in the premium, AAA-rated debt security—Commonwealth Government Securities (CGS)—is a critical step in the formation of a wider retail debt market, including corporate debt. For the first time in our history, Australia has been awarded the gold-plated AAA rating from all three global ratings agencies. We are one of only 8 sovereigns around the world to achieve this with a ‘stable’ outlook.

Making it easier for mums and dads to invest in the safest bonds in Australia is an important step in building up their familiarity with fixed income investments more generally. It will provide retail investors with a visible pricing benchmark for investments they may wish to make in corporate bonds.

The Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012 contains a number of measures to facilitate trading of CGS on financial markets that are accessible to retail investors.

**Investor Protection Measures**

The second set of amendments in the bill will ensure that the investor protection and market integrity provisions in the Corporations Act 2001 (the Corporations Act) apply to retail CGS.

These measures will ensure that financial services providers will have to comply with a range of licensing, conduct and disclosure requirements when they provide their services in relation to CGS deposits interests. As an example, financial advisers providing personal advice to a retail client about CGS deposits interests will have to be licensed and supervised by the Australian Securities and Investments Commission (ASIC) before they can do so. They will also have to give the client a Statement of Advice setting out a range of information relating to their advice as required under the law.
The amendments in the bill will also require information statements to be provided to retail clients when they are given personal advice about CGS depository interests. The information statements will take the place of the Product Disclosure Statement that is usually required for a financial product. The Government considers that tailor made disclosure documents are appropriate for CGS depository interests because they are a particular type of safe and simple investment.

The AOFM will consequently produce information statements providing concise information on CGS depository interests. These documents will be made available to the public on a dedicated website, together with other information related to CGS. Financial advisers will be able to download and print out the information statements from this website and provide them to their clients when they recommend investing in CGS depository interests.

The Government will pursue other avenues in addition to this bill to ensure that the information statements are provided to retail investors through on-market transactions, for example through the online trading platforms offered by online brokers.

The amendments in the bill also ensure that CGS depository interests quoted and traded on financial markets are subject to the same legal requirements and protections as other listed securities.

MINOR AMENDMENTS

In addition to the two key reforms I have outlined, the bill also contains some minor amendments in relation to the CIS Act that will facilitate the day-to-day administrative work of the AOFM.

MINCO APPROVAL

The Ministerial Council for Corporations has been consulted on the amendments to the Corporations Act contained in this bill.

SUMMING UP

This bill delivers another key plank in the Gillard Government's banking reform package.

Passage of this bill will allow retail investors to buy and sell CGS depository interests on a financial market. They will also be provided with appropriate disclosure documents when they obtain personal advice about investing in CGS depository interests.

The establishment of an active retail CGS market will constitute an important step in the formation of a deep and liquid corporate bond market.

A vibrant corporate bond market is critical to putting competitive pressure on bank lending rates to business.

It is also central to harnessing our national superannuation savings so we can domestically fund more productive investment in our economy, via both the banking system and the corporate sector, reducing our reliance on offshore wholesale funding markets.

This critical reform is part of the Gillard Government's broad agenda to promote Australia as a leading financial services hub and boost our reputation as one of the most attractive investment destinations in the world.

Debate adjourned.

COMMITTEES

Legal and Constitutional Affairs Legislation Committee

Report

Senator CROSSIN (Northern Territory) (12:06): On behalf of the chair of the Legal and Constitutional Affairs Legislation Committee (Senator Crossin), I present the report of the committee on the provisions of the Crimes Legislation Amendment (Slavery, Slavery-like Conditions and People Trafficking) Bill 2012, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

BILLS

Equal Opportunity for Women in the Workplace Amendment Bill 2012

Second Reading

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

Senator CASH (Western Australia) (12:09): The Senate is currently considering the Equal Opportunity for Women in the Workplace Bill 2012, which, if agreed to, will amend the Equal Opportunity Women in the Workplace Act 1999.

Before dealing with the substance of the bill, I want to make very clear the coalition's commitment to the principle of equal opportunity for women in the workplace, recognising that under the former Rudd government and the current Gillard Labor government, gender inequality continues to be a significant disincentive to the participation of women in the workplace.

When the Equal Opportunity for Women in Workplace Agency released the latest data on the gender pay gap in August 2012, it stood at 17.5 per cent, which equates to approximately $252.80 per week. When they came to power many will recall that Labor promised to fix the gender pay gap. They have clearly failed to do this. Instead, under successive Labor governments, the gender pay gap has become wider. In financial services the gap is close to 30 per cent and in my home state of Western Australia it sits at approximately 25 per cent. Gender equality needs a variety of strategies to address its causes, which are both institutional and cultural. Unfortunately, this bill provides no evidence of progress in this important area.

The coalition proudly supports the principle of gender equality and is keen to make meaningful changes, be it by legislation or community awareness, to achieve gender equality, and to improve workplace participation and workplace flexibility. The coalition, indeed, has a strong record of supporting women in the workplace and the wider society, and we are extremely proud of our achievements in these areas over many years. It was a coalition government that enacted the Equal Opportunity for Women in the Workplace Act 1999. Again, in 2001, under a coalition government, employers reported to the Equal Opportunity for Women in the Workplace Agency for the first time under the Equal Opportunity for Women in the Workplace Act. When the current Leader of the Opposition, Tony Abbott, was a senior minister in the Howard coalition government, he took action to improve the circumstances of women in the workplace and was a strong advocate for improving women's health in the wider community. It was a coalition which amended the Sex Discrimination Act to explicitly recognise breastfeeding as a potential ground of unlawful discrimination in the workplace. The coalition committed $8.7 million over four years to breastfeeding education and support in the 2007-08 budget to raise awareness of the benefits of breastfeeding among parents and health professionals and support mothers who wish to breastfeed.

Under the coalition, Anastrozole was listed on the PBS for treatment of early stage breast cancer, allowing around 5,700 new patients to become eligible for treatment in the first 12 months of the extended listing. Under the coalition, Herceptin was listed on the PBS for treatment of early stage breast cancer, and around 2,000 patients commenced Herceptin in the first full financial year of listing. The coalition increased funding for successful screening programs for cervical cancer, resulting in a steady decline in Australia's cervical cancer rate. The coalition also announced funding for the cervical cancer vaccine Gardasil. In addition, the coalition government committed $1 million for the establishment and initial operation of the Centre for Gynaecological Cancers.

Regrettably, time constraints prevent me from listing all the significant milestones of
the coalition's numerous achievements for women, both in the workplace and the wider community. However, the coalition's achievements clearly demonstrate that we are committed to improving the lot of women in society, and that includes supporting gender equity in the workplace, because the coalition believes all Australian women and men are entitled to have an equal opportunity to contribute to society in a way that creates benefits for them, their families and their communities. The coalition values women and men as co-contributors to the economic and social wellbeing of Australia. We recognise and value the many roles that women play in society. The genesis of the bill that is currently before the Senate stems from a review of the Equal Opportunity for Women in the Workplace Act, which was announced in June 2009 and conducted by KPMG. KPMG provided the government with an extensive report in relation to the review but, regrettably, even with the benefit of the review and report, more than three years on from the review, the government has yet to be able to come up with a clear and coherent plan of action on what is described in the report as 'matters in relation to each gender equality indicator' and other core issues, all of which were critical elements of the KPMG report. Given the government's failure to address these critical core elements and, regrettably, its very clear failure to understand their relevance and importance to improving gender equality in the workplace, it is the coalition's view that it is premature to be introducing this legislation at this time when these critical issues have not been addressed.

The bill, in its present form, represents another failure by another Labor government in relation to policy and a lost opportunity to improve gender equality, which continues to be a significant disincentive to the participation of women in the workplace. One can only assume that the hotchpotch of disparate issues contained in the bill is a measure of the government's confused and jumbled thinking on the issue of gender equality and is designed as a smokescreen for supposed action in the run-up to the next election. This is given that Labor is good at making commitments in relation to gender equality and indeed made a number of commitments in relation to general equality in the workplace as part of its 2010 election campaign—which it has clearly failed to deliver.

The explanatory memorandum accompanying the bill and the minister's second reading speech indicate that the bill is intended to amend the name and objects of the act; improve the coverage of the act; enhance the agency's advice and education functions; simplify and streamline reporting; and strengthen the compliance framework.

A close reading of the detail of the bill identifies four key issues which are of concern to the coalition. The minister's second reading speech is a continuation of the government's policy of promoting spin over substance and all about fabricating and spinning a story designed to give the impression that the substance of the bill will usher in major benefits for women in the workplace—when clearly it will not. The bill promotes additional, costly, bureaucratic regulation, at the expense of business, and will impose significant additional reporting burdens and costs on those employers caught by this legislation.

The bill is drafted with a bias to appease the union movement. The reporting functions of those employers caught by the legislation are designed to provide additional information, at the employer's expense, which may well be used by the unions to mount wages and other claims against the employers based on this information.
The public report must contain details of the matters specified in the instrument made by the Minister.

This broad discretion will provide the minister with opportunities to vary the principles enunciated in the supporting documentation to the bill and these yet-to-be-determined actions will not be subject to the same level of parliamentary scrutiny that could have occurred had the matters been properly included in the bill.

The coalition does not support legislation which provides such a broad-ranging ministerial discretion that is unjustifiable under the circumstances and which will allow the minister effectively to do what the minister likes as the minister is being empowered under the bill to 'add new matters' as the minister sees fit and further tie business up in costly but yet undisclosed bureaucratic red tape.

I participated in the Senate committee inquiry into the current bill and took a great interest in the written submissions and the oral evidence presented to the committee. Based on the questions posed to witnesses and the evidence given to the committee, and having regard to the majority report of the committee, I formed the impression that the government members were not interested in many of the issues that were raised by the witnesses. It seemed to me that the government was acting in haste and was more interested in being able to claim it was delivering on an election promise than in the potential adverse ramifications which will no doubt flow from this bill.

My concerns are covered, in part, by the comments set out in the minority report of the committee, of which I am a signatory. At page 32 of the committee report under the heading ‘Evidence’, the coalition senators in their dissenting report made the following comments:

1.10 The majority report seeks to selectively highlight certain submissions received in support of the proposed legislation. The majority report fails to acknowledge the divergent evidence received by the Committee from business and industry representatives, unions, academics and lobbyists, with many of these submissions highlighting concerns with the proposed legislation and calling for it to be amended. The majority report seeks to conveniently ignore much of [the] material critical of the proposed legislation.

1.11 Coalition Senators recognise that it is employers who will have to implement these proposed workplace changes—not the public sector, unions, or lobby groups—and it is employers that will have to bear the additional costs of these changes notwithstanding that the government is unable to quantify these potential costs.

1.12 It is the view of Coalition Senators that the committee majority report was dismissive and indeed contemptuous of the views of industry representatives who represented and spoke for thousands of Australian employers.

At page 34 of the committee report under the heading 'The alarming absence of information', coalition senators in their dissenting report made the following comments:

1.16 The Bill is an example of 'coat hanger legislation' reliant on regulations that are yet to be drafted, or future Ministerial directives, with many important aspects proposed to be defined only after the legislation has been passed.

1.17 Coalition Senators consider that it is irresponsible to support and pass legislation which imposes significant burdens and financial ramifications on employers, without being fully informed of the intentions of the Minister in
respect to the proposed regulations and potential Ministerial directions.

The coalition senators also say, at paragraph 1.20:

In considering the provision in the Bill that provides the Minister with these significant powers, the Senate Standing Committee for the Scrutiny of Bills concluded:

The Committee prefers that the use of delegated legislation is fully explained. In this case the explanatory memorandum does not address this point, but indicates at page 2 that the development of these standards will be evidence-based and that the Minister must consult the Agency prior to making the standards. It is also envisaged (see subsection 31(3)) that the Minister will consult with other relevant persons, such as industry and employee organisations. In these circumstances the Committee leaves the question of whether the proposed approach is appropriate to the consideration of the Senate as a whole.

In paragraph 1.21 of their minority report, coalition senators concluded:

...the Bill is drafted to provide the Minister with an inordinate amount of discretion, 'without legislative constraint on the exercise of these powers'.

Earlier in my comments I described this bill in its present form as a hotchpotch of disparate issues which confirmed the coalition's view that the bill is an indication of the government's confused and jumbled thinking on this issue and was designed as a smokescreen to enable the government to claim supposed action in the run-up to the next election, given that Labor gave certain commitments relating to equality in the workplace as part of their 2010 election campaign and upon which they are yet to deliver.

Whilst it is not practical to attempt to re-draft this bill on the run in the Senate, I indicate that, on behalf of the coalition, I propose to move a number of amendments during the committee stage, including calling on the government to commit to achieving equal opportunity for women by supporting the coalition's paid parental leave scheme. Other coalition amendments are designed to achieve a more balanced approach to the substance of the bill and include a specific amendment to lessen the inordinate discretion that this bill in its current form bestows on the minister.

In relation to the coalition's paid parental leave scheme, I must say that as a senator who has travelled around Australia and attended many forums in relation to paid parental leave, I am delighted at the manner in which the coalition's proposal has been embraced across the country by not only women but also men. There is no doubt that the coalition recognise that one of the most effective ways to increase female workplace participation is a solid paid parental leave scheme and affordable child care. If the government are serious about achieving gender equality, they should support the coalition's paid parental leave scheme. Unlike the government's scheme, which is nothing more and nothing less than a welfare based scheme, the coalition support the economic empowerment of women and under their scheme will provide real time and real money to working women, offering eligible women 26 weeks at their replacement wage of up to $75,000 per annum.

Financial security for women is something that Australians see the Labor Party pay lip-service to but take almost no real action on. This is highlighted by the fact that Labor's Paid Parental Leave Scheme, in addition to being a welfare based scheme, does not include any superannuation. The coalition's paid parental leave scheme includes superannuation, and those payments will be made at the mandatory level, because, unlike Labor, the coalition believe, that women should not be disadvantaged when the time comes to draw on retirement savings.
As I have stated, the coalition will move in the committee stage a number of other amendments which will seek to amend the bill to remove the inordinate level of discretion proposed to be provided to the minister; re-introduce provisions allowing the agency to waive public reporting requirements for relevant employers; insert a provision for the agency to give public acknowledgement to relevant employers who regularly meet compliance standards; and require the government, despite what it says it wants to do, to remove one regulation for relevant employers for each new regulation that it introduces as a result of this act.

In proposing these amendments, the coalition are seeking to strongly support the principle of gender equality. The amendments are drafted to make meaningful changes to the current bill in the interests of achieving gender equality, improving workplace participation and improving workplace flexibility. I have already provided examples of some of the actions the former Howard coalition government took and examples of the current policies of the coalition that irrefutably demonstrate that the coalition have a strong record in supporting women in the workplace and the wider society. We are proud of our significant achievements over many years and we are keen to continue to support gender equality improvement in the workplace.

However, I remind the Senate that the minister's second reading speech on this bill is a continuation of the government's policy of promoting spin over substance. A close reading of the detail of the bill indicates that even Labor's colourful rhetoric, which is designed to portray action when there is nothing really happening, is unable to camouflage the fact that the Labor government have failed to address the core issues set out in the KPMG report, and the responses it has received from the employers and employer groups that they will end up paying for the increased bureaucratic red tape that comprises the substance of this bill.

The coalition support gender equality in the workplace. Regrettably, this bill in its present form represents a lost opportunity by another Labor government to improve gender equality in the workplace and, if passed, will be a source of great disappointment to women across Australia. Given the coalition's commitment to gender equality in the workplace, in the event that our amendments are not accepted by the government, the coalition will oppose the bill on the basis that it imposes draconian measures which are designed to increase the level of government interference in the workplace and may well have the opposite effect to what is stated as the bill's aims and objectives.

I urge the government to seriously consider the coalition's amendments, which we believe add considerable substance and value to the bill. Legislation for gender equality in the workplace should be drafted to encourage bipartisan involvement and be drafted in a form which is able to be embraced by employers and employees alike, in the wider interest of our society. The failure of the government to accept the coalition's amendments will confirm to the wider community that Labor see gender equality in the workplace as a party political football able to be kicked around in an attempt to score political points rather than a bipartisan social issue able to be embraced by our wider society.

The reform of EOWA represented the chance for the government to do something meaningful to advance gender equality in Australian workplaces by introducing measures to improve flexibility, productivity and incentives to encourage women back to the workforce after having children.
Regrettably this has not occurred. *(Time expired)*

**Senator RHIANNON** (New South Wales) (12:29): The Greens support the Equal Opportunity for Women in the Workplace Amendment Bill 2012. We recognise that the measures set out here are quite minimal, but they still do provide some improvements for women in the workplace. I will come back later to some of the comments by the previous speaker, Senator Cash, but at the outset I would like to say that her contribution reminds us of what an Abbott led government would do to this country, in particular to women, and how tough it would be. That is certainly coming forward as a very relevant part of this debate.

When we are talking about workplace gender equality I think it is worth reminding ourselves just how much we need to achieve. Women make up more than 70 per cent of part-time employees in this country and only 35 per cent of full-time employment. The gender pay gap is also an interesting statistic. I pay tribute to our forebears, the women who, over many decades, have worked so hard for equal pay, but we are moving to that at such a slow pace. The gender pay gap is experienced at every level in the workplace, with women on average earning $250.70 per week less than men. Women still earn between 11 and 19 per cent less per hour than men in comparable non-managerial occupations. These trends are very worrying and in some areas the pay gap is becoming worse.

Just last month the Financial Services Institute reported a widening gender pay gap of 31 per cent in the financial services industry compared to the average 17 per cent gap across all industries. That is what we find when we look at the average figures of the difference between male and female pay rates, so in some industries the gap is much worse. It is also interesting to look at how graduates fare. More women than men are graduating with degrees; however, female graduates earn $2,000 a year less than male graduates on entry into the workforce.

I have set out those details just to remind us that we need much stronger legislation than the bill we are considering today. And it is interesting to consider that, from what I can see at the moment, there are 19 speakers listed for this debate and only three of them are men. But the bill before us is still a positive measure and I think we need to see it in terms of the long march to women's equality and equal pay.

The essence of the bill is that, from 2013, organisations with more than 100 employees will have to report annually on gender equality in their workplace and show improvements over two years if they are not meeting industry benchmarks. While this is supposedly already happening, not all companies report or their reporting is not compliant, and compliance enforcement is patchy. This is clearly why the legislation is needed and certainly answers Senator Cash's talk about how damaging the bill is.

But I would call the current penalty system pretty much a wet lettuce. For example, the current penalty of 'tabling' non-compliant companies in parliament will be strengthened, whereby non-compliant companies may be disqualified from access to government work contracts or government funding or other financial assistance. Government contracts do represent quite a convincing amount—they are coming in at $42 billion—so hopefully that will be some incentive. However, the operative phrase here is 'may be disqualified'—it is only 'may'. The Greens therefore will be watching closely to check that that is enforced. How will it work? Companies will have to report to the new Workplace Gender Equality
Agency on two matters. One is the gender composition of their boards and the second, importantly, is their performance against a set of gender equality indicators and outcomes. This is in the context of expecting that there will be ongoing improvement.

The gender equality indicators are a most important part of this bill. They are where we get down to some detail which, if it is followed through, can make a real difference to gender equality in the workplace. These indicators will be explicitly listed in the act to include: gender composition of the workforce and governing bodies, equal remuneration between men and women, flexible working arrangements and working arrangements relating to employees with family or caring responsibilities. Another important aspect is that the bill requires consultation with employees on issues concerning gender equality in the workplace.

The results should be that the reports are real, they represent what is going on within those companies and their employees can have some real and meaningful input. We should be able to get past the situation where companies whack out reports that have been done just at the top levels of the companies and they are able to do a bit of a spin job on how they come forward. Now, management at the highest level must engage with gender equality, with CEOs being required to sign off on the reports. Employees and their representative organisations must be advised within seven days of the report being lodged and they may provide comment to the employer or the Workplace Gender Quality Agency. The reports must be accessible to employees and shareholders, and the agency will have inspectorial powers to verify the reports. So again I put on the record that it is a good start, but there is a long way to go.

One aspect that the Greens are concerned about is that the bill excludes those businesses with fewer than 100 employees. We see that as quite detrimental. It means that about 4.8 million employees, which is nearly half of the private sector employment, are not covered by this legislation. The Greens see this as very unfortunate and we will continue to advocate for its extension to those businesses as well. The reframing of the act to include an expectation that male employees should be flexibly available to provide caring roles outside the workplace finally recognises that women's employment opportunities are limited when men are not available to share family responsibilities is a workplace norm. Again, that is another area where I would like to congratulate the minister who has worked on this legislation. I see that as an important part of the legislation to help change those attitudes within our society.

The explicit reference to pay equity between men and women ensures that this is not just a woman's problem. The new requirement for hard data provides a basis for clear measurement and benchmarking of gender equality in larger companies. Again, I think it is laying that basis for this important work to continue and to be extended. Better transparency is welcomed with employees' access to their company's reporting and an opportunity to comment on that reporting. The ability of government to wield a decent sized penalty for non-compliant companies is one of the positive changes that go some way to addressing the unacceptable fact that equality for women in the workplace has a long way to go.

This brings us back to some of the comments by Senator Cash. She spoke many times and opened her speech noting the strong commitment that she argues the coalition has to equal opportunity to women in the workforce. This is coming from a member of a party that gave us a former prime minister who was so keen to frame his
policies around the white picket fence—and we know what that represented in terms of women's rights. A former treasurer, Mr Costello, was out there promoting his three-children policy to women. There is that whole culture within the coalition party that limits the rights of women.

Yes, there are many areas where we have been able to work together but, when you get down to the details, particularly the details of women's rights in the workforce—and there we are talking about the fact that a majority of women are still dominating in those low-paid areas of the workforce—that is where you see the massive failure of the coalition's policy. That comes through so clearly in the amendments that Senator Cash has outlined.

You have to see the coalition's attempt to dumb down the reforms in this piece of legislation as a worrying forecast of what is to come if we end up with an Abbott-led government which would be favouring business over women's equity at work. When we get to the committee stage, I think that Senator Cash has to be open and go into those aspects, because that is the wash-up of the amendments that we have before us. In essence, what the amendments do is return to the status quo of how the present system works. Clearly, when you look at the inequity in pay for women, how women dominate in the poorly paid jobs—jobs where there are few career paths—and the ongoing inequality in our workplace to try and wind back the clock, as the coalition is attempting to do with their amendments, this exposes what their policy stands for.

There are two broad areas which Senator Cash spoke about: she wants to retain the current power of the agency to waive public reporting requirements for relevant employees. Even though the whole point of the bill is that all companies must report on how they are meeting the minimum EEO standards, because they have not been required in the past, the coalition is saying: employers should not have to be held to account regarding minimum EEO and antidiscrimination standards. That is the wash-up of what the coalition's amendments would do, so you cannot therefore be concluding that the coalition is committed to women's equality in the workplace.

The second aspect of the coalition's amendments is that they would remove the proposed requirement for the minister to set minimum standards in relation to gender. What is wrong with that? Surely if you are committed to women's equality in the workplace, you would want to ensure that the minister had that ability. In many ways, the whole point of the bill is for the minister to set minimum gender equality standards. This is more accountable than the agency setting the standards, which is the current situation. Again, it is a very revealing amendment that helps unpick where the coalition stands on women's rights in the workplace.

I look forward to the debate when we move into committee. The Greens will support the bill in its current form. The Greens will not support the amendments as outlined by Senator Cash on behalf of the coalition but we will continue to advocate for stronger measures to ensure that we move more quickly to women's equality in the workplace. We would argue that the starting place is the need to move this legislation to cover all private sector businesses and not just those with over 100 employees.

Senator URQUHART (Tasmania) (12:43): I rise to support the Equal Opportunity for Women in the Workplace Amendment Bill 2012, a bill that delivers on our 2010 election commitment to retain and improve the Equal Opportunity for Women in the Workplace Act 1999. Senator
Rhiannon just noted that there were 19 speakers listed to speak on this bill and only three of those are male. I can advise that of these three, two are from Labor, one is from the coalition and there are none from the Greens.

I congratulate Minister Julie Collins for her work on this bill. Minister Collins is the first female to represent the people of Franklin in Tasmania, a role she has undertaken with distinction since 2007.

This proposed legislation presents a new framework for promoting and encouraging gender equality in Australian workplaces. It is about supporting businesses to achieve cultural change. It supports improved workforce participation, particularly of women and carers, as well as reducing the regulatory burden on business. In 2009, the then Minister for the Status of Women, Tanya Plibersek, initiated a comprehensive review of the legislation. This review studied the status of both women and men in the workplace. It found that the act needed to be updated and modernised to be fully effective in supporting and driving change, change that is about creating a modern cooperative business environment.

A little over a week ago conservative broadcaster Alan Jones attempted to spark outrage with derogatory comments that women in leadership were destroying the joint.

Debate interrupted.

Maritime Legislation Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:45): I thank senators for their contributions to this debate and I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

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

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (12:46): I thank senators for their contributions and I commend this bill to the Senate. I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Transport Safety Investigation Amendment 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) (12:46): I rise to speak on the Transport Safety Investigation Amendment Bill 2012. The bill will enable the Australian Transport Safety Bureau, the ATSB, to expand its work in overseeing transport regulation and safety in Australia. Presently, the ATSB is responsible for improving safety in the marine and aviation industries as well as in the national rail freight network; but the changes in the chamber today mean that it will take on an additional role as the national rail transport investigator with jurisdiction to oversee state passenger and freight lines where requested to do so. Importantly, the ATSB will continue to work independently of
policymakers and service providers to conduct detailed investigations of transport accidents and incidents. The courts and other investigative agencies will remain the means for determining liability.

This bill complements the transport reforms agreed to by the federal government and supported by the states and territories at the Council of Australian Governments, COAG, in August 2009. The result will be nationally consistent laws in maritime and rail safety and in the heavy vehicle industry. These reforms will reduce the regulatory burden on businesses, consolidate 23 existing regulators into just three and provide benefits of an estimated $30 billion over the next 20 years. Specifically, the National Rail Safety Act established the National Rail Safety Regulator. It recently passed the South Australian parliament, and will replace seven regulatory bodies with 46 pieces of legislation.

There are two components of the Transport Safety Investigation Amendment Bill 2012 which will expand the operation of the ATSB. Firstly, an investigative organisation, the ATSB, will for the first time have the power to investigate rail matters referred to it by state and territory governments. This means that the ATSB will be able to investigate state passenger and freight lines. It also clarifies the ATSB's capacity to conduct investigations within a Commonwealth territory. The intergovernmental agreement makes allowance for the states to pay the ATSB for investigatory services. To allow the ATSB to prepare for its new national role, $11.2 million has been provided by the Commonwealth.

Secondly, there is an amendment to clarify the position of the regulations made under the act that contain certain functions or powers. It is actually a precursor to the establishment of a national reporting scheme through future regulation, as allowed under section 20A of the act. The clarification provides for a defence to any prohibition for copying or disclosing restricted information such as that obtained or generated from an investigation or from within a confidential report. Importantly, this amendment will facilitate the introduction of a confidential reporting scheme for rail safety incidents similar to that already in place for the maritime and aviation industries.

The coalition does support this bill. We support changes that the government decides to make that come into this place in a considered and well thought out way. That is how you deliver good policy outcomes. But what we will not support is policy that is not developed this way. What we have seen developed lately is an example of a rushed and panicked policy, and that is the approach pertaining to a certain ship—a fishing vessel. Apparently, the problem with it is that it is too big.

When we have policies that are just foisted on the parliament in a matter of days after a press conference held by two people—Minister Ludwig and Minister Burke—at the behest of GetUp! and the Greens, then what we end up with is policy anarchy. This policy anarchy is now being revised to a lesser policy anarchy, but still anarchy nonetheless. Why this is so dangerous is that one of the concepts of this policy that is going forward is that the term 'environmental' has been invoked with an almost omnipotent quality. If something has an unnecessary environmental outcome then it is immediately scrapped.

How would that policy work if you took it into any other frame of operation in our nation? It would mean that as soon as you tried to progress something someone would just invoke the word 'environmental' and all
of a sudden you are back to square one. How would it go with the Murray-Darling Basin plan? How will it go in the construction of any road?

Once more, the whole concept and structure of a debate has been to find a certain issue that really not many people know much about. When they talk about a rather large fishing vessel, people rightly have a sense of concern. They see it and, because they do not completely know what it entails, they are able to have that space filled up with a sense of, in some instances, fear. But, when we actually look at that vessel and we have plumbed the depths of it, we note that it was abiding by every regulation the government had set out for it. In fact, it had been proactive in telling the government exactly what it was up to. Within weeks of it being denied, it had been approved once more and condoned in its operation by the minister. Then, at another point in time, the same minister who had condoned it literally called a press conference and took the economic rug out from underneath its feet. It just does not stand to reason. There was no transparency. There was no logic. There was no proper explanation. There was no complete divulging of the facts.

Then the bill that completes all this commotion gets to the lower house. This is a maritime issue, and what we are dealing with here is a maritime bill. When the bill gets to the other place, they find that their own work is deficient and that it was going to have huge consequences in a whole range of areas, because what they had been lulled into doing in support of the term 'environmentalism' was to have such a wide scope in the bill that people in all areas of the recreational and commercial fishing industry were about to have a whole new raft of caveats and imposts placed over their lives. So, in the panic, they started amending it, and who pops up to help them with the amendments? None other than the member for Dobell, Craig Thomson. When you think it cannot get any crazier, it does. So now we have the former member of the HSU helping out the Labor Party with policy on the run devised by the Greens. People have got so used to how manic and out of control the government is that they have just started accepting this as de rigueur. It is what will happen with this government.

When we look at it in reflection, what was the sentiment? This vessel, the FV Margiris—now named the Abel Tasman—had complied with every regulation and paid all its licence fees. It was under lease by an Australian company, but all of a sudden it was deemed to be an abomination. The closest that most people would ever have got to it is seeing it on the television. What was the emotion? That it would apparently catch more seals and dolphins. That rightly is a concern, but when you plumb the facts of that you find that, if you replaced it with three smaller fishing vessels, they would probably catch more and you would probably have a worse environmental outcome. If we start banning ships because they are big, where does this lead? Do we ban tractors because they are too big? Will we ban trucks because they are too big? Will there be trains that are too long? Will there be garages that are too big? Will we go around and find houses that are too big? If 'too big' is now the mechanism which basically determines the morality of a piece of capital, this is a very strange place we have arrived at.

Going on to the issue of transparency, only a week before this we had an issue pertaining to Cubbie Station where we called for greater transparency. A motion was passed by this Senate asking for greater transparency, but we got nothing—no response. The Treasurer has no interest whatsoever in reflecting in his actions the
wishes of the Australian Senate. He has been completely dismissive of the Australian Senate. It was not an issue of the coalition; it was an issue that passed in a motion before the Australian Senate, which a person only 100 feet away has decided to ignore. The Treasurer no longer cares about motions passed by our nation's Senate. On one issue he has gone completely and utterly frenetic in shutting down a section of the fishing industry—this fishing vessel—creating a sovereign risk by reason of a populist uprising. That is the aspersion that apparently was cast at me—that it was populist and a sovereign risk. Yet, when the Treasurer, Minister Burke or Minister Ludwig does it, apparently that is correct.

I have been waiting for Dr Craig Emerson, who has written almost a magnum opus on the sins that are truly mine, to talk about it being a sovereign risk, but I have not heard boo from Dr Craig Emerson, the Minister for Trade, about this issue. Why? Because Craig Emerson has his opt-in, opt-out economic purity, and today he is revelling in being a little bit impure. Maybe tomorrow he will be pure again. This is the opt-in, opt-out economic morality of the trade minister. But, of course, what he has drawn a line on is that all those op-eds that he wrote in the *Australian* now make him look like a complete and utter hypocrite, because an issue has come up and he has not said boo—not a word.

I am trying to plumb the depths as to where the difference is between these two issues, and I have put it down to two things: seals and dolphins. So, if we can just work out how we can manage to get some seals and dolphins into the ring tank at Cubbie Station, maybe the Treasurer will give us the benefit of greater oversight. Maybe that was my fatal flaw. I should have been more aware of the macrofauna possibilities of the ring tanks at Cubbie Station, and that is possibly how we could have done it—or, alternatively, we could have broken the boat up and seen if we could float it on one of the ring tanks. Maybe that would have brought some attention to the issue.

You can see the total and utter absurdity and hypocrisy of the government, and we cannot go on like this. We will have to debate this issue when it comes up here, and we do not really know where we are at the moment. We do not really know whether Mr Windsor is going to make a statement that he disagrees with big ships. Is Mr Oakeshott going to decide that the moral worth of the nation is determined by the size of the ship? I do not know. It will be an interesting one to watch to see what their arguments are. We have heard Senator Milne say she might know more than the rest of us; she is talking about introducing it here into the Senate, so it is going to bog down.

The more transparency comes into this debate—very similar to the live cattle trade—the more people will start to see that all is not as it seems when it comes to the concentration on this vessel, because really the greatest sin of this vessel is that it is large. It is large because it is not just a vessel but also has a range of processing mechanisms encompassed in it. What is the difference between it and a small vessel and processing centre back in a port?

It shows in stark contrast that, if you go about something in a diligent manner like this Transport Safety Investigation Amendment Bill 2012, you will come to an outcome that is generally rational, relevant and non-controversial and actually goes through. That is not the case when you come up with an issue by flight of fancy and bung it on us by press conference after a whole process of the government going through every mechanism of scientific approval of it was in place. If this is the mechanism that
can override other scientific approvals, will that ethos then creep into other areas of commerce such as the Murray-Darling Basin so we could get to an end with everything ticked off and approved but, by reason of a vibe, the whole thing gets thrown out again. There is a sense of uncertainty there, and it was really the role of the minister, instead of coming out and giving a press conference shutting the thing down, to come out and give a press conference clearly explaining the issues of how they had gone through the process of bringing it in and addressing the concerns that were rightly held by the public and of which the public had every right to a full and frank disclosure. It is the minister's responsibility to rise to the challenge and explain himself, explain the government's position, but he never did that.

This is basically what we asked with the Cubbie Station issue. This Senate has asked for Treasurer Wayne Swan to come out and explain himself. If he has the competency to get his mind around the corners then he should be able to stand before the podium, take the questions and answer them one after the other. But he has never done that, because the Treasurer no longer respects the Australian people. If you said, 'Stand by that statement. Why do you make it?' Because a motion has been passed by this Senate that he has completely ignored, and the Senate is a representation of the wishes of the Australian people, so he has ignored the wishes of the Australian people.

There is another issue that people should be pursuing. Why is it that this arrogance and anarchy has come in? The best way to describe how the government is operating at the moment is arrogance and anarchy. The people are apparently too simple for them to be worth the explanation, so they never get it. Then issues and processes come into place which are completely out of left field.

Another one we hear today is the freezing of around $2 billion of funding. We think it was going to be for a lot of regional Australian issues. We know that a lot of it is going to come from the RDAs. We do not know where it is going to be frozen. We do not know how it is going to be affected. We do not know which projects are going to be stopped. We do not know whether it is to do with things that have already been allocated. We have no idea. They will not tell us. We have called for Minister Simon Crean to explain his position, but we cannot get him out of his burrow. He is down the burrow with Mr Swan, and we cannot get them out to explain their position to our nation.

How did that come about? It came about because Minister Plibersek said when she announced her dental plan that she would find the money. Where was the money going to come from? She said she would just find it somewhere. We found out today where they found it: they found it in regional Australia, affecting the promise that they made to the Independents, Mr Oakeshott and Mr Windsor. I do not know, but I think Mr Oakeshott may be onto something. I do not think he is going to be taken as a fool. He might actually hold them to account on this one. It will be interesting to see.

Anyway, I commend to the Senate the Transport Safety Investigation Amendment Bill 2012.

Senator RHIANNON (New South Wales) (13:05): The Greens do support the Transport Safety Investigation Amendment Bill 2012. If there are many people listening to this debate, having listened to Senator Joyce you might have wondered if we were back speaking about the supertrawler. I think the fact that he spent so much time berating some of his favourite issues rather than dealing with the essence of the bill and the
important safety measures it covers was informative about how the coalition works.

The Greens, as I mentioned, do support the bill, but we think it is one where we need to see how it plays out. In essence, what we have here is that we will have nationally consistent laws covering maritime safety, rail safety and the safety of transport in general. The Greens certainly acknowledge that enormous work has been put into all sectors that make up our transport industry in this country and the various governments at different levels.

What we have seen from various times when there were attempts to homogenise our laws across this country is that there can be a dumbing-down of safety, and that is where we really do need to watch how this plays out. Certainly the minister has given great emphasis that it is about improving safety, and that is certainly what we hope is the outcome here. What we really need to now watch is how the Australian Transport Safety Bureau undertakes its work, because a key part of this legislation is the creation of this body. The body will cover the national rail safety regulator. I note that part of the Australian Transport Safety Bureau's work is that state and territory ministers can request that the bureau conducts an investigation in their jurisdiction. I think that is a very important aspect of the bill and do hope that a number of those jurisdictions take it up. What could be another very useful aspect to the work of the bureau is in terms of the information that it collates, because it does have considerable power in accessing information and generating its own data. Hopefully, this will provide various benchmarks for how we can improve safety within our rail system and also identify safety developments and trends in different jurisdictions so that we can improve in this area.

As so many of my Greens colleagues have said in many debates on climate change, transport issues in general and also equity issues, public transport needs to be vastly improved. It needs to be expanded. The 21st century should be the century of public transport, because it will be the way that we can make our cities, our regional areas and our whole country much more liveable. The environmental benefits are enormous. We know that the carbon footprint of public transport is much smaller, and what needs to go hand in hand with that is top safety provisions.

Another interesting aspect of the bureau is its reporting. This is another area in which the Greens will be interested to learn more about how it will work once the bureau gets going. Some of the bureau's reporting can be confidential, and there is certainly often a justification for that. But, as we know, that can also often be a means to reduce transparency—and transparency is important if we are going to have a culture where safety is paramount and it is not relegated in a way that the profits can be increased or so-called productivity can be increased at the expense of the safety of passengers, workers and all the other people involved in this industry.

Overall, we are hopeful that this legislation will bring great benefits to maritime, aviation, rail and other transport industries. It is one to be watched closely because the benefits are considerable, but we need to ensure that at no point do we go backwards now that we are moving from, I think, more than 20 regulators to only three regulators. So, again, the Greens are happy to support this legislation, but we will certainly watch how it plays out in our different sectors of transport around the country.
Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:10): I thank Senators Joyce and Rhiannon for their contributions to this debate. I now commend that the bill be read for a second time.

Question agreed to.

Bill read a second time.

Third Reading

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

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:10): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Legislative Instruments Amendment (Sunsetting Measures) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (13:11): The Legislative Instruments Amendment (Sunsetting Measures) Bill 2012 provides for the orderly repeal and replacement of spent and redundant subordinate legislation.

The Legislative Instruments Act 2003 provides that all regulations and other legislative instruments cease automatically after 10 years unless action is taken to exempt or preserve them. This arose from a recommendation by the Administrative Review Council—and I pause to say a statutory body the board of which has not been reappointed by this government; it is yet another statutory agency which has ceased to operate and has been rendered dysfunctional by the failure of the government to constitute its board—as far back as 1992, when it did have a board, on the basis that 'even though the sponsoring agency may keep all rules under review on an ongoing basis, sunsetting provides a formal mechanism to ensure that rules do not become outdated'.

A sunset regime was thought to 'concentrate the mind of rule-makers a lot more carefully and, as a result, a lot of useless delegated legislation might be knocked off the statute books'. An example of the benefits of sunsetting provisions comes from New South Wales where sunsetting came into effect in 1990. From 1 July 1990 to 1 May 2003, the number of statutory rules were cut from 976 to 445 and the number of pages of rules dropped from more than 15,000 to just over 8,000.

The dramatic increase in the number of Commonwealth statutory rules and other instruments prior to the introduction of the 2003 act indicates the sense of adopting a similar mechanism: in 1985-86, 855 rules and instruments were promulgated, rising to 1,661 in 2002-03. During the Keating government, the figure was as high as 2,087 in one particular year. Following the passage of the act by the Howard government, the figures have been dramatically lower—for example, in 2011, there were only 286. This is a good thing, given the tortuous history of the Legislative Instruments Act. The Keating government made a half-hearted start in June 1994, which, despite endorsement by two Senate committees on the referral of the then Attorney-General, languished until parliament was prorogued prior to the 1996 election. The Howard government introduced a legislative instruments bill early in its first term, but it did not pass the Senate
until September 1997, when 36 non-government committee stage amendments were promptly rejected in the House of Representatives. The Senate, however, insisted on its amendments. The House laid the bill aside, having reiterated its refusal to accept the non-government amendments. The bill was reintroduced in March 1998, becoming a potential double dissolution trigger, and suffered a similar fate. However, ultimately, the 1998 election intervened. The bill was reintroduced in March 1998, becoming a potential double dissolution trigger, and suffered a similar fate. However, ultimately, the 1998 election intervened. The bill was reintroduced in March 1998, becoming a potential double dissolution trigger, and suffered a similar fate. However, ultimately, the 1998 election intervened. The legislation was finally passed by the parliament in 2003. Madam Acting Deputy President Pratt, I thought you would enjoy that little history of the Legislative Instruments Act.

I mention the history because of the fatuous and self-serving remarks—Oh, that's a bit strong, Mr Lambie!—made by the Attorney-General in her second reading speech on this bill in the other place. She described this bill as a measure to help small business by reducing unnecessary regulation: a sentiment which the coalition would heartily endorse would we be able to believe that this government genuinely held it. The Attorney-General stated:

This bill is yet another example of government working with the community to create a clear, understandable and fair framework for doing business in Australia.

It is instructive, therefore, that the Labor members of the Senate consistently and vociferously opposed the sunsetting measures in the previous iterations of the principal act. Nevertheless, the government is now only too happy to associate itself with successful coalition policy, and we are now dealing with a bill to fine tune the provisions that the Labor Party previously opposed—so shame on you, Senator Feeney.

The Productivity Commission, in its 2011 report Identifying and evaluating regulation reforms—a real page-turner—raised concerns about the volume of instruments sunsetting in 2015 and 'an increased risk that instruments will be remade without adequate review and without proper consultation with business and stakeholders'. The Productivity Commission further noted:

Data provided by the Office of Legislative Drafting and Publishing (OLDP) show ‘twin peaks’ in the number of sunsetting instruments that will see an estimated 2000 principal instruments sunset in October 2016 and a further 1000 in April 2018, with this pattern likely to be repeated every 10 years.

Around 6300 principal instruments are scheduled to sunset between 2015 and 2022. The bulk of these will sunset on or before 1 April 2018, the majority of which are regulations made prior to the commencement of the LIA in 2005.

While the exact extent of the forthcoming review task facing departments and agencies is not known at this time, it is potentially very large. Concerns have been expressed for some time about how the volume of reviews will be handled. The intention of this bill is to smooth these peaks by proposing staggered sunsetting dates. For instruments that were registered in bulk when the register commenced in 2005, sunsetting dates will be spread out to reduce the number of instruments that expire at the same time and provide time for review and consultation.

The bill will insert a provision to provide for thematic reviews, as recommended by the Productivity Commission. Under thematic reviews, the Attorney-General may declare common sunsetting dates for related instruments and thereby enable stakeholders to participate in the regulation of their sector and contribute to consistency in regulation making.

The bill will also allow for the repeal of spent and redundant instruments on the Federal Register of Legislative Instruments. Approximately 40 per cent of the 40,000
titles on the register are either spent or redundant but, misleadingly, would be indistinguishable in the early stages of a search from the instruments still in force.

Finally, the bill provides for explanatory statements to accompany an instrument. These are intended to explain the purpose and operation of the instrument. The requirement may be met by explaining that the instrument replaces an earlier instrument or a specified provision and is the same in substance as the specified instrument, or that a provision of an instrument replaces an earlier legislative instrument or a provision of that instrument that is essentially the same.

Despite the lengthy and surprisingly acrimonious history of the Legislative Instruments Act 2003, and the Labor Party's historical antipathy to sunsetting provisions, the coalition does not consider this legislation to be controversial. Indeed, it considers it to be the fulfilment of visionary legislation of the Howard government and, accordingly, commends the bill to the Senate.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:19): I thank Senator Brandis for his eloquent and fulsome support of this very important Labor initiative and reform and I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Statute Law Revision Bill 2012
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (13:20): The Statute Law Revision Bill 2012 is a bill to correct technical errors caused by drafting and clerical mistakes, to repeal obsolete provisions and acts, to modernise language and to make other technical amendments to legislation. Bills of this nature are traditionally non-controversial and receive the support of the parliament because they are regarded as an essential tool in the process of keeping the Commonwealth statute books accurate and up to date. Of the acts to be amended, most of the proposals relate to spelling, grammatical and technical errors, and to the removal of gender-specific language. The amendments will replace specific legislative references with generic ones. This will make Commonwealth legislation easier to use.

The bill also proposes amendments to ensure consistency of language and correct technical errors. For example, clause 112 corrects a reference to the Legislative Assembly of the Australian Capital Territory in the Remuneration Tribunal Act 1973. This is a particular bugbear of my friend and colleague, Senator Gary Humphries, who would heartily endorse the corrected reference to the 'Legislative Assembly for the Australian Capital Territory'.

A number of obsolete acts are also repealed. Among these, I am delighted to say, is the Treaty of Peace (Germany) Act 1919. The reference to the Treaty of Peace (Germany) Act 1919 gives me the
opportunity to dwell for a moment on the golden age of the Treaty of Versailles. Who would have thought, Madam Acting Deputy President Pratt, that Senator Feeney and I would be discussing the Treaty of Versailles today. Although the act is very brief, providing merely for the making of the regulations necessary to give effect to Australia's obligations pursuant to the Treaty of Versailles and for penalties for contraventions of the regulations, the regulations persist to this day.

Famously, John Maynard Keynes described the provisions of the Treaty of Versailles as 'Carthaginian' and, indeed, as pressed by Prime Minister Hughes, who suggested that the reparations sum be assessed at the then staggering sum of 24 billion pounds, it is difficult to argue that Australia did not have the Carthaginian precedent in mind. The more conciliatory President Woodrow Wilson, despairing of Hughes's vengefulness, described him as a 'pestiferous varmint'. When one considers the exchange of rhetorical insults during the course of the Treaty of Versailles, one would have to wait until John Maynard Keynes published his *Economic Consequences of the Peace* in 1919 for the champagne contributions. John Maynard Keynes described Clemenceau as 'dry in soul and empty of hope', Woodrow Wilson as 'this blind and deaf Don Quixote', and—wait for it—his timeless description of Lloyd George was:

How can I convey to the reader any just impression of this extraordinary figure of our time, this syren, this goat-footed bard, this half-human visitor to our age from the hag-ridden magic and enchanted wood of Celtic antiquity?

Back to the Statute Law Revision Bill 2012. The fact that heavy criminal sanctions—up to seven years imprisonment—have until this very day continued to apply for contraventions of the Treaty of Versailles provisions is a matter of some surprise. And this is one occasion when I cannot blame the Labor Party alone for dilatoriness. I must say that I am pleased that no German national in Australia has been prosecuted for the transfer or mortgage of property without the consent of the public trustee in recent years. I trust now that our German friends may visit and transact business in this country and sleep peacefully at night.

Thank you, Senator Feeney, for allowing me to conjure memories of the Treaty of Versailles and the great spirits of that age. In doing so, I commend the bill to the Senate.

**Senator FEENEY** (Victoria—Parliamentary Secretary for Defence) (13:25): I thank Senator Brandis for his contribution, and it is a great honour for me to now comprehend that I am bringing the First World War to a close. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

**Third Reading**

**The ACTING DEPUTY PRESIDENT** (Senator Pratt): No amendments to the bill have been circulated. I call the minister to move the third reading unless anyone requires a committee stage.

**Senator FEENEY** (Victoria—Parliamentary Secretary for Defence) (13:25): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**Customs Tariff Amendment (2012 Measures No. 1) Bill 2012**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.
Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (13:26): It is with a very heavy heart that I rise to support the Customs Tariff Amendment (2012 Measures No.1) Bill 2012, because this particularly prosaic piece of legislation has defied even my capacity to find a humorous, quirky or engaging anecdote lying within its terms. So I will stick to the script that Mr Lambie has kindly written for me. The purpose of the bill is to make amendments to the Customs Tariff Act 1995 to list Serbia—we could have said something about Ruritania at this point—as a developing country for the purposes of the Australian System of Tariff Preferences, to re-insert a subheading applicable to coir yarn and to correct a number of technical errors in the customs tariff.

The bill will amend the Customs Tariff Act 1995, the customs tariff, to, firstly, incorporate alterations that were contained in the Customs Tariff Proposal (No. 1) 2012, tabled in the House of Representatives on 16 February 2012, as follows: the re-insertion of subheading 5308.10.00 applicable to coir yarn. Coir yarn is typically used in the manufacture of mats and ropes. Different varieties of coir yarn are used for geotextile manufacturing. The yarn is made out of fibre extracted from coconut husk. The other amendment is to list Serbia as a developing country for the purposes of the Australian System of Tariff Preferences, to re-insert a subheading applicable to coir yarn and to correct a number of technical errors in the customs tariff.

Notably, the first two parts of the bill were previously given effect through the tabling of Customs Tariff Proposal (No. 1) 2012. The remaining amendments in the bill correct a number of technical errors that have occurred in the customs tariff.

These amendments will help to maintain the quality of the text of the customs tariff and will ensure that Australia's customs tariff is correctly aligned with the International Convention on the Harmonised Commodity Description and Coding System that forms the basis of the customs tariff. The amendments do not affect the classification of goods or customs duty payable. The coalition commends the bill to the Senate.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:29): I thank Senator Brandis for his contribution—albeit that it reflected very poorly on Mr Lambie's creativity as a writer—and I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Pratt): No amendments to the bill have been circulated. I call the minister to move the third reading unless any senator requires a committee stage.

Senator FEENEY (Victoria—Parliamentary Secretary for Defence) (13:29): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Customs Tariff Amendment (Schedule 4) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (13:30): The purpose of the
Customs Tariff Amendment (Schedule 4) Bill 2012 is to make amendments to the Customs Tariff Act 1995 which will repeal and replace schedule 4. Schedule 4 currently lists 100 concessional items. They will consolidate and reduce to approximately 55, which aims to improve clarity and usability, particularly for industry and businesses. Despite the recent budget demonstrating no plan to build a stronger economy, repay debts or create secure jobs, the opposition is glad that the government has seen the sense of picking up on the coalition's plans to cut red tape. This bill looks like one of the few ways Labor will make any progress on reducing red tape for small business and industry.

The list of concessions within the tariff has grown over many years, becoming increasingly complex to administer and difficult for users to understand. Some concessions have been in place for many decades—for example, item 28A has been in force since 1901. Many items were reduced when general tariff rates were much higher than current rates, and there are 14 government agencies with policy responsibilities for various items. Complexities create burdens on business and can lead to costs being passed on to consumers. Complexity may also result in inappropriate use of concessions. The amendments are a result of a review which focused on removing unnecessary complexity from the schedule by simplifying existing arrangements and removing obsolete items. Recommendations which were put forward by the review and are supported by the coalition include removing items which were redundant, consolidating where possible those items that have similar coverage and explaining them more clearly, reviewing and removing obsolete bylaws that list certain groups under certain items in schedule 4, and placing similar items together in the structure of the revised schedule 4.

Red tape is hurting the viability and prosperity of small businesses and industry around the country. The coalition wholeheartedly supports measures which make it easier for them to do business, grow stronger, create jobs and contribute to the national economy. For those reasons, the coalition supports this bill.

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (13:32): I thank Senator Brandis for one of his more lucid and enlightened contributions. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Edwards) (13:33): No amendments to the bill have been circulated. Before I call the minister to move the third reading, does any senator wish to have a committee stage on the bill to ask further questions or clarify further issues? If not, I call the minister.

Senator 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) (13:33): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Greenhouse and Energy Minimum Standards Bill 2012
Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012
Second Reading
Debate resumed on the motion:
That these bills be now read a second time.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (13:34): The coalition has a long and proud record of looking after our environment. Indeed, it was the coalition that introduced the first Commonwealth Minister for the Environment. Since then, unlike others in this place, the coalition takes a balanced view on public policy—we balance social factors, economic factors and environmental factors. We accept that we humans are part of nature and have a right to harvest the bounties of our world. We also accept we are stewards and as such have an obligation to ensure our harvesting and harnessing of nature's bounties is done responsibly. If that is one's world view one sees the sense in these two bills, the Greenhouse and Energy Minimum Standards Bill 2012 and the Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2002, which allow consumers to make not emotional decisions but rational decisions on what products to buy by providing them with a robust, uniform national labelling standard for energy efficiency.

The bills will deliver a national and expanded equipment energy efficiency, E3, program that enables Australian governments to regulate all electrical product types; products that use forms of energy other than electricity—for example, gas or diesel; products that affect energy consumption of other products such as insulation, window glass and air-conditioning ducting; the greenhouse gas intensity of products; and minimum performance requirements for regulated products such as the temperature at which refrigerators must operate. Potentially negative environmental and health effects associated with regulated products are also part of the regulatory regime. These types of issues are very helpful for consumers who can afford energy efficient products to have a coherent and relatively robust standard to make their purchase choices. Most people are interested in energy savings, not only because of the environmental factors but also because of cost-of-living pressures. Of course, we can achieve all that with a good national labelling standard.

The star labelling scheme which has been in place has become a standard and part of people's assessment to understand energy efficiency when purchasing electrical goods. But buyers will be able to make better comparisons of goods if there is a single national standard, not a different one in each state. This scheme is an upgrade to the existing star rating scheme for the energy efficiency labelling of products to a national system. The coalition welcomes these bills as sensible and practical environmental initiative, unlike the costly and devastating carbon tax—a carbon tax which destroys jobs, investment and, perversely, makes a worse outcome for the environment.

Senator Conroy interjecting—

Senator ABETZ: I will take the minister's interjection, because what we have with a carbon tax is a situation where in the minister's own home state an investment of $1 billion that was going to provide 125 jobs and over $14 billion worth of export earnings or import replacement has now gone to China. The reason: because of the carbon tax. In a carbon-tax-free Australia it would have had only 25 per cent of the emissions it
is now going to have in China. That is how perverse the carbon tax is. It destroys investment and it destroys jobs in Australia whilst having a worse environmental outcome for the world.

It is a bit like the Greens’ campaign against the Ta Ann timber company, where they campaigned in London to make sure the Tasmanian timber products would not be used in the London Olympics. They thought they were achieving a great environmental end. When I was in Indonesia recently they were boasting about the fact that their timber had been accepted for use at the London Olympics. This is a country where they clear-fell rainforest and deforest at the rate of three million hectares per annum. So the extreme green campaign, done in the name of the environment, actually provided a profitable market for the harvesting and destruction of three million hectares of rainforest in Indonesia, whereas the Ta Ann timber from Tasmania was from regrowth and plantation forests. None of the trees they used were older than 70 years and, what is more, the trees they used were harvested in any event and destined for the woodchipper. That is what happens when you have extreme green policies without looking at the practical outcomes. That is why we are opposed to the carbon tax.

But on this occasion the government have got it right. Unlike with the fish trawler and other examples, on this occasion they have got it right, and as a result the coalition will be supporting the legislation.

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) (13:40): I thank the senators for their contributions and I commend the bills to the chamber.
existence in 1945. The IMF was originally established to provide a mechanism for resolving the short-term economic difficulties of members so as to reduce shocks to the global economy. This, of course, followed the calamitous events of the Great Depression and the disruption of the Second World War.

Article 1 of the articles of agreement which created the IMF outlines the key mandates of the IMF, and chief amongst them is:

To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

It is also tasked with promoting exchange rate stability by maintaining orderly exchange arrangements among members and avoiding competitive exchange rates' depreciation. It assists in:

… the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.

It provides confidence to members by:

… making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

It also aims:

… to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.

The IMF's role and mandate has broadened following the global financial crisis, which is widely regarded as the biggest crisis to hit the global economy since the Great Depression. As outlined in the IMF's response to the global economic crisis, it has increased its crisis lending whilst overhauling its general lending framework. It has reformed policies toward low-income countries and quadrupled its concessional lending. It has also improved policy analysis and advice while contributing to the ongoing effort to draw lessons from the crisis for policy, regulation and reform of the global financial architecture, including through its work with the Group of 20 industrialised and emerging market economies. It has also undergone wide-ranging governance reforms to reflect the increasing importance of emerging market countries and to ensure that smaller developing countries will retain their influence in the IMF. Australia has three lines of credit with the IMF. The first is its usual quota contribution. This was doubled following a decision by IMF governors in December 2010 and the quota is shown on the government's balance sheet as a loan. The quota commitment increased from just over $4 billion to $8 billion in the 2011-12 financial year, as outlined in the 2012-13 budget.

The second is the new arrangements to borrow. This is a contingent liability of the government to be drawn down on request of the IMF. This is the line of credit which is addressed by this bill. The bill seeks to implement reforms to the IMF's crisis lending arrangements by enforcing the changes outlined in the 14th General Review of Quotas in December 2010. The rollback of the NAB line of credit is worth $3.2 billion; however, the reduction is conditional on the doubling of Australia's primary quota from $4.1 billion to $8.8 billion. As I have noted, this doubling in the quota is already provided for in the budget. This bill also seeks to lengthen the maturity of the NAB line of credit from five years to 10 years on the basis of assisting the IMF with funding.
issues as a result of rolling over the maturity on this line of credit.

The third line of credit is a US$7 billion contingent bilateral loan, which was agreed on 20 April 2012. This is noted on page 8.11 of Budget Paper No. 1. Of key importance: this loan has not yet been legislated by the parliament. We will have more to say on this third line of credit when the enabling legislation comes before the House. Australia sits within the top 20 member country contributions to the IMF, as a percentage of total special drawing rate holdings. Our contribution to the IMF is based on an assigned quota broadly in line with our economy’s size and relative to the world economy.

Australia has always been a relatively generous country, helping our neighbours in our region in times of need. Not only do we meet what is required of us in terms of our international obligations; we also go above and beyond in helping our regional neighbours—something which we should all be proud of. Examples of this include the assistance we provided back in 2005 when then Prime Minister John Howard pledged $1 billion to Indonesia in aid in the wake of the Indian Ocean tsunami to help restore and rebuild their nation after the devastating consequence of this natural disaster.

As stated at the outset, the coalition will support the passage of this bill. Of course, there is an element of quid pro quo in the structuring of Australia’s finances with the IMF given the changes put forward within this bill. The doubling of Australia’s existing quotas with the IMF is partially offset by a reduction in the new arrangements to borrow a line of credit. The coalition will continue to monitor Australia’s support to the IMF and the IMF’s focus and priorities going forward as the global economy continues to evolve.

**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) (13:48): I thank the senator for his contribution and commend the bill to the chamber.

Question agreed to.

Bill read a second time.

**Third Reading**

The ACTING DEPUTY PRESIDENT (Senator Edwards) (13:48): No amendments to the bill have been circulated. I shall call the minister to move the third reading, unless any senator requires that the bill be considered in Committee of the Whole. I call the minister.

**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) (13:48): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**Statute Stocktake (Appropriations) Bill (No. 1) 2012**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Senator CORMANN** (Western Australia) (13:49): This is a housekeeping bill and the coalition supports it.

**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) (13:49): I thank Senator
Cormann for his contribution and commend the bill to the chamber.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Edwards) (13:49): No amendments to the bill have been circulated. I shall call the minister to move the third reading, unless any senator requires that the bill be considered in Committee of the Whole. I call the minister.

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) (13:49): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Equal Opportunity for Women in the Workplace Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator URQUHART (Tasmania) (13:50): I resume my speech. I believe I was partway through the story of conservative broadcaster, Mr Alan Jones, in his attempt to vilify women leaders who do so much for our community. Speaking on air with a coalition senator a few weeks ago, Mr Jones said:

She—

referring to Prime Minister Gillard—

said that we know societies only reach their full potential if women are politically participating …

He went on to say:

Women are destroying the joint—Christine Nixon in Melbourne, Clover Moore here—

in Sydney—

Honestly.

But modern Australian women were too smart for Mr Jones's cheap jibe. In droves, women turned to Twitter to converse about the great role played by women leaders in our community. I encourage all to take to Twitter and continue the conversation.

There is a strong economic case for achieving gender equality. Closing the gap between women's and men's workforce participation could boost Australia's gross domestic product by up to 13 per cent. Two of the primary concerns and most significant costs of business relate to attracting and retaining talent and understanding and accessing consumers. By ensuring an equitable proportion of women within an organisation's workforce and providing appropriate pay and conditions, business can manage these concerns. In Australia, as in most industrialised nations, the cost of staff turnover is one of the largest business costs for all types of organisations. Research has shown that, by improving gender equality in the paid workforce, organisations and businesses may perform more effectively. Through a collaborative approach between business, government and employees, we can cash in on this windfall.

That is why this act will focus on educating and supporting businesses to change their culture and advance gender equality in their workplaces. Under the proposed legislation, the names of the act and agency will be amended to reflect a new, more encompassing focus on gender equality. The objects of the new Workplace Gender Equality Act will highlight the expanded coverage to men.

Family types are moving from the old make-up, which typically was a male primary breadwinner and a female secondary income earner and primary carer. As such,
legislation must move with society, and this new act will better reflect how Australian families live and make ends meet. In doing so, the act will increase focus on caring responsibilities and the importance of equal remuneration to gender equality. With this new name comes an additional $11 million over four years, funding that represents a doubling of the agency’s budget. That represents the Labor government’s commitment to pursuing gender equality outcomes, and that is targeted to provide practical help and advice to employers.

In her contribution to this debate, Senator Cash made a number of assertions that need correction. Senator Cash claimed that coathanger legislation, as she called it, would see the minister making arbitrary decisions without consultation. Senator Cash claimed that there was too much ministerial discretion in setting reporting matters and minimum standards under the legislation. Let us be very clear here: both reporting matters and minimum standards under the legislation will be set by disallowable legislative instrument. This means each and every reporting matter and minimum standard will be able to be scrutinised by parliament and by the public. I am very confident that, when Minister Collins asserts that she is committed to ongoing consultation throughout the implementation of the legislation, she means it.

Minister Collins has been widely praised by the sector for her work on this legislation so far. YWCA Australian Executive Director Dr Caroline Lambert has commended the government for taking action to strengthen the tools for gender equality in the workplace. She said:

YWCA Australia welcomes the focus in the Bill on caring responsibilities.

… … …

This legislation will contribute to real change in the lives of women and men in workplaces across Australia, and we look forward to its passage in the Parliament.

Sex Discrimination Commissioner Elizabeth Broderick said in a media release that the bill was a strong step towards improving women’s workforce participation and thus closing the gender gap in Australia’s workforce.

A classic example of the need for this bill is evidenced through my personal experience. Women were employed as non-permanent in the workplace where I worked in the early 1980s. 'Weekly hire' was the term used. This practice permitted the employer to terminate your employment at a week’s notice. The factory would operate from mid-January until the end of November. Men were employed as permanent, but most of the women could only get the weekly hire work. Annual leave was taken by the permanent staff over the shutdown period. The women would be terminated. You would have the lead-up to Christmas, hoping that in January you would get a call back when the season started the next year. You never knew if you had a job from one year to the next.

When my kids were young, and of course there were school holidays over the summer with our glorious mid-20 Tassie summer days, the kids would ask, 'Can we go to the beach today?' Nowadays, a casual employee with a mobile phone or an answering machine could keep their kids happy, but, in the days before people even had answering machines, every time the kids asked that innocent question—’Can we go to the beach today, Mum?’—I would have to ask myself whether I could risk missing a phone call from the factory to start work. It was a difficult decision on a lovely sunny day: to stay home and wait for a call that may not come or take your kids to the beach. Some
would say it was an easy decision; it was not easy when you were waiting for work, when you wanted to contribute, when you needed to contribute to your family's budget. If a worker missed that call, they may not hear from the factory for another week, another month or at all. It was truly a situation where employees and, in particular, female employees were inputs to the factory process, not humans with families to care for and lives to lead.

When a woman managed to land a job at the factory, the inequity only became worse. The jobs were in wage groups of 1 through 6. Group 1 was the highest wage rate within the award structure at the time. Women were only paid up to group 3; men were paid up to group 1, even though in many cases the jobs were similar in skill. Wage inequity at the factory was exemplified in the production area. A machine operator on one side of a freezer tunnel was paid a group 1 wage. The job was to operate a machine prior to the product going through the tunnel. There were no female operators in this area, but on the other side of the tunnel the machine operators were all women and all paid a group 3 wage. The machines were different, yes, but the skills required to run them were the same.

In the early 1990s, the women took a stand. They supported their union to take this workplace inequity to the Equal Opportunity Commission. After conciliation, 24 women were given permanent jobs. It was identified through this process that women worked on average around 1,900 days before being offered a permanent position. That is over five years, and that was the average—we know an average gives birth to some ghastly outliers. Of course, the average figure for men was much lower. At around 120 days, men would do half a year's work before landing a permanent position.

We are here to continue to change this culture—to continue to recognise that Australian workers should be paid a fair wage for a day's work, regardless of their gender, regardless of anything apart from their skills. This bill represents the next step in that process. It encompasses reforms to enhance frameworks for reporting, assistance to business, increased employee engagement and fairer compliance. The requirement for organisations to develop workplace programs has been removed. Employers will report against a set of gender equality indicators focusing on outcomes. Online reporting will be introduced. Reporting, while clearly easier for business, will also be more meaningful and useful. It will provide employers with the capacity to assess and understand gender equality within their workplaces, to compare year by year and with other workplaces within their industry. Relevant employers will no longer need to provide descriptions of their policies and programs. Instead, employers will report against gender equality indicators focusing on tangible outcomes and practices. The indicators are included in the legislation and, over the next 12 months, government will consult further with key stakeholders to develop precise wording for each. The agency's advisory and education functions will be enhanced. The contemporary data focus will allow the agency—

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Budget

Senator CORMANN (Western Australia) (14:00): My question is to the Minister for Finance and Deregulation, Senator Wong. Given it has been confirmed that the Gillard government has made $120 billion worth of unfunded promises, creating a further $120 billion budget black hole on top of the $174 billion in accumulated deficits so far, will the
minister rule out any further unfunded commitments by the Gillard government between now and the next election?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:00): I thank the senator for his question. The only confirmed unfunded promises and the only confirmed targeting for cuts is the $70 billion in cuts to services that the shadow minister for finance and the shadow Treasurer have both confirmed on national television. That is $70 billion of cuts to services, confirmed by Mr Hockey and Mr Robb. The only confirmed unfunded set of promises that we have at the moment is from those from the other side. Of course, the thing that Senator Cormann fails to recognise is that there is actually only one party in this place prepared to honour Peter Costello's Charter of Budget Honesty, despite the fact that Senator Fifield and Senator Brandis constantly tell us what a wonderful Treasurer Mr Costello was and how we should be emulating him. Here they come now, the fan club, but the problem is they are not actually going to honour his Charter of Budget Honesty. So it is up to the Labor Party to honour Peter Costello's Charter of Budget Honesty, but those opposite who claim to have sat at his feet and learnt the issue of fiscal policy—

Senator Brandis: Mr President, on a point of order about the subject of direct relevance: we have been very patient while Senator Wong has indulged herself, but with 21 seconds to go we ask her to direct herself to the question. It is: will she rule out any more funding commitments?

Senator Jacinta Collins: Mr President, on the point of order: once again Senator Brandis is rephrasing the question. The question commenced with a false premise. It is very difficult for the minister to be directly relevant to a false premise.

The PRESIDENT: Order. The minister is answering the question. The minister has 21 seconds remaining.

Senator WONG: Thank you, Mr President. The point I am making in terms of making sure we demonstrate our funding commitments is the commitment by the government to honour the Charter of Budget Honesty. That is the commitment. I invite the shadow minister when he next stands to make the same the commitment, but I will guarantee he will not because the coalition cannot bear the scrutiny. (Time expired)

Senator CORMANN (Western Australia) (14:04): Mr President, I have a supplementary question. Given the Minister for Finance and Deregulation has refused to rule out any further unfunded commitments by the Gillard government between now and the next election—and given government revenue is down on the back of lower commodity prices, the increased cost of Labor's promise to credit state royalties, the decision to drop the $15 floor price on carbon, the way government spending commitments are going up and up—how will the government make up that massive budget shortfall—through more taxes or more debt?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:04): I am asked, I think, amongst that question—

Senator Conroy: Stream of consciousness.

Senator WONG: Stream of consciousness is probably the most polite way to put it. Thank you, Senator Conroy. That was a reference to taxation and I would remind the senator that he represents a party of a government that was far higher taxing than this government

Senator Abetz: Oh, nonsense.
Senator WONG: I will take that interjection from Senator Abetz.

The PRESIDENT: Order! Ignore interjections. They are disorderly, Senator Wong.

Senator WONG: Thank you, Mr President. Even some newspaper representatives who have currently entered the gallery might recognise that the tax to GDP ratio might be a reasonably accurate way of measuring the level of taxation. Who was the higher taxing Treasurer? Mr Costello, the one whose Charter of Budget Honesty you do not want to follow. But, of course, which is the one party that currently wants to increase taxes for companies? It is those opposite to pay for Tony Abbott's paid parental leave scheme. You want to jack up the company tax rate. (Time expired)

Senator CORMANN (Western Australia) (14:06): Mr President, I have a further supplementary question. Can the minister give a guarantee to the Senate here and now that the upcoming Mid-Year Economic and Fiscal Outlook will detail all the necessary spending cuts required to fill the government's $120 billion budget black hole or will the government just do what they have always done—that is, jack up taxes and increase debt?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:06): I tell you what, mate, we will not be using a catering company, which is the standard that you lot have set. We will actually judge ourselves by higher standards, the standards that Peter Costello set.

Senator Brandis interjecting—

Senator WONG: I will take that interjection, Senator Brandis. What is disrespectful—

The PRESIDENT: Order. Senator Wong, I have told you already in question time today to ignore the interjections. Senator Brandis, interjections are disorderly and you know that.

Senator WONG: What is disrespectful is the disrespect shown to the Australian community by those opposite, who reckon they can come along and use catering companies to do their costings, who use accountants who have been found to have acted unprofessionally and then come in here with a straight face to ask us questions about costings.

Senator Cormann: Mr President, I rise on a point of order going to relevance. It is a very specific point of order, and it relates to the minister's requirement to be directly relevant to the question. There was only one question, and there is only one answer that could be directly relevant. Can the minister actually give a guarantee in the Senate, here and now, that the Mid-Year Economic and Fiscal Outlook will give an indication of how the government is going to identify $120 billion worth of spending cuts?

The PRESIDENT: There is no point of order.

Senator WONG: The commitments we have given, which you will not match, is that we will comply with the Charter of Budget Honesty in the midyear update and in the budget and in our election costings—something that your economic team, of which you are supposedly a part, have never done. If you want to talk about high taxes, which was part of your question, tell us about the 26 taxes that— (Time expired)

Education

Senator CAMERON (New South Wales) (14:08): Mr President, my question is to the Minister representing the Minister for School Education, Senator Kim Carr. Given the joint responsibility of the Commonwealth and the states for school funding, how will the government respond to the $1.7 billion cut to
education announced by the New South Wales Liberal government?

Senator KIM CARR (Victoria—Minister for Human Services) (14:09): Senator Cameron, thank you for your question. In a year when the Commonwealth funding for schools is increasing, following upon the 50 per cent increase in funding this government has provided for schools, it is a tragedy to see the state government of New South Wales cutting back their school funding by $1.7 billion. Of course, we all know that budgets are about priorities; we all understand that basic principle. What the New South Wales government have done is demonstrated their priority—that is, their hostility to education, their hostility to ensuring that students in New South Wales, no matter what their background, actually get a fair go.

The Commonwealth is committed to increasing school funding. It is a pity that the states are not prepared to come to the party. We know that Liberal governments across this country are cutting support for education. What we have seen is the field work now being done for the future Tony Abbott experiments in education. What we are seeing is cuts in the funding in Victoria, like in New South Wales and in Queensland. Premier O'Farrell says, 'It isn't about the quantum of funding.' What an extraordinary, self-serving defence of inequality that is! As we know, the wealthy in this country can always look after themselves; it is the poorer students who look to government to even up the score. They cannot do that in New South Wales. The evidence is clear—very clear—that school funding makes a difference for children, particularly from disadvantaged backgrounds. (Time expired)

Senator CAMERON (New South Wales) (14:11): Mr President, I ask a supplementary question. Does the Commonwealth remain committed to school improvement in Australia?

Senator KIM CARR (Victoria—Minister for Human Services) (14:11): Mr President, the answer is yes. There is irrefutable evidence that investment by governments has made a difference. Look at NAPLAN. It confirms that literacy and numeracy have improved, attendance has improved.

Opposition senators interjecting—

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

Senator Cormann interjecting—

Senator Wong interjecting—

The PRESIDENT: Order! This is not the time to debate the issue.

Senator KIM CARR: Labor takes the view that education opens the doors of opportunity for Australians. Labor takes the view that it unlocks the doors of inequality. Labor takes the view that education has to be the first priority of government. However, that cannot be a one-way street. What we have seen in New South Wales, Victoria and Queensland is the exact opposite. John Collier, the Chairman of the Association of Heads of Independent Schools in New South Wales, made the point yesterday: The two goals are totally in conflict… There's no way in the world we can meet the drive for quality that Gonski envisaged like this. It's simply impossible.

The implication of such a loss of revenue is that, as far as this state is concerned—

(Time expired)

Senator CAMERON (New South Wales) (14:13): Mr President, I ask a further supplementary question. How does the government respond to the suggestion by the coalition New South Wales Minister for Education that the cuts are in the best interests of students across all schools?
Senator KIM CARR (Victoria—Minister for Human Services) (14:13): This is the twisted fantasy of the Red Tories—those who subscribe to Phillip Blond's 19th-century idea of social policy. The New South Wales Minister for Education actually said: I sleep very well at night knowing the decisions that I've made and announced today are in the best interests of students across all schools.

That might be a mighty sweet dream for a Tory recidivist, but it is a nightmare for many parents in this country. They are the ones who will have to deal with the hikes in fees and the staff cuts.

And this money they are saving in New South Wales is being used to build an $8 billion railway line that would actually be slower than the buses that currently operate. We cannot for a moment believe that this is the philosophy of a modern government. We are looking at very 19th-century views about what is in the interests of parents and what is in the interests of students. (Time expired)

Economy

Senator Conroy interjecting—

Senator RONALDSON (Victoria) (14:15): You will not be quite as chirpy—

The PRESIDENT: Order! You are entitled to be heard in silence, Senator Ronaldson

Senator Conroy interjecting—

The PRESIDENT: It is disorderly, Senator Conroy, to keep interjecting.

Senator RONALDSON: As I said, you will not be quite as chirpy in a second, my friend. My question is to the Minister representing the Treasurer, Senator Wong. Can the minister confirm that the latest Treasury budget analysis—

Government senators interjecting—

The PRESIDENT: Order! Senator Ronaldson, I go back to where we started. You are entitled to be heard—

Government senators interjecting—

The PRESIDENT: On my right! Senator Ronaldson is entitled to be heard in silence. Senator Ronaldson, continue.

Senator RONALDSON: I will start again, Mr President, so that there is no doubt about the question.

The PRESIDENT: Yes, you are quite within order.

Senator RONALDSON: Thank you. Can the minister—that is, Senator Wong—confirm that the latest Treasury budget analysis shows that the government is heading for cumulative deficits of $100 billion over the forward estimates, on the back of declining commodity prices and in addition to the government's $120 billion budget black hole?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:17): I am not sure what that question actually was, because I think the question was that the latest Treasury estimates—

Opposition senators interjecting—

The PRESIDENT: Senator Wong, continue.

Senator WONG: Thank you. The senator referred to the latest Treasury estimates. The latest Treasury figures are the published budget figures, which do not include the figures that I think the senator was referring to. I remind him that, in terms of Australia's position, our public finances are in very strong shape. As I have said previously, during the break I had the opportunity to go to the APEC finance ministers' meeting, representing the Treasurer, and also to Washington prior to that, and it really did bring home to me how well Australia is doing on many fronts,
certainly in terms of our growth figures, our unemployment figures and our investment figures.

Senator Abetz: Self-praise is no praise.

Senator WONG: This is something of which the country can be proud, Senator Abetz, of which the nation can be proud. We have come through a very volatile period of the global economy in a very good position. In terms of our public finances, Australia's net debt position peaks at about 9.2 per cent of GDP. The equivalent position for the United States is 83.7 per cent.

Senator Ronaldson: Mr President, I raise a point of order on relevance. I asked the minister whether we are or are not heading for cumulative deficits of $100 billion over the forward estimates. It was a quite clear question. Yes or no?

The PRESIDENT: The minister has 27 seconds remaining to answer the question. I do draw the minister's attention to the question.

Senator Cormann interjecting—

Senator WONG: In reality I think Senator Cormann should have asked this question. The reality is that the forward estimates project an underlying cash position of $1.5 billion in 2012-13; $2 billion in 2013-14; and $5.3 billion in 2014-15 et cetera, which are the figures that the government has published. They will be updated in the usual way in the MYEFO.

Senator RONALDSON (Victoria) (14:19): Mr President, I ask a supplementary question. I know when the arms are crossed that we are getting through. Can the minister confirm that the latest Treasury analysis shows that, on current numbers, the government will deliver a $25 billion deficit this financial year, not the wafer thin surplus as promised?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:20): Mr President, I refer to my first answer in response to that. I have no idea on what basis Senator Ronaldson is creating a range of figures to put to me. This perhaps is the same approach that we see from the coalition time and time again, the people who use catering companies to do their costing—

Senator Brandis: That's rubbish, Penny.

Senator WONG: It is not rubbish. It is what you did. These are the people who use accountants who have been found to have acted unprofessionally and the people who refuse to comply with the Charter of Budget Honesty because they do not want Australians to know what they are planning. But I tell you what: Premier Newman has shown precisely what their plans are, because the $70 billion that they have to find, if they ever get into government, we know will end up with job cuts. (Time expired)

Senator RONALDSON (Victoria) (14:21): Mr President, I ask a further supplementary question, and there is still no denial in relation to those figures. Why should anyone believe that the government would do better this year than last year when Labor's budget deficit for 2011-12 deteriorated from a projected $10 billion in 2010 to $44.4 billion in 2012?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:22): What is always astonishing in this place—

Opposition senators interjecting—

The PRESIDENT: Senator Wong, resume your seat. If you wish to debate it, the time to debate it is after question time, not now!

Senator Cormann interjecting—
The PRESIDENT: Order!

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:22): As I was saying, what is astonishing about the coalition is that not only do they completely ignore any requirement for costings, any requirement to comply with Peter Costello's charter of budget honesty, not only do they continue to want to use auditors who have acted unprofessionally and catering companies to do their costings—because they want to hide from the Australian people what their plans really are—but they always act as if the global financial crisis never occurred. They always act as if revenue has never changed, as if the global economy has never experienced its worst period since the Great Depression, and they always want to talk down the Australian economy which has come through this period of weakness and volatility internationally in far better shape than any other country, and I am actually very proud of that. (Time expired)

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (14:23): My question is to the Minister representing the Minister for Immigration and Citizenship, Senator Lundy. Given the requests from the Foreign Minister in Nauru that Australia does not use force to remove refugees who are being deported to Nauru, what assurances has the Australian government given to the Nauru government?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:24): The government has agreed in principle to implement the recommendations of the expert panel on asylum seekers, and these recommendations cover the regional processing in Nauru and PNG on the principle of no advantage. This is part of a broader framework to better deal with asylum and protection issues in the region as is necessary to combat people smuggling and prevent the tragic loss of life at sea.

We have always been committed to working closely with regional partners, and the arrangement with Nauru and PNG sends a clear message that countries in this region will take the action necessary to ensure the integrity of their borders and undermine people smuggling networks. The message to people smugglers and asylum seekers is that there is no advantage travelling by boat. In addition, regular and safer avenues for migration are being made available through the program.

The memoranda of understanding that Australia has entered into with both Nauru and PNG sets out who will be transferred, and while the agreements set out who will be transferred, Australia will of course take into account any concerns raised by Nauru or PNG, as is usual for people subject to entering a foreign country.

Senator Milne: Mr President, I rise on a point of order—that of relevance. This is a critical issue. The minister has been asked directly about the procedures for removing asylum seekers from the plane when the Nauruans have said they will not use force. Will the minister please answer that question.

Senator Chris Evans: Mr President, on the point of order, when the minister was interrupted due to the point of order being made she was discussing directly the agreement between the Australian government and the Nauru government for the transfer of people to Nauru. It was exactly on the topic raised by the senator in her question, directly on the question of those arrangements that exist between Australia and Nauru, and I would put to you
that the minister is being directly relevant to the question asked of her.

The PRESIDENT: There is no point of order. The minister has 41 seconds remaining.

Senator LUNDY: We are not going into any detail about the operational arrangements of transfers. Section 198AD refers to the taking of people to a regional processing country and provides that certain actions may be taken to effect a transfer, including placing the person on a vehicle or vessel and restraining them. It also provides that in doing these things an officer may use such force as is necessary and reasonable. Of course, the objective here is to effect those transfers safely and effectively.

Senator HANSON-YOUNG (South Australia) (14:22): Mr President, I ask a supplementary question. My supplementary question goes to the heart of the first question. Tomorrow the first load of refugees will be leaving Australia. What assurances has the Australian government given the Nauru government that force will not be used?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:27): I do not think Senator Hanson-Young listened to the first response. I am certainly not in a position to confirm any transfers taking place. We are determined, however, to implement the recommendations of the Houston panel to stop the flow of boats. The message is clear: there will be no advantage to people risking their lives. All arrivals after 13 August are subject to new arrangements, as outlined, and the minister will be providing further details around transfers in due course. I can say that preparations for the first transfer are well advanced, but it would not be appropriate to further discuss operational details of asylum seeker transfers at this time.

Senator HANSON-YOUNG (South Australia) (14:28): Mr President, I ask a further question. What force is reasonably necessary—Tasers, gunpoint, drugging, batons? I think it is an absolutely essential question, considering the President and the Foreign Minister of Nauru have ruled it out.

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:29): I can only describe that question as both inflammatory and disappointing in the context of the serious efforts this government is making to try and effect the safe and effective transfer of asylum seekers to Nauru. We are implementing this policy with the motivation of trying to save lives and such inflammatory comments are, I believe, irresponsible in the first degree and completely out of context to the policy that we are trying to give effect to.

Regional Australia

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (14:30): My question is to the Minister representing the Minister for Regional Australia, Regional Development and Local Government, Senator Conroy. I refer the minister to reports that the government has frozen $2 billion worth of grants as a result of a $120 billion black hole in its budget and the NBN cost blow-out. Can the minister confirm that part of this freeze includes the $1 billion Regional Development Australia Fund, which it promised to the Independents in return for their support after the 2010 election? Can you confirm that you will deliver all promises to regional Australia in the time frame you promised the Independents?
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) (14:31): I congratulate Senator Joyce on campaigning in his own portfolio area. The government is building on the $4.3 billion investment announced in the 2011-12 budget by continuing to invest in regional health initiatives, education, liveability, skills and infrastructure in the 2012-13 budget. The 2012-13 budget invested in regional Australia with projects including $3.7 billion for the national Living Longer. Living Better aged-care plan—including improving aged-care service delivery in regional, rural and remote areas, recognising special regional needs and including zero real interest loans and a viability supplement to assist providers in targeted areas; $1.5 billion for the Remote Jobs and Communities Program to provide a more integrated—

Senator Joyce: I rise on a point of order, Mr President, obviously on relevance, and maybe he has got the wrong briefing note or he is just making it up. The question is: are you going to deliver all the promises to regional Australia in the time frame they promised the Independents? Don't worry about the palaver, just give us the answer.

The PRESIDENT: The minister is answering the question. The minister has 55 seconds remaining.

Senator CONROY: Thank you, Mr President. As I was saying, $1.5 billion for the Remote Jobs and Communities Program to provide a more integrated and flexible approach to employment and participation services for people living in remote areas of Australia; a billion dollars over four years to start the first stage of the National Disability Insurance Scheme, providing people with disabilities in up to four regions personalised care and support; $524 million to strengthen Australia’s biosecurity system, which underpins our unique biosecurity status—

Senator Joyce: Once more I have a point of order on relevance, Mr President. He is reading out a form guide but he is not answering the question: is he going to deliver all the promises to regional Australia in the time frame they promised the Independents?

Senator Chris Evans: On the point of order, Mr President, Senator Conroy is exactly responding to that question by detailing the delivery of the commitments made to regional Australia. He is providing the detail of those commitments, of the delivery of those commitments and of the record of huge investment in rural and regional Australia, for the first time in many years, across a range of portfolios. So I would suggest, Mr President, that Senator Conroy is exactly responding to the question asked, which was about commitments given to invest in regional Australia.

The PRESIDENT: There is no point of order.

Senator CONROY: Thank you, Mr President. As I was saying, $524 million to strengthen Australia’s biosecurity system, which underpins our unique biosecurity status— (Time expired)

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (14:34): Mr President, my supplementary is also to the minister. I note Minister Crean's statement this morning that it is not a freeze but a stocktake. Can you please explain exactly what you mean by the word 'stocktake'? What is the purpose of the stocktake? Didn't you actually know what was in your own budget?

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) (14:34): Mr President, I know exactly what is in the budget and, as has already been pointed out, I am going through it point by point because Senator Joyce is too lazy to bother to read the budget papers. So $225 million to assist parents with the cost of child care including those in rural and remote areas of Australia who are undertaking work, study or training, to better enable them to take advantage of employment opportunities; $77 million over four years for a new grants program to help dentists relocate to regional, rural and remote areas; $34.9 million to meet increased demand of GPs wanting to move to and remain in rural and remote communities; $7 million to enable the not-for-profit organisation Community Based Employment Advice Services to better meet the demands of clients in regional areas with restricted access—(Time expired)

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (14:36): We have just heard the most peculiar definition of 'stocktake' ever given in the parliament.

The PRESIDENT: It is a question we need, Senator Joyce.

Senator JOYCE: Yes, I am getting to it. So, Minister, let us be honest: 'stocktake' is just code for delay.

The PRESIDENT: This is a commentary, so if you have got a question—

Senator JOYCE: Yes. Is 'stocktake' just code for delay so that you are not actually going to deliver on your promises to the Independents? Because you are not delivering on those promises, don't you think it is time that they deliver on their promise to withdraw support from you?

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) (14:36): And the stocktake goes on: $2.9 million to continue the reform process that the Australian and Norfolk Island governments are undertaking to build a more sustainable future for the island. Then of course for rural and regional Australia there is the NBN—about which you should be ashamed for not supporting in this chamber and out in your electorates. Go and talk to some of your regional and rural constituents. But, as Mr Crean said this morning, we will honour our agreement.

Australia Awards

Senator PRATT (Western Australia) (14:37): My question is to the Minister for Foreign Affairs, Senator Bob Carr. Can the minister update the Senate on any plans to reinvigorate the Colombo Plan?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:37): The Colombo Plan brought 20,000 scholars from Asia to study in Australia during the fifties, sixties and seventies. It was a good product for its time. Colombo Plan scholarships to Australia ceased in 1985 when the full fee paying international students were able to come here. But if the same scholarship program existed today—that is, the Colombo Plan—it would represent about half of one per cent of all international students studying in Australia. Those longing for a return to the days of the Colombo Plan are failing to recognise things have changed. Between 1951 and 1986, Australia provided 20,000 scholarships under the Colombo Plan. Under the Australia Awards, we provide that every four years. We award 5,000 scholarships and fellowships each year to people from over 100 countries—10 times the number of awards provided by the Colombo Plan.

Australia Awards are more flexible, allowing for both formal study and professional development opportunities. It is
not all one-way traffic—Australian students benefit from scholarships to study overseas. Like the Colombo Plan, the majority of Australia Awards are offered in Australia at Australian institutions for students from around the world. In fact, the Senate would be interested to know that the number of Australia Awards will increase from 5,000 to 6,000 in 2014. The Colombo Plan was a good product for its time but is vastly overtaken by the Australia Awards in scale, in quality, in flexibility and in benefit to the recipients, and indirectly of course in benefit to the country that provides them, our country, Australia. (Time expired)

Senator PRATT (Western Australia) (14:39): Mr President, I ask a supplementary question. Can the minister further advise the Senate on how the Australia Awards are better than the Colombo Plan?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:39): The Australia Awards are uniquely identified with Australia. Students under the Australia Awards are studying in fields critical to their countries’ futures. For example, scholarships for Myanmar specifically support health, education and rural development—three areas critical for Myanmar’s future prosperity. Women received almost 50 per cent of all long-term awards, demonstrating our continuing commitment to improving the lives of women by opening opportunities to education. The percentage of scholars successfully completing their awards and taking their skills home has been consistently above 95 per cent over the last decade. We are offering opportunities for more and more fields of study—at present, 12 per cent study in health; seven per cent in engineering related technologies; 13 per cent in agriculture; seven per cent in education—(Time expired)

United States of America: Terrorist Attacks

Senator SINODINOS (New South Wales) (14:42): My question is to the Minister for Foreign Affairs, Senator Bob Carr. As a student of American history as well as Minister for Foreign Affairs, does the
minister place any weight on theories that the 2001 attacks on the World Trade Center in New York and on the Pentagon were a false flag operation or a US-Israeli conspiracy? What is his view of the groups which promote such theories which believe that not enough is known about the reasons for these attacks, that huge questions need to be asked about why one building came down without being hit, about whether this was due to controlled explosions and about what happened to the bodies and the plane at the Pentagon?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:43): I do not know what information the senator is seeking, but I think all rational participants in Australian politics would see September 11 for what it was: an aggressive attack on the United States which justified what the Howard government did in invoking the ANZUS Treaty—with the support of the opposition. It was an attack launched by jihadists, who were prepared to do anything to achieve their goal of mass civilian slaughter. We are all united in our condemnation of it.

I commemorated September 11 at the US embassy this week. I was proud to speak, and to speak I think for all members of this parliament, when I made the points I did. We can be satisfied but not complacent with the fact that in the 11 years since September 11 there has not been a comparable attack on a Western capital because of excellent intelligence work, the sort of intelligence with which we cooperate with our American friends and other allies very closely. We cannot be complacent because the prospect of an attack using a weapon of mass destruction, such as a backpack nuclear bomb or a suitcase nuclear bomb, remains very real. We have all said on many occasions that Western intelligence has to win 100 times out of 100; the terrorists can fail on 99 occasions and enjoy a breakthrough on their 100th attempt. I believe security agencies in Australia should take some satisfaction from the fact that there have not been serious attempts. (Time expired)

Senator SINODINOS (New South Wales) (14:45): Mr President, I thank the minister for his comprehensive answer and ask a supplementary question. Does the minister believe it is appropriate for parliamentarians to knowingly meet with groups like Truth Action Sydney which believe not enough is known about the reasons for the 9-11 attacks and, in particular, to go so far as to promote events such as the 'Delusion 911’ public meeting held on an earlier anniversary of the 9-11 attacks?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:45): I do not know what can be done about paranoia and conspiracy theories that circulate in politics. I do not know whether it is possible to have a rational argument with people who believe in those propositions and I really would not devote much time to it. I know there are websites set up in Arabic by quite good agencies to puncture such conspiracy theories and to present the uncontested facts about events such as September 11. I would simply caution against guilt by association, however, and that anyone who has encountered someone who holds such absurd theories is, by association, guilty of holding them themselves.

Senator SINODINOS (New South Wales) (14:46): Mr President, I have a further supplementary question. Does the minister believe that the promotion by Australian politicians such as Senator Rhiannon of groups such as Truth Action Sydney is helpful in enhancing our
international alliances, including with the United States? Does the minister have any concern about the government being in alliance with a party whose members promote such groups?

Senator BOB CARR (New South Wales—Minister for Foreign Affairs) (14:46): I think the Senate should take account of all those occasions in which the coalition has voted with the Greens party to defeat measures by this government. Based on that logic, you are associated with those theories. That would be as logical as saying that this government, because it has had the support on some measures of the Greens party, is somehow implicated in misthought, in these absurdities, in these conspiracies. I would not even dignify such a view by branding it McCarthyism because old Joe McCarthy at least had a little logic—

Honourable senators interjecting—

The PRESIDENT: Order! Senator Carr, resume your seat. Senator Macdonald is on his feet.

Senator Ian Macdonald: Mr President, I have a point of order on disrespect to the chair shown by this minister. Every time he speaks he turns his back directly to you, thus diminishing your authority and the respect for the Senate and the position you hold. I ask you to ask the minister to show some respect to the chair.

The PRESIDENT: There is no point of order. The minister has 11 seconds remaining.

Senator BOB CARR: Mr President, respect for the chair is my middle name. But I am tainted by some of the habits of the mother of Australian parliaments—and if that offends my colleagues I offer my apologies. (Time expired)

Clean Technology Investment Program

Senator MADIGAN (Victoria) (14:49): My question is to the Minister representing the Minister for Industry and Innovation, Senator Lundy. My question concerns the Clean Technology Investment Program. In light of the story in this Tuesday's Financial Review reporting that the Clean Technology Investment Program had been paused to allow the government to collect information on how the program is being rolled out and to enable the Expenditure Review Committee to assess the program, can the minister advise what is the nature of the information being collected and is there any particular problem or flaw suspected in the design and implementation of the program that has prompted this review?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:49): I thank Senator Madigan for his question. There has been some speculation about the government's grants programs due to reports in newspapers, and I welcome this opportunity to provide some facts. The government is collecting additional information on how grants programs are being rolled out and we are going through a process of examining every dollar of spending to make sure taxpayers are getting value for money. This is a normal part of the budget process and is exactly what fiscally responsible governments do. This means that while this process is underway there will be a brief pause in the granting of funds. However, at this stage, all the background work such as the preparation of guidelines, assessment of applications et cetera is continuing in the normal way.

I can assure the senator there are no design flaws in the Clean Technology
Investment Program and it is being implemented very well. In fact, it is a very popular program with industry, as I am sure the senator is aware, and is assisting the manufacturing sector make the transition to a clean energy economy.

Senator MADIGAN (Victoria) (14:51): Mr President, I have a supplementary question. Can the minister advise how long the program will be on hold? Given the statement by the Australian Industry Group’s Chief Executive, Innes Willox, that this was the ‘only source of adjustment assistance available to the vast bulk of manufacturers’ and that ‘we are very alert to the noises we hear about the program being on hold’, isn’t the minister concerned that putting a hold on the program will create the same investor uncertainty that the government insisted was the reason the carbon tax and related bills needed to be rushed through with such urgency?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:51): Again, to reassure the senator and the broader manufacturing community, I can confirm that at this stage all the background work, including the receipt and assessment of applications, is continuing in the normal way. The greatest uncertainty about programs such as this, programs which are providing real and practical help to manufacturers not only to prepare for a clean energy future but also to improve productivity and competitiveness, is from the policies of those sitting opposite. Those opposite have a stated policy of repealing the Clean Energy Future Act, which includes the carbon price and its associated measures such as the Clean Technology Investment Program. This stance is completely irresponsible and produces nothing but the damaging type of uncertainty that Senator Madigan has articulated in his question. So if there was one way to resolve this uncertainty it would be to join with us in government in convincing— (Time expired)

Senator MADIGAN (Victoria) (14:52): Mr President, I ask a further supplementary question. Of the 24 projects funded so far by the program as listed on its website, what percentage of the total amount of equipment purchased to date by program grant recipients is Australian made? Is the Expenditure Review Committee assessing the performance of the program and its level of support for Australian manufacturers to supply equipment into the program?

Senator LUNDY (Australian Capital Territory—Minister Assisting for Industry and Innovation, Minister for Multicultural Affairs and Minister for Sport) (14:53): The benefit for local industry from investments in clean energy capital was clearly in the mind of the government when designing the Clean Technology Investment Program. That is why the program includes local industry participation as one of the merit criteria used to assess the merit of each application. So, by design, the Clean Technology Investment Program supports local manufacturers and local businesses. A concrete example is the grant that Bundaberg Sugar has been awarded. This $800,000 grant will help fund the installation of locally produced extraction mills that will reduce the amount of pollution produced by Bundaberg Sugar per tonne of output by 17 per cent—a win for Bundaberg Sugar, a win for local industry and a win for the environment—but none of that would have been possible without the Clean Energy Future plan.

Housing

Senator PAYNE (New South Wales) (14:54): My question is to the Minister representing the Minister for Housing and Homelessness, Senator Evans. Can the
minister explain why only 9,289 dwellings have been built and tenanted under the government's National Rental Affordability Scheme since the program began in 2008? Given that the government's performance summary promised 25,302 dwellings by April 2013, doesn't that mean that the government will have to build over 2,000 houses per month just to meet its interim target?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:54): I thank the senator for her question because the question of increasing the housing stock that is available for public housing tenants and for low-income households is an important issue. That is why this government made sure that we had a minister for housing, so we had the focus on it at a federal level that had been lacking throughout the Howard years. As part of that, a range of new housing schemes were introduced to try and increase the stock of housing—making it available to more people—and to encourage state governments and other providers to work towards the provision of more homes.

We have committed, under the National Rental Affordability Scheme, to provide 50,000 new more affordable rental homes through NRAS by 30 June 2016, which is 50,000 more new affordable rental homes than would have been delivered if the Liberal government had still been in office. We also remain committed to meeting our interim target of delivering 35,000 of these new more affordable rental homes by 30 June 2014. We continue to work very closely with state and territory governments and NRAS participants to improve the pace of delivery to ensure that more affordable rental housing is brought to market as questioned.

I note that in my own portfolio area there has been a number of developments in providing affordable housing for university students in partnerships with the universities. They are proving to be very popular under the general housing initiatives. I do acknowledge that NRAS was slower to start than we thought and that investors needed to be— (Time expired)

Senator PAYNE (New South Wales) (14:56): Mr President, I ask a supplementary question. How will the government then solve our national housing shortage of 228,000 dwellings when it is clearly failing now to bring enough affordable rental properties to the market and when the carbon tax will also add, for new home builders, $5,200 per home, according to the HIA, even after compensation?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:57): I could make the obvious point that the major threat to many people in home affordability is the loss of jobs brought about by the New South Wales, Queensland and Victorian governments slashing public service jobs. But it is the case that we need to bring more houses onto the market. That is what our housing policy is seeking to deliver. But it is also a question of private housing supply. It is the case that the domestic construction industry is flat at the moment. That reflects, I think, the issue of consumer confidence, which is not strong despite the very strong economic conditions that exist, the low levels of unemployment and the low levels of interest rates. We have not seen home construction at the same levels that we might have in the past. (Time expired)

Senator PAYNE (New South Wales) (14:58): Mr President, I ask a further supplementary question. Why would the
Australian people trust this government to take housing seriously when only 9,279 NRAS buildings have been completed? The performance summary target for 2013 is 25,302. The minister now tells us the target for 30 June 2014 is 35,000, and the original promise in 2008 of housing minister Plibersek was 50,000 houses by 2012.

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Science and Research and Leader of the Government in the Senate) (14:59): I really react badly to suggestions from opposition senators when they seek to lecture us about our commitment to tackling homelessness and housing shortages in this country given that under the 11 years of the Howard government they could not even have a minister responsible for housing. They took no interest in the scheme. The only thing that they can do when they debate this is to try and argue about whether we have met our targets.

I think that everyone involved with housing in this country accepts that this government has made a genuine commitment to improving housing affordability and housing supply. As I said, we are seeing a pickup in completion of NRAS dwellings. We have indicated that we will be in a position to deliver 25,000 dwellings by April 2013. (Time expired)

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Economy

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:00): I want to add to an answer that I gave today, I think in answer to Senator Ronaldson, where I gave him the peak net debt figure for the current forward estimates period for 2012-13 as being 9.2 per cent of GDP. For the sake of completeness I do want to inform him that that is down from a net debt position of 9.6 per cent of GDP in the 2011-12 year.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator PAYNE (New South Wales) (15:01): I move:

That the Senate take note of the answers given by ministers to all questions without notice asked today.

Let me start at the end and perhaps move backwards. As I said in my final supplementary question to the minister, the original promise of this government in relation to the National Rental Affordability Scheme made by then housing minister Tanya Plibersek in a press release on 5 December 2008 was that 50,000 new rental properties would be built across Australia by 2012. You really need to have a calendar with you to actually appreciate the extraordinary nature of these figures.

In the current performance summary, the government’s commitment is to 25,302 dwellings by April 2013; so already half of the original commitment that was promised by 2012 in 2008. The minister advised us in his response today that the 2014 target was 35,000 dwellings under the National Rental Affordability Scheme. But the reality is that at current rates of construction, which see 9,289 dwellings built and tenanted as at September 2012, it would take the construction of over 2,000 houses per month to meet the target in the performance summary—not per year, per month. And this government says that they are bringing affordable housing onto the market in some sort of much vaunted, holier-than-thou way
because they are a Labor government and that is what they do.

What it seems to me that they do is to break promises. It was pretty clear in 2008: Minister Plibersek's commitment was to 50,000 National Rental Affordability Scheme houses across Australia by 2012. So we find ourselves here in September 2012 looking at less than 10,000 dwellings. And so as the costs of this government's budget blow out everywhere else across the country, we are faced again with them not explaining how they are going to fill this black hole—this $120 billion black hole in their budget. Not one answer today actually responded to where those gaping holes will be filled. Not one answer! Not from Minister Wong, not from Minister Evans and not from any of the other ministers who had a role in today's question time. Most certainly not from Minister Carr, who has not gone any way whatsoever towards acknowledging the challenge of funding for the Gonski recommendations in education but who nevertheless can see fit to rail against state governments, which they are supposedly engaged in cooperative federalism with!

It is actually beyond a joke; it is actually verging on farcical. It does not matter if you talk to Frontier Economics, it does not matter if you read the Australian Financial Review and it does not matter if you look at the government's own figures: they will actually need to find $120 billion. That is about $20,000 for the average four-person family by 2020 to pay for their spending promises.

'Promises', though: that is the word one would be using loosely if one had any acquaintance with the housing portfolio, as I have. We have a government which has bet the house on historically high commodity prices continuing into the future, and the reality is that that will not be what happens. Look at the expectations which have been raised in so many sectors of the community and the promises that have been given. We had about 10 days in the last fortnight where if you combined the dental care scheme, worth $4 billion, and the Gonski recommendations, worth about $5 billion a year, and you added to that the unfunded National Disability Insurance Scheme as it currently stands, we had about $20 billion worth of promises just wandering around in the ether. But that is okay, because the implementation dates are—what?—2020! How many of us are still going to be here? Some of us, hopefully, but 2020! How stupid does the government think that the Australian public are? They are over vacuous promises and they are over being told that 50,000 dwellings would be built by 2012 when we cannot even crack 10,000.

Senator PRATT (Western Australia) (15:06): When you talk of so-called 'black holes', you need look no further than the $70 billion of unfunded promises of those opposite. This Labor government has been well prepared to honour its charter of budget honesty, and the Labor Party, as that government, is honouring that charter.

Let us take a look at the facts, which are that government spending under this government is projected to fall to just 23.5 per cent of GDP in 2012-13 and remain there across into the forward estimates. This would be the longest sustained run of payments below 24 per cent of GDP since the early 1980s. That is the kind of thing that those opposite should have been doing when they were in government, when there was room in the economy during the last mining boom to put that money away. But, sadly, I think those opposite squandered much of the last mining boom, and that is leaving the tough decisions for today. But we are getting on with the job of making those tough decisions. We have standards, and this Australian community expects those
standards to be met—standards that are really a lot higher than accepting, as the minister highlighted today, a catering company's costings on Nauru or, for that matter, the costings done during the last budget, which did not meet audit standards despite the fact that shadow Treasurer Joe Hockey repeatedly claimed that those dodgy costings were in fact an audit.

So let us take a look at the facts about some of those things that are being promulgated by those opposite and in the media—things like saying that our dental care is uncosted. They have been saying things like, 'It's $4 billion over two years.' It is $4 billion over six years, and it also replaces a different scheme, so it is simply not new expenditure being added to the books. So those opposite cannot continue just to make things up as they have done this question time about the fiscal responsibility of this government. They have no idea where their figures are coming from and no basis for such absurd figures, but what has been well accepted is the $70 billion black hole of those opposite. That is the real question that this chamber and the Australian people need to deal with—the fact that those opposite have simply made up their allegations about the state of the budget.

But what I know is that what this government has done is that, while we were managing the global financial crisis, we still got on with the job of important social reforms in this country like the biggest increase in the pension in its 100-year history, something that the opposition did not deliver and could not deliver even at the height of the last mining boom. So you did not put the money away and you did not give it to the people that needed it. As I say, it is all about priorities, and those opposite do not have a decent set of priorities to put forward to the Australian people.

We will continue to take a robust and solid approach to our budget. You will see from Treasury at each budget update that we have costed and laid out figures there to be judged. So it is laughable for those opposite to be hanging the whole of their question time discussion around this debate, because you do not have a leg to stand on. What you are putting forward is simply not credible. On the other hand, we know that Joe Hockey announced his $70 billion budget crater on breakfast television, not in audited reports or in budget figures. His so-called auditors were found to be in breach of professional standards, and he still refuses to explain how he would fund any policies, except for the explanation that the company tax rate would indeed be jacked up. So I think that this question time the coalition have squandered their questions merely because they continue to go backwards.

**Senator WILLIAMS** (New South Wales—Nationals Whip in the Senate) (15:11): I refer to an answer from Senator Wong to Senator Cormann today in relation to investments. Investment about this $120 billion black hole is very important, and we are learning a lot about investments today. In fact, the second piece of legislation in general business this morning was about ethical investments and was brought forward by the Greens, as we are talking about investments and how we are going to invest that Future Fund put away by the Howard government under that great Treasurer Peter Costello for retirement funds. It is quite amazing with these ethical investments. What is proposed—and perhaps some of this black hole filling may be used in the government's budget—is to invest in the potential effects of peace and stability. That is the proposal that has been brought in this morning. I refer to our investments and the $120 billion black hole.
It is amazing that Greens Senator Lee Rhiannon has investments in a company called ERA, Energy Resources of Australia, a great company.

**Senator Ian Macdonald:** What? A uranium company?

**Senator WILLIAMS:** Yes, the fourth largest producer of uranium in the world.

**Senator Nash:** Really?

**Senator WILLIAMS:** Truly. That is what the statement of registered interests says. I do not know if the government invests the Future Fund in that. I do not know what the returns are; I think they are about $1.30 a share. But we have a Greens senator, and we may need to follow her advice, Senator Wong, with those potential investments to try and plug that $120 billion black hole. It might be a good investment for the Future Fund to help that black hole. Energy Resources of Australia Ltd—

**Senator Wong:** Madam Acting Deputy President, I rise on a point of order on relevance. I was not asked anything in question time—given what is before the chair—that is at all relevant to ethical investment. The senator does have opportunities if he wants to give this speech. There are plenty of opportunities, as the senator knows, to make these sorts of contributions. He is entitled to make them if he wishes to—that is a matter for him. I understand that we have journalists here and he wants to make a point now, but there are times in the Senate program when he can—

**Senator Abetz interjecting—**

**Senator Wong:** I am just making the point that what is before the Senate is a motion to take note of answers in question time. This has nothing to do with anything that was asked or answered in question time, and there are plenty of opportunities at which he can make such a contribution.

**Senator Ian Macdonald:** Madam Acting Deputy President, on the same point of order: fancy this minister, who has never answered a question and has never been relevant to the question asked of her, taking this point of order!

**The ACTING DEPUTY PRESIDENT (Senator Crossin):** Senator Macdonald, that is really not a point of order. That is a comment.

**Senator Ian Macdonald:** It is her point of order I am talking on, Madam Acting Deputy President, and I would say Senator Williams is directly on the point of the investment question that was asked of this minister. The fact that she did not answer it does not mean it was not asked.

**Senator Wong:** On the point of order, there was no question on investment.

**Senator Ian Macdonald:** You can't have two goes on the same point of order!

**The ACTING DEPUTY PRESIDENT:** Senator Williams, this is a session in which we take note of the answers given at question time, so I am going to remind you to direct your remarks to the questions that were given at question time.

**Senator WILLIAMS:** I could not agree with you more. We are taking notice of all the questions today, and there were questions on the $120 billion black hole that Senator Wong, I am sure, agrees with. She referred to investments when she answered a question—or made out to answer the question—of my colleague Senator Cormann. I am saying about investments, in plugging that black hole, and there is a lot of money there to be invested in the Future Fund that was put there by the Howard government. I am saying the places you could invest that to get a better return might be companies like Energy Resources of Australia, a uranium-producing company that must be so good
since Senator Rhiannon from the Greens actually invested in that company.

Senator Siewert: I rise on a point of order. This is not relevant to the debate, and you are just trying to blacken the name of Senator Rhiannon. No wonder we have so many Nats in here today: it's so they can all see you make a fool of yourself!

Senator Ian Macdonald: Madam Acting Deputy President, you will understand from the rulings of the President when Senator Conroy keeps talking about Mr Turnbull's investment and the President never takes any of that point of order raised. Senator Williams is quite within his right to continue the way he is.

The ACTING DEPUTY PRESIDENT: Senator Macdonald, I have given my response, and that is that, Senator Williams, I am going to ask you to keep your comments directly relevant to the answers that were provided in question time today.

Senator Abetz: Madam Acting Deputy President, I rise on a point of order. I invite you to take that ruling to the President for consideration. The successive rulings of the Deputy President in relation to taking note of answers is the acceptance that it is a wide, broad-ranging debate, especially in circumstances like the debate today, where it is in relation to every single question asked by the opposition—which, of course, included one question that actually named Senator Lee Rhiannon as well.

The ACTING DEPUTY PRESIDENT: Yes, Senator Rhiannon's name was mentioned today, but it was not in the context of ERA. I have said time and time again and will repeat if you like: Senator Williams, your comments need to be related to the questions that were asked today and the answers that were given today. Otherwise, there are other times in the Senate where you can provide a response and a speech along the lines you are suggesting today. I ask you in the 2½ minutes that are remaining to be mindful of the questions that were asked and the answers that were given today. That is what you are taking note of.

Senator WILLIAMS: I want to bring a point about this black hole today. One of the things we have seen from this government is that, because of this sovereign risk, we are not now seeing the Olympic Dam uranium mine proceed in South Australia. If that mine had proceeded, people would be employed, they would pay tax and that would help build some of the $120 billion hole that this government is facing. But the Australian Greens would shut down South Australia's signature economic project, the Olympic Dam uranium mine, if given the chance. That is the point I am making about where the investment is going.

Senator Rhiannon, as I have said, invests in a uranium-producing company; however, the Greens want to shut down a project in South Australia that could help fill the budget black hole that this government faces.

Senator Ian Macdonald: I can't believe it!

Senator WILLIAMS: I will take your interjection. There will be many people who cannot believe this, but that is what has happened here. It has been revealed—

Senator Ian Macdonald: That can't be on her register of interests.

Senator WILLIAMS: It is on her register of interests. There it is if you want to look at it. The point I make is that, when it comes to filling this black hole, we know what this government is made up of. It is made up of the Greens, the Australian Labor Party—sorry, Senator Madigan; I almost said the Labor Party—and a couple of Independents. We are now getting closed down projects like Olympic Dam in South Australia, which will no doubt have a
distinct effect on the budget revenues for the government in export revenue and profits, where they pay company tax. And part of that government alliance—the Greens—would shut down Olympic Dam tomorrow if it got going. Sadly, it has not got going. It has been put on ice.

So it is quite ironic that we have people wanting to shut down Olympic Dam, it is not kicking off because of lack of faith in this government and Greens senators actually have shares in companies that produce uranium despite their hatred for uranium. The irony is simply amazing.

Senator Cormann: Hypocrisy.

Senator WILLIAMS: I will take your interjection. Yesterday we heard 'hypocrisy' from a male Greens senator in reference to Senator Sinodinos. He called him a hypocrite—not a very nice thing to say. Of course, I would not say that this is hypocrisy—well, I suppose it is, yes. (Time expired)

Senator RHIANNON (New South Wales) (15:20): I seek leave to make a personal explanation.

The ACTING DEPUTY PRESIDENT: I understand the time to do that will be at the end of taking note, which will be fairly soon.

Senator SINGH (Tasmania) (15:21): It is a bit rich, I think, for the opposition senators to start talking about budget black holes on the government's side which are clearly hypothetical and speculative, not confirmed or based on fact, when they have very much a confirmed $70 billion black hole. They stand for a $70 billion black hole, cuts to services and cuts to jobs. This was confirmed by Joe Hockey and Andrew Robb. It is a bit rich of them to come in here and start talking about black holes and also for Senator Williams to go on some tangent when he should know very clearly by now the standing orders in this place. If not, I suggest to him, as someone who is still relatively new to this place, to read his Odgers', which he would have received, as we all did when we started as new senators in this place, so as to understand the standing orders during taking note of answers. We have to be relevant to the questions from question time which we are taking note of. Even I know that much.

Senator Ian Macdonald: Madam Acting Deputy President, I rise on a point of order. On your ruling, this senator is now talking about Senator Williams and something he may or may not have done. That was not the subject of any of the questions at question time today. On your ruling, you will tell this senator to move on to the debate before the chamber.

The ACTING DEPUTY PRESIDENT (Senator Crossin): It is not a point of order, Senator Macdonald. Senator Singh is well aware of what this half an hour is for during the Senate time, and she is taking note of the answers to questions.

Senator SINGH: That Senator Williams's contribution to take note focused in part on this new rhetoric coming from senators opposite about a black hole is incredibly rich at a time when they have confirmed a $70 billion black hole on their side.—

Senator Hanson-Young: And growing.

Senator SINGH: And growing indeed. We all know exactly what that means. I think Senator Payne, who talked about the importance of housing and the growth in housing, needs to have a little reflection on that and what it would mean in terms of a $70 billion black hole and also on the fact of what occurred in housing under the federal Liberal government. The federal Liberal Party ripped $3.1 billion out of the housing budget. It actually voted against the building of 20,000 new homes the last time it had the
chance to support affordable housing. I am sure that Senator Payne is a champion of housing. I am sure that she has some concern about the need for social housing, as we very much do on this side. It is why we have implemented a number of policies in relation to social housing. If that is her personal concern, she needs to understand that she is in the wrong party, because the party she is in, as I said, ripped $3.1 billion out of social housing and voted down the creation of 20,000 new homes the last time it had the chance to support social housing. In contrast, our record when it comes to the housing portfolio is a very proud one. It is a proud record of helping to deliver affordable housing to Australian families.

At the broad level, our economic management has delivered a budget into surplus, kept unemployment low, helped to contain inflation and enabled the RBA to keep interest rates low. The current standard variable interest rate for the major banks is at 6.82 per cent—well below what it was when the Liberals left office. Of course, that means more money in the pockets of Australian families. Families are now saving around $4,000 a year on a $300,000 home loan compared to November 2007. Since coming to office, the government has also directly contributed to the construction of one in every 20 new homes through programs like the $6 billion investment in social housing and the $4.5 billion investment in the National Rental Affordability Scheme—a scheme that has really benefited a number of low-income Tasmanians in my home state. In fact, in the long-term, the government has committed to providing 50,000 new more affordable rental homes through the NRAS by 30 June 2016.

So our record is very strong when it comes to social housing, because that is what Labor governments do. They support those in need. They support those low-income Australians who need support to get into the housing market and who need support to get into an affordable rental market. We support Australians who need support through all kinds of social housing; hence, the breadth of our housing portfolio—something that was completely destroyed during the time the Liberal Party were in office, and it is something that Senator Payne needs to reflect upon.

Senator RYAN (Victoria) (15:26): In the answers to these questions today we have seen another example of Labor's lack of credibility on fiscal matters being reflected in their lack of charity and in their lack of honesty. The simple point is that no-one believes this government on fiscal matters and, in particular, no-one believes it when it attacks the previous government, because the fiscal scoreboard says it all. When this government came to office, $96 billion in debt had been paid off—and more than $80 billion of it had been run up under the previous Labor government. There was $70 billion in the Future Fund—money that has been put aside for the public sector superannuation liabilities run up under governments over 30 years. And there was a surplus of more than $20 million that Labor could bank in their first year. All of this was the result of the policies of the previous government.

The point to be made about Labor's lack of charity is that the previous government and the previous Prime Minister and Treasurer, John Howard and Peter Costello, always gave credit to the Hawke government for some of its measures in liberalising Australia's economy. They always gave it credit for cutting tariffs and deregulating the financial markets, and they always pointed out that those measures were supported by the coalition and by the Liberal Party at the time, particularly under John Howard's leadership. But we never get such charity, we
never get such intellectual honesty, from the Labor Party, because in a desperate desire to somehow construct some credibility they must tear down the record of others.

But the fiscal scoreboard is honest. The fiscal scoreboard actually outlines the numbers this government inherited and it tells us where they have taken us now. I am not surprised, after having spent a few years here, that the Labor Party oppose measures to balance the budget. They particularly seem to be focused at the moment on opposing those measures at the state level, where state coalition governments have come to office in order to clean up the messes left by Labor governments. The reason Labor must oppose measures to balance budgets is that I do not think they ever do it. The record of Labor at a federal level and at a state level is one of debt, one of deficit, one of deferring hard times to future generations and one of leaving a mess for others to clean up.

I have seen the confected outrage from the other side, talking about how there are public sector jobs going in certain states. But why do I see no outrage about the 50 jobs that Labor is trying to abolish at the moment—the 50 jobs for the people who were going to work on the Abel Tasman—or about the people who are losing their jobs because of the carbon tax? We never, ever hear Labor being upset about those jobs. We only hear the ALP being upset about public sector jobs. I have to ask myself: is it because the people working on the Abel Tasman are not union members? Is it because they are not organised and cannot march down a street in colourful T-shirts—they do not present a pretty picture for television? But we never, ever hear the outrage over people like that, in this case long-term unemployed people, losing their jobs.

We only hear confected outrage from the Labor Party about public servants losing their jobs.

This government has no credibility when it comes to financial matters. It has been using the global financial crisis that was severe but did not hit Australia as hard as it did other places. There were multiple reasons it did not hit Australia as hard as other places. There was confidence in our fiscal situation, a situation this government inherited; there were solid regulations of banks and financial institutions that meant they did not get themselves into trouble as those in Europe and North America did; and there was demand for our resources, so our terms of trade were going through. But this government still uses the global financial crisis as a veil behind which to hide its irresponsibility. This government wasted billions on a crisis that did not hit our shores as hard. The number of jobs that Labor claimed they were going to create were suddenly jobs that had been saved, but no evidence whatsoever has ever been produced to demonstrate that.

The second $42 billion stimulus package stands particularly condemned for being some of the greatest waste that this government and country have ever seen. We saw waste in pink batts and school halls and we saw the misdirection of funds, with dead people receiving $900 cheques from the government. The government compounded the problem by not listening and not withdrawing the stimulus earlier when it became obvious to everyone that it was not needed in our economy and was overheating it. This is to say nothing about the fact that there is still a great question about whether such stimulus packages even work. Whether or not we can stimulate an economy by removing or borrowing money and simply spraying it around is still a question that has not been established. The evidence of what is
happening around the rest of the world today says that. This is a government whose history and record demonstrate fiscal incompetence. And taxes will eventually go up under this government; it is just a question of when.

Senator HANSON-YOUNG (South Australia) (15:32): I move:

That the Senate take note of the answer given by the Minister representing the Minister for Immigration and Citizenship, Senator Lundy, in question time today relating to the government's assurances to the Foreign Minister of Nauru.

The Foreign Minister of Nauru said clearly on the record this week that Nauru would not be prepared to be accepting asylum seekers and refugees in their country where the removal was done by force. The Nauruan government has asked the Australian government for assurance that force would not be used. We have just heard in the response from Minister Lundy that the government is more than prepared to use force to remove refugees and to deport them to Nauru once they have already arrived on Christmas Island or indeed anywhere on the Australian mainland.

It is clear that the Australian government have simply thumbed their nose at the request of the Nauru government to not use force. They are more than prepared to see force used and have justified it because the act that this government and the coalition rushed through this parliament only three weeks ago allows for 'reasonable and necessary force' to be used. The question that I had to Minister Lundy was: what constitutes reasonable and necessary force? I think it is an absolutely fair question, particularly when the country that we are sending these people to have said they do not want forced to be used—full stop!

So what is necessary and reasonable force? I question whether there is any force that is reasonable and necessary to remove a child from a detention centre on Christmas Island to a detention centre in Nauru. I question whether there is any force that is reasonable or necessary to remove a child who is a refugee and has fled war, torture and persecution. What type of necessary and reasonable force could there possibly be for a country like Australia, that is meant to abide by basic standards of humanity, when it comes to dealing with the world's most vulnerable people, refugee children? What type of force could possibly be reasonable to use against those children or the pregnant women currently being held in Darwin who have been told by the immigration department that they will be going to Nauru?

What necessary and reasonable force will be used against pregnant women who resist boarding the plane, knowing that their fate at the end of that plane journey is going to be indefinite detention?

The government cannot even tell us how long these people are going to be left in this prison camp in Nauru. They cannot tell us how they are going to get there, what force is necessary, what force is reasonable and then how long these people are even going to be there. In fact, the government cannot even answer and will not answer who will be processing the claims of these refugees. Is the Nauru government going to be making the assessments as to who is a refugee and who is not? Or is it the Australian government who is going to be making the assessments? There are absolutely no answers from the government or the representing minister to any of these questions.

It staggers me that here in the parliament of Australia—a modern country; a country where we have signed the refugee convention and we pride ourselves on looking after each other properly; a country where we have basic standards about how we
treat those who are vulnerable—in answer to a question as to whether a foreign country has asked for an assurance that we will not use force against refugees, our minister confirms, ‘Oh well, we will be, because as long as it is necessary and reasonable it is all okay.’ I do not believe any force used against people, including women and children, who have fled war, can ever be justified as reasonable and necessary.

Question agreed to.

PERSONAL EXPLANATIONS

Senator RHIANNON (New South Wales) (15:37): I seek leave to make a personal explanation.

Leave granted.

Senator RHIANNON: I have one share in ERA. During my 11 years in the New South Wales parliament and since I was elected to the Senate, I have declared my one share in my pecuniary interest statement. I bought my one share so that I could attend AGMs of ERA to speak to shareholders about the dangers of the uranium industry. Shareholder action is a common tactic of those campaigning for environmental protection, workplace rights and social justice. I will continue to support such activism and to work hard to promote green policies, despite the attempts to intimidate that coalition MPs engage in. Senator Sinodinos, Senator Williams and Senator Macdonald are wasting the valuable time of the Senate.

BUSINESS

Leave of Absence

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (15:38): by leave—I move:

That the motion agreed to earlier today, granting leave of absence for Senator Bob Carr, be varied by omitting 17 September and 18 September 2012.

Question agreed to.

COMMITTEES

Community Affairs References Committee

Government Response to Report

Senator WONG (South Australia—Minister for Finance and Deregulation) (15:39): I present two government responses to committee reports as listed at item 14 on today’s Order of Business. In accordance with the usual practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

The documents read as follows—

Australian Government Response to Senate Community Affairs References Committee Report on The Regulatory Standards for the Approval of Medical Devices in Australia August 2012

Government response to recommendations

Recommendation 1

The committee recommends that the Therapeutic Goods Administration make a list of the devices on the Australian Register of Therapeutic Goods publicly available.

Response:

The Australian Government agrees with the recommendation.

The Australian Register of Therapeutic Goods (ARTG) is a publicly searchable data base which includes all medical devices currently approved for supply in Australia. The Therapeutic Goods Administration is currently working to improve the searchability of the ARTG.

Recommendation 2

The committee recommends that the Department of Health and Ageing fully implement Recommendation 8c of the Health Technology Assessment Review regarding the need for increased rigour of regulatory assessment of higher-risk medical devices.
Response:
The Australian Government agrees with the recommendation.

The Therapeutic Goods Administration has consulted publicly on proposals to increase the rigour of regulatory assessment for higher risk medical devices.

Some reforms will be in place before the end of the calendar year, but the Government notes that timing and approach depends on the completion of the appropriate assessment of any potential regulatory and cost recovery effects, including on patients and the Australian medical device industry.

Recommendation 3
The committee recommends that the level of assessment of Class III medical devices be increased.

Response:
The Australian Government agrees to consult further with affected stakeholders on this recommendation.

The Government recognises that greater regulatory rigour for high risk, Class III medical devices would allow further evidential review prior to market entry for these devices.

International harmonisation is a critical element in medical device regulation. This harmonisation allows access for Australian patients to the best devices available around the world and avoids costly repetition for industry seeking to enter the market. As such, the Government believes that any increase to the level of assessment of Class III medical devices will be best achieved in harmony with international counterpart regulators.

The Therapeutic Goods Administration (TGA) has begun consultation with key stakeholders in Australia in relation to increasing this assessment. Further consultation with the international community may be required to identify the most appropriate approach. The Government has instructed the TGA to continue this dialogue. It is important to note that any change in pre-market regulation would need to consider the increase in the level of mitigation of risks to patients' safety, as well as the impacts on the Australian medical device industry and on patients' access to medical technologies. The TGA will be required to undertake consultation with domestic stakeholders on any proposed changes to increase assessment, including developing a Regulatory Impact Statement if required.

Recommendation 4
The committee recommends that the Therapeutic Goods Administration investigate whether allowing an increasing number of medical devices onto the Australian market actually improves clinical outcomes; and whether a more judicious approach could improve pre-market assessment and post-market surveillance of higher risk medical devices, for the ultimate benefit of patients.

Response:
The Australian Government agrees with the intent of the recommendation, to improve the quality of medical devices available in the Australian market place, by continuing to refine requirements for pre-market assessment and post-market surveillance.

The TGA has no legal power to limit the number of applications made for inclusion of medical devices in the Australian Register of Therapeutic Goods (ARTG). Medical devices included in the ARTG are required to comply with standardised criteria for quality, safety and performance under the Therapeutic Goods legislation.

Further responses on pre-market assessment are provided in relation to recommendations 2 and 3. A further response on post-market surveillance is provided in relation to recommendation 7.

Recommendation 5
The committee recommends that the Therapeutic Goods Administration continue to consult widely with stakeholders, including consumer health organisations, on the amended proposals related to third party conformity assessment; and weigh carefully considerations of the advantages of streamlined international regulatory frameworks and patient safety.
Response:
The Australian Government agrees with the recommendation.

The TGA will conduct consultation with all stakeholders on the details of any specific proposals to implement third party conformity assessments and will develop a Regulatory Impact Statement, if required.

The Government notes that recent events have raised questions relating to the current framework governing the use of third party conformity assessments bodies overseas.

The European Commission has announced that it will review the current structure for third party conformity assessment in the European Union (EU) with a view to making amendments and the possible introduction of an accreditation process for notified bodies.

The Therapeutic Goods Administration (TGA) will monitor developments in Europe with a view to identifying the most appropriate arrangements for Australia which adequately balance the advantages of streamlined international regulatory frameworks and patient safety.

In order to provide certainty for all stakeholders, the Government commits to expedite its considerations, subject to regulatory developments in the EU.

Recommendation 6
The committee recommends that the Therapeutic Goods Administration continue its prudent approach to the regulation of reprocessed single-use medical devices, with due consideration for issues of informed patient consent and the need for suitable mechanisms to enable tracing of remanufactured medical devices in the case of adverse events.

Response:
The Australian Government agrees with the recommendation.

Current approach to regulation
The Australian regulatory framework for medical devices is designed to ensure that the reprocessing of devices that were not originally intended for reprocessing does not compromise the safety and effectiveness of the device. Under these regulatory controls, the reprocessing facility is regulated as a manufacturer, and is required to demonstrate that the reprocessed device is equivalent to the original and will continue to perform without additional risk to the patient.

Informed patient consent
The Medical Board of Australia (MBA) is responsible for all matters relating to the regulation of medical practitioners in Australia. It has produced Good medical practice: A code of conduct for doctors in Australia which provides guidance to medical practitioners on a range of matters including issues about informed patient consent.

The Government notes that the National Health and Medical Research Council has published General Guidelines for Medical Practitioners on Providing Information to Patients (2004). These guidelines recommend that doctors provide information to patients about the risks of any interventions, especially those likely to influence patients' decisions.

The Government undertakes to refer the issue of patient consent, in the context of reprocessed single-use medical devices, to the relevant National Boards and the Australian Health Practitioner Regulation Agency (AHPRA).

Tracing of remanufactured medical devices
The Therapeutic Goods Administration (TGA) has established regulatory guidelines for remanufactured medical devices, requiring compliance with the post-market requirements, such as reporting adverse events to the TGA associated with the use of the device, tracking the number of times the device is remanufactured and reused, tracing the device to the batch/serial number of the original device and recording to whom the device was supplied in case of recall or other regulatory action (Australian regulatory guidelines for medical devices 2007).

Recommendation 7
The committee recommends that the Department of Health and Ageing implements Recommendations 13, 14, and 15 of the Health Technology Assessment Review in a timely manner. These recommendations address the need for improved post-market surveillance by increasing the rate of reporting of adverse events, including by health service providers and
consumers; facilitating the expansion and use of post-market surveillance data to inform safety, effectiveness and reimbursement decisions; and establishing further clinical registers for high risk implantable devices and procedures.

**Response:**

The Australian Government agrees with the recommendation in principle.

Recommendation 13 of the Health Technology Assessment Review (HTA Review) states that in order to improve the contribution of post-market surveillance to patient safety, the Therapeutic Goods Administration (TGA) take steps to increase the rate of reporting of adverse events, including by health service providers. The Government's response to this is set out in the response to recommendation 8 of this inquiry (below).

Recommendation 14 of the HTA Review states that, in order to improve the contribution of post-market surveillance to the sustainability of the health system and the longer term regulatory efficiency of HTA Review processes, the Department of Health and Ageing (the Department) explore options for consideration by Government in 2011 to facilitate the expansion and use of post-market surveillance data to inform safety, effectiveness and reimbursement decisions for devices and procedures.

The Government supports the expanded use of post-market surveillance data from adverse event reporting in assessing the safety and effectiveness of medical devices. As set out in the response to recommendation 8 below, the Government will seek to improve the reporting of adverse events by health practitioners and the general public in order to provide greater data relating to the devices in use in Australia. In addition, the TGA will provide reports of adverse events, as well as any relevant conditions the TGA imposes on a sponsor in order to register their device (including the provision of post-market data), to the TGA's newly established Advisory Committee on Medical Devices (ACMD). The ACMD will use this data as part of its post-market monitoring responsibilities.

The TGA will inform the Prostheses List Advisory Committee, through the Department, when a prosthesis is withdrawn from the ARTG, so that the Government may receive timely advice on any consequent changes to private health insurance reimbursement arrangements for that device.

The Government announced in the 2012-13 Budget that it will remove joint replacement prostheses with evidence of higher than acceptable revision rates from the Prostheses List, so that private health insurers are no longer required to pay benefits for those prosthetics.  

Recommendation 15 of the HTA Review is that registers for high risk implantable medical devices and/or procedures be established.  

The Government supports the development of clinical registers for high risk implantable medical devices and has to date supported the establishment of the National Joint Replacement Registry.

The Government will continue to work with industry and medical groups to identify the most effective ways to track the use and performance of high risk implantable medical devices, balancing benefits and costs to patients, providers and the wider community.

As part of this process, the Government is also currently considering funding options for the establishment of these registers, including the feasibility of the use of cost recovery from industry through the TGA cost recovery arrangements.

The Government further undertakes to review the communication and reporting links between existing registries/registers, the TGA and the Department.

**Recommendation 8**

The committee recommends that the Therapeutic Goods Administration put in place mechanisms to educate and encourage doctors to report adverse incidents associated with the use of medical devices. The committee further recommends that the Department of Health and Ageing introduce mandatory reporting for health practitioners to the Therapeutic Goods Administration on relevant issues, in certain circumstances including problems with medical devices.
Response:

The Australian Government agrees that adverse event reporting by medical practitioners is a vital component of a comprehensive system of post-market surveillance, and in that context, commits to the following course of action.

The Government has recognised that further work is required to encourage greater reporting of adverse events from therapeutic goods (including medical devices). As announced in TGA Reforms: A Blueprint for the Future on 8 December 2011, the Australian Government has agreed to implement recommendations 19 and 20 of the Transparency Review: to more effectively facilitate the recognition and reporting of adverse events by health practitioners and consumers, and promote the adverse event reporting system; and to make the Adverse Events Database available to, and searchable by, the public in a manner that promotes the quality use of therapeutic goods. In this context, the Therapeutic Goods Administration (TGA) will investigate ways to upgrade the value of individual clinician input and subsequent information exchange.

The TGA has included additional information on its website on reporting adverse events and published a brochure outlining ways to report an adverse event. This brochure is being disseminated at conferences and other venues where it will reach healthcare professionals. An online reporting form for adverse event reporting for medical devices was made available on the TGA website from mid-March 2012. The Government also undertakes to draw this recommendation to the attention of medical educators and organisations funded to provide training and support to medical practitioners.

On the matter of mandatory reporting for health practitioners on problems with medical devices, the Government undertakes to raise this matter with the Medical Board of Australia (Board) which is responsible for the regulation of medical practitioners. The Government notes that any changes to standards set by the Board, or to codes and guidelines produced by the Board, are subject to requirements set out in legislation, including consultation and, in the case of changes to registration or accreditation standards, the agreement of the Australian Health Workforce Ministerial Council.

The Department of Health and Ageing (the Department) will work with the states and territories to identify opportunities to coordinate adverse event reporting currently required in the public hospital sector in each jurisdiction. The Department will also work with the Australian Commission on Safety and Quality in Health Care to investigate the Commission's capacity to provide safety oversight of the use of therapeutic devices through the development of standards and indicators.

Recommendation 9

The committee recommends that the Government implements the Recommendations of the Therapeutic Goods Administration Transparency Review in a timely manner.

Response:

The Australian Government agrees with the recommendation.


Recommendation 10

The committee recommends that the Therapeutic Goods Administration consider simultaneously allocating or aligning the great variety of codes used to identify medical devices, in order to facilitate more efficient regulation and more rapid identification of devices when problems occur.

Recommendation 11

The committee recommends that the Department of Health and Ageing consider a mechanism for flagging billing codes in order to identify devices subject to an alert or recall; as well as a consequent adjustment to benefits paid, based on industry feedback as to the performance of the device.

Combined Response:

The Australian Government notes recommendations 10 and 11.
There are practical challenges in simultaneously allocating codes. Catalogue numbers are established by industry internationally, and Australian Register of Therapeutic Goods (ARTG) and Prostheses List billing codes are allocated through consecutive approval steps. Market approval can occur in advance of any decision to reimburse, and many devices are never considered for reimbursement. To delay the allocation of an ARTG number until a billing code for private health insurance purposes was granted, would unduly delay the availability of the product onto the Australian market.

Nevertheless, the Government acknowledges that better integration and alignment of identifiers can assist post-market surveillance and device identification when problems occur. A new database is under development to support Prostheses Listing arrangements which will allow the Department of Health and Ageing (the Department) to link catalogue numbers with billing codes to assist with identification of specific products. This work is scheduled for completion by the end of 2012.

The Department and the Therapeutic Goods Administration (TGA) are also liaising with the National E-Health Transition Authority on scope to link its National Product Catalogue to billing codes and ARTG numbers to assist identification of devices.

In relation to benefit setting, the Department is implementing recommendation 12 (b-e) of the Health Technology Assessment Review in Australia (HTA Review), to refine grouping schemes and develop single group benefits for clinically similar products on the Prostheses List. Once this work is completed, the Department, with advice from its expert and advisory committees, will review benefit setting arrangements into the future.

**Recommendation 12**

The committee recommends that the Therapeutic Goods Administration consider whether custom made dental devices are adequately regulated; and whether the approach used in the United Kingdom of requiring a statement of manufacture to be provided to patients, and retained by the dental practitioner, has merit.

**Response:**

The Australian Government notes the recommendation.

Custom made dental devices are not required to be included on the Australian Register of Therapeutic Goods. However, there are a number of requirements that must be met.

The therapeutic goods legislation requires that the importers of custom made dental devices hold certain information about the device including information identifying the manufacturer, the device and any special characteristics of the device.

The Australian Government will consult with the Dental Board of Australia on this recommendation, as the governing body with the authority to regulate the dental profession.

**Recommendation 13**

The committee recommends that the Therapeutic Good Administration carry out an investigation to ascertain whether importation of medical devices via the internet is adequately regulated.

**Response:**

The Australia Government agrees with this recommendation.

The Therapeutic Goods Administration (TGA) will continue to work with all stakeholders to examine evidence in relation to the adequacy of existing arrangements for the importation of medical devices.

Under the Therapeutic Goods Act 1989, the Therapeutic Goods Regulations 1990 and the Therapeutic Goods (Medical Devices) Regulations 2002, therapeutic goods are required to be approved and included on the Australian Register of Therapeutic Goods (ARTG) before they can be supplied unless there is an exemption.

It is illegal to import commercial quantities of therapeutic goods into Australia without the goods being entered onto the ARTG. This applies even if the importer is a healthcare provider. If products are imported for on-sale, including for use within a professional practice, they would need to be appropriately entered onto the ARTG.
by the importer who would be recognised as the sponsor of the product. The importer would need to meet the appropriate responsibilities of a sponsor as set out in the legislation. Therapeutic goods imported directly from international websites and not entered in the ARTG may not meet the standards of quality, safety or efficacy prescribed by the therapeutic goods legislation. Registered health practitioners who import directly need to be aware how their sponsor responsibilities interact with their professional responsibilities for registration within their relevant sector.

It is possible for individuals to import therapeutic goods into Australia for their own personal use (www.tga.gov.au/pdf/access-personal-import-guidelines.pdf). Such importation is subject to various conditions and it is the responsibility of individuals wishing to import unapproved therapeutic goods for their own use to ensure they have complied with all relevant Commonwealth and state/or territory laws. If care is not taken, consumers may inadvertently break the law, waste their money, or risk their health.

The potential consequence of the importation of medical devices via the internet is limited as private health insurance and Medicare benefits are only payable for medical devices purchased and used with professional services rendered within Australia. Consumers and health professionals are likely to choose devices for which benefits are payable.

From time to time, in the course of routine surveillance activity, the TGA becomes aware that Australian consumers may have purchased potentially dangerous therapeutic goods from overseas sources via mail-order or the internet. In these cases the TGA will issue a safety alert via its website advising consumers to cease using the goods and to consult a healthcare practitioner if there are any health concerns.

Recommendation 14

The committee recommends that the Therapeutic Goods Administration, in consultation with the National Joint Replacement Registry, investigate ways in which information provided by the National Joint Replacement Registry can be used and responded to in a more timely way for the benefit of patients, and to inform future evidence based decision making on the listing of prostheses on the Australian Register of Therapeutic Goods.

Response:

The Australian Government agrees with the recommendation.

Recommendation 15

The committee recommends that the Department of Health and Ageing prepare, as a matter of priority, a comprehensive communications strategy to inform medical practitioners, patients and the general public about the issues associated with De Puy hip and hip resurfacing devices as well as options for treatment, obtaining further information, and reporting adverse outcomes. The committee further recommends that such a strategy be implemented as a standard process for any future adverse event reporting.

Response:

The Australian Government agrees with this recommendation in principle.

The communications strategy

In announcing TGA reforms: a blueprint for TGA’s future, the Government has agreed to implement the recommendations of the Therapeutic Goods Administration (TGA) Transparency Review which will make further information available to medical practitioners and the public where any issues arise associated with therapeutic goods, including adverse outcomes and recalls.

The Government notes that the device sponsors, Johnson & Johnson Medical, working closely with the TGA and the Australian Orthopedic Association (AOA), have put in place a communications strategy to inform medical practitioners about the issues associated with De Puy hip and hip resurfacing devices.

Information for the general public and patients has also been published on the TGA website: http://www.tga.gov.au/newsroom/btn-du-puy-recall.htm#patients. The Government notes that patients who suspect that they may have side effects related to their hip replacement surgery were advised to contact their surgeon for further
clinical review as appropriate. In addition, following recall of the DePuy ASR implant, the TGA worked with DePuy and the AOA to ensure that all Australian orthopaedic surgeons were aware of the recall and appropriate advice was available to be provided to patients.

Communication between health practitioners and patients

The Medical Board of Australia (MBA) is responsible for all matters relating to the regulation of medical practitioners in Australia. It has produced Good medical practice: A code of conduct for doctors in Australia which provides guidance to medical practitioners on a range of matters including issues about provision of information to patients.

The Government undertakes to bring to the attention of the MBA and the Australian Health Practitioner Regulation Agency the need to ensure that surgeons are communicating any emerging concerns relating to medical devices to patients in a timely manner, including options for treatment.

Standard processes

The Department has standard procedures in place to respond to health crises and issues management, including development of appropriate communication strategies. These strategies are tailored to the specific situation as each issue is different and the response required can differ significantly.

Nevertheless, the Department and the TGA will undertake to review the efficiency, timeliness and comprehensiveness of standard processes to communicate with consumers and clinicians in the event of major recalls of implantable medical devices that may have public health consequences.

Recommendation 16

The committee recommends that the Department of Health and Ageing, as a matter of urgency, consider the best way of establishing a process for monitoring the levels of cobalt, chromium, and other toxic metals; and any possible health effects, in all patients who have received metal-on-metal hip replacements.

Response:

The Australian Government notes the recommendation and will continue to monitor the emergence of evidence on the need for, and most effective approaches to, monitoring effects of metal levels associated with metal-on-metal hip replacements.

The TGA, in consultation with the AOA, has developed advice for healthcare professionals and patients regarding De Puy's ASR metal-on-metal hips. The AOA has notified orthopaedic surgeons of the issues and they have been advised to contact patients implanted with an ASR hip replacement system to arrange assessment and regular follow-up. Surgeons have been advised to follow patients closely, including annual review, for at least five years following surgery.

Currently, the health effects of increased blood metal levels are uncertain. Moreover, the effectiveness of monitoring blood metal levels to identify suspected problems with metal-on-metal hips has not been established, and such results are generally considered in the context of other clinical findings. The type of monitoring should be determined on a case-by-case basis following a detailed consideration of each patient's circumstances by their surgeon. This may involve diagnostic imaging and blood tests as determined by the treating surgeon in consultation with each individual patient. Chromium testing is reimbursed under the Medicare Benefits Schedule.

Recommendation 17

The committee recommends that the Government consider the best mechanism for initiating and advancing research on the health effects of cobalt, chromium, and other toxic metals, on the human body. The committee also recommends that consideration be given to ensuring adequate funding for that research is made available.

Response:

The Australian Government agrees with this recommendation in principle.

Australia is participating in a world wide study of patients who have received the ASR Hip. This study will be the largest of its kind in determining the relevance, extent and impact of raised metal
ion levels, in patients who have had hip surgery using the ASR prostheses.

The Department of Health and Ageing and the Therapeutic Goods Administration are also having ongoing discussions with the Australian Orthopaedic Association National Joint Replacement Registry about ways in which the registry may assist in assessing the outcomes for patients who have received other metal-on-metal hip replacement and any potential for ongoing medical problems.

In addition, as the Government's peak funding body for health and medical research, the National Health and Medical Research Council (NHMRC) invests in research through a variety of funding mechanisms including investigator-initiated research projects and clinical trials, broad programs of research, training awards for scholars and postdoctoral fellows, career research fellowships and special strategic research programs. The majority of these schemes operate according to annual funding rounds and the details of opening and closing dates are available on the NHMRC website.

Investigator-initiated research proposals into the health effects of cobalt, chromium, and other toxic metals on the human body will be considered as part of annual funding rounds. These funding schemes are highly competitive with each application considered on its merits through a rigorous peer review process.

**Recommendation 18**

The committee recommends that the Department of Health and Ageing undertake further work to address the issue of inducements paid by pharmaceutical companies and medical device manufacturers to doctors and teaching hospitals, in line with the Physician Payment Sunshine provisions of the Patient Protection and Affordable Care Act of 2009 in the United States. The definition of inducements should include a commercial interest in a company or device; any cash payments or discounts offered to medical practitioners; and any other gifts provided to medical practitioners.

**Response:**

The Australian Government agrees with the recommendation in principle but notes that a legislative framework for ethical conduct of industry in the promotion of therapeutic goods to healthcare professions is not warranted in the Australian context at this time.

The Government is committed to achieving a level playing field in this area. Recognising the need for improvement, the Government established an industry-led working group in 2010 to examine the issues around promotion of therapeutic goods and opportunities to strengthen the current self-regulatory arrangements.

The Government announced its response to the working group's recommendations as part of the TGA reforms: a blueprint for TGA's future. In this response the Government gave strong support to industry's initiative to harmonise their codes of conduct to incorporate the high level principles agreed to by the Working Group. Robust and consistent codes of conduct are a powerful first step in strengthening oversight of the relationship between therapeutic goods companies and healthcare professionals.

As part of the 2012-13 Budget, the Government will provide $1.4 million over four years to further assist industry to respond to the Working Group's recommendations. The resources provided through this measure will support stronger self-regulation, better communication and shared systems for complaints reporting.

The Government will work with industry to evaluate the effectiveness of this approach and consider the need to provide further support, or changes to the current self-regulated arrangements if the therapeutic goods industry requires greater encouragement to achieve universal adherence to consistent, high ethical standards. The Government notes that a legislative framework for ethical conduct of industry in the promotion of therapeutic goods to healthcare professionals is not warranted in the Australian context at this time.

In relation to standards for ethical conduct of healthcare professionals, the Australian Government undertakes to bring the recommendation to the notice of the Australian Health Workforce Ministerial Council, and to refer the recommendation to the relevant National
Boards and the Australian Health Practitioner Regulation Agency.

The Government has also been working with its partners in the Asia Pacific Economic Cooperation (APEC) to develop and endorse principles to guide business ethics in the medical device and pharmaceutical sectors. These principles clearly set out expectations for companies operating within APEC economies in regard to ethical behaviour and identify activities that are inappropriate influences and inducements.

Amended recommendations

The Australian Government notes the proposed timeframes and additional considerations proposed by Senator Xenophon and has considered and responded to these matters in the main recommendations.

Response to the Senate Community Affairs References Committee Report

THE SOCIAL AND ECONOMIC IMPACT OF RURAL WIND FARMS

JULY 2012

Introduction

On 27 October 2010, the Senate Community Affairs References Committee (the Committee) was established to consider the social and economic impact of rural wind farms, and in particular:

- any adverse health effects for people living in close proximity to wind farms;
- concerns over the excessive noise and vibrations emitted by wind farms, which are in close proximity to people’s homes;
- the impact of rural wind farms on property values, employment opportunities and farm income;
- the interface between Commonwealth, state and local planning laws as they pertain to wind farms; and
- any other relevant matters.

The Committee received more than 1000 submissions, many letters and other documents, and had access to much published information. Public hearings and site visits were held in various capital cities and regional areas.


The Australian Government welcomes the Committee’s report and thanks the Committee for its considered approach to the recommendations made in the report.

Some of the Committee’s recommendations are directed to state and territory governments, local authorities and professional bodies. The Australian Government encourages those agencies to respond positively to the recommendations.

The Government recognises that this Senate Committee report has captured a range of issues for many individuals and the wider Australian community with regard to wind farms. These include noise, health effects, planning laws, property values, employment and farm income. The Government also recognises that in order to meet the legislated Renewable Energy Target of 20 percent by the year 2020, the number of wind farms can be expected to increase significantly in the next few years.

The Department of Health and Ageing has led the coordination of the whole of government response to the Senate Inquiry. Input to the response was provided by agencies within this department and by the departments of Sustainability, Environment, Water, Population and Communities (DSEWPC) and Resources, Energy and Tourism (DRET) where recommendations relate to their respective portfolios.

Government Response to Recommendations

The Australian Government recognises that while the Senate Committee report has captured a range of issues for many individuals and the wider Australian community, there is no strong evidence either way as to the impact of wind farms on the health of Australians.

The lack of evidence therefore makes it difficult for the Government to determine what course of action to take, if any. The Government recognises it has responsibility for consideration
of recommendations four, five, six and seven and these are addressed further in the response. As for the remaining recommendations, these are areas that lie outside of the Government’s responsibility and should be considered by relevant state/territory governments, local governments and planning authorities.

**Recommendation 1**

2.44 The Committee considers that the noise standards adopted by the states and territories for the planning and operation of rural wind farms should include appropriate measures to calculate the impact of low frequency noise and vibrations indoors at impacted dwellings.

**Response:**

This is a matter for consideration by state/territory governments, local governments and planning authorities.

**Recommendation 2**

2.58 The Committee recommends that the responsible authorities should ensure that complaints are dealt with expeditiously and that the complaints processes should involve an independent arbitrator. State and local government agencies responsible for ensuring compliance with planning permissions should be adequately resourced for this activity.

**Response:**

The Australian Government accepts this recommendation, but notes that it is a matter for consideration by state/territory governments, local governments and planning authorities.

**Recommendation 3**

2.69 The Committee recommends that further consideration be given to the development of policy on separation criteria between residences and wind farm facilities.

**Response:**

This is a matter for consideration by state/territory governments, local governments and planning authorities.

**Recommendation 4**

2.101 The Committee recommends that the Commonwealth Government initiate as a matter of priority thorough, adequately resourced epidemiological and laboratory studies of the possible effects of wind farms on human health. This research must engage across industry and community, and include an advisory process representing the range of interests and concerns.

**Recommendation 5**

2.102 The Committee recommends that the NHMRC review of research should continue, with regular publication.

**Recommendation 6**

2.103 The Committee recommends that the National Acoustics Laboratories conduct a study and assessment of noise impacts of wind farms, including the impacts of infrasound.

**Response:**

The Australian Government accepts these recommendations in principle.

It is also noted that the draft National Wind Farm Development Guidelines July 2010 (the draft Guidelines), produced by the former Environment Protection and Heritage Council of Australia and New Zealand, provides extensive advice on how to conduct community consultation. The draft Guidelines remain a valuable reference document for industry and planning authorities and may assist effective community consultation and possibly reduce complaints.

**Recommendation 3**

2.69 The Committee recommends that further consideration be given to the development of policy on separation criteria between residences and wind farm facilities.

**Response:**

This is a matter for consideration by state/territory governments, local governments and planning authorities.

It is also important to note the level of complaints about wind turbines and wind farm projects can be aligned with a lack of effective community consultation in the planning and development stages. As highlighted in the Australian Psychological Society’s submission and in the Committee’s report, early consultation with the community could improve community understanding of wind turbines and could therefore reduce community anxiety and complaints. In the Committee’s report, it is acknowledged that research on the societal acceptance of wind farms is currently being undertaken by the Commonwealth Scientific and Industrial Research Organisation.
any update to its 2010 public statement. The review will include audible noise, infrasound and low-frequency noise. A reference group will be established to advise on the review and will include members of the public, industry, researchers, sound engineers/consultants and planning representatives.

The results of the literature review and the revised public statement will be published on the NHMRC website.

Further, there are a range of funding mechanisms within the Australian Government, in particular within the NHMRC, that could be used to fund additional research on the possible impacts of wind farms on human health, including epidemiological and laboratory studies.

Recommendation 7

3.99 The Committee recommends that the draft National Wind Farm Development Guidelines be redrafted to include discussion of any adverse health effects and comments made by NHMRC regarding the revision of its 2010 public statement.

Response:

The Australian Government does not accept this recommendation.

The former Environment Protection and Heritage Council of Australia and New Zealand (EPHC) released the Guidelines in July 2010 for a twelve-month consultation period. The draft Guidelines outlined best practice for industry and planning authorities and were not mandatory, nor did they seek to change existing jurisdictional statutory processes.

The Australian Government understands that jurisdictions have developed, or are currently developing, planning application, assessment and approval processes within their own planning frameworks to manage community concerns about wind farm developments such as turbine noise, shadow flicker, electromagnetic interference and impacts on landscapes and wildlife. The EPHC Standing Committee therefore has decided to cease further development of the Guidelines. The draft Guidelines remain a valuable reference document for industry and planning authorities and may be used and reproduced for non-commercial purposes.

The Australian Government recognises the important role research will continue to play in informing state/territory planning and development approval processes. The Australian Government would like to emphasise that the revision of the NHMRC’s 2010 public statement will depend on the outcomes of the literature review, which it will commission shortly.

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:39): by leave—I move:

That the Senate take note of the documents.

I wish to take note of the two responses that the government has tabled today to the two Senate Community Affairs References Committee reports. I particularly wish to take note of the government's response to the Regulatory standards for the approval of medical devices in Australia report. I will try to remember at the end of my remarks to seek leave to continue my remarks, because I am sure Senator Xenophon, who is not in the chamber at the moment, would also like to talk about this report. I chaired this inquiry and, as the chamber may recall, it was Senator Xenophon who made the referral.

We have done two inquiries into this particular issue over the past 18 months. Obviously I am pleased the government has responded, and I would like to comment on a few of the responses to our recommendations. However, I have only just seen this response. I should put on the record that I have been trying all day to get this response after I saw it on the Notice Paper. I have only just received it, which makes it hard for committee members who have worked so hard on these documents to comment. I know it will go on the Notice Paper, but obviously we would like to be able to respond in a speedy manner once the government responds to our recommendations.
The community affairs committee always seems to have references that are particularly emotional. This one was also emotional. We heard some devastating accounts from people who have suffered as a result of faulty medical devices. I am pleased—well, I am sort of pleased—to see the government's response to the committee's recommendation 2, which was about implementing recommendation 8c of the Health Technology Assessment Review. The government says that it agrees with the recommendation and that the TGA has consulted publicly on the proposals to increase the rigour of regulatory assessment for high-risk medical devices. It says:

Some reforms will be in place before the end of the calendar year—but the Government notes that timing and approach depends on the completion of the appropriate assessment of any potential regulatory and cost recovery effects …

The point here is that I think this might be the third time that this recommendation has been made, and people are getting a bit sick of the time delays all the time. When the affected and interested communities see this, I think they are going to be very disappointed that it looks again as if the government is buying itself time, or putting this on, when what these people want is for this recommendation to be implemented as a matter of urgency.

The government also agrees with recommendation 3—partly. I remind the chamber that recommendation 3 was about the level of assessment for class III medical devices and that the level of assessment be increased. The government's response is that it 'agrees to consult further'. Yes, I am always out there saying that you need to consult—but consult further on this? This is another issue that the community feels has been consulted on and consulted on and consulted on, and they have had enough! They want some action taken.

So it is disappointing that the government says, 'We're going to consult further'. We have now had two Senate inquiries, saying the same thing: that we need to be looking at these class III medical devices. This is not good enough, government; you need to go back, please, and have another look. The government falls back on the fact that you have to have international harmonisation and says:

As such, the Government believes that any increase to the level of assessment of Class III medical devices will be best achieved in harmony with international counterpart regulators.

That is not what the community wants to hear. That is not what Australians want to hear. Australians want to hear that their government has heard that there are concerns here and they want more rigorous action. I urge the government to please have a look at that recommendation because it is one that the community feels very strongly about.

The committee also recommended that the TGA:

... investigate whether allowing an increasing number of medical devices onto the Australian market actually improves clinical outcomes ...

We heard quite a lot of information around this, with a number of people being very critical of the numbers on there and that there is not enough pre-market assessment or post-market surveillance of the higher risk medical devices. On this one, the government said:

The Australian Government agrees with the intent of the recommendation, to improve the quality of medical devices available in the Australian market place, by continuing to refine requirements for pre-market assessment and post-market surveillance.
The government also said:

The TGA has no legal power to limit the number of applications made for inclusion …

However, I think you will find that the community will say that, if you actually do the pre-market assessment and the post-market surveillance better, it would improve the situation very significantly. The concern is that those pre- and post-market assessments have not been done.

I am pleased that the government is picking up on recommendation 5, which is 'continuing to consult with various organisations on the proposals related to third-party conformity assessments and to weigh carefully the considerations of the advantages of the streamlined international regulatory frameworks and patient safety'. The government says that it agrees with this recommendation and will conduct consultations with the various stakeholders. You can bet your bottom dollar that the affected community will be looking at that one very substantially.

The government sometimes agrees with the rest of the recommendations but then goes into an explanation about why you cannot actually do it. It seems to me that that is what they are saying. It gets even worse when they say 'agree in principle', because that means that they do not really and that they will find another way of not following through with these recommendations.

The bottom line here is that, if we do not see some changes in the way that medical devices are regulated, I am desperately afraid that we will see a recurrence of the problems we have seen just recently. We heard such emotional accounts of people's lives being absolutely devastated by some of these devices. It is a very important issue and I thank the government for responding in a fairly timely manner.

I would now like to move to the government's response to the social and economic impacts of rural wind farms, which was another substantial inquiry. I want to particularly go to the recommendation about carrying out thorough research—that is, 'A matter of priority for thorough adequate research, epidemiological and laboratory studies and the possible effects'. The government say that they accept the recommendations in principle. They say that the NHMRC is already actively engaged in supporting the assessment of the available research and that a review will include audible noise, infrasound and low-frequency noise. They say that they are looking at a literature review and, further, that there is a range of funding mechanisms within the Australian government, in particular in the NHMRC, that could be used to fund additional research.

I think the community was looking for a broader commitment from the government to actually fund some of that research and not just say that it can get funding from here. It is pleasing that the government is responding to that issue. That is the recommendation I think you will find that the community will be looking for. We need to make sure that those are thorough assessments to ensure that people are comfortable with the science and, in particular, we need to make sure that they are independent.

As I said, I am sure the community will be looking at these recommendations very carefully. I suspect that people will not be totally happy with the government's response and so I am flagging here that I expect to be hearing very shortly from people who will be looking at this recommendation and saying that they do not think it goes far enough, because there does need to be some further funding for looking into these issues. I seek leave to continue my remarks on both the
government responses that have been presented.

Debate adjourned.

**DOCUMENTS**

**Tabling**

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the *Journals of the Senate* and on the Dynamic Red, and a statement of compliance is tabled in accordance with the continuing Order of the Senate relating to departmental and agency files.

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

**MOTIONS**

**Gillard Government**

Senator FIFIELD (Victoria—Manager of Opposition Business in the Senate) (15:49): I move:

That the Senate notes the Gillard Government’s $120 billion budget black hole.

As I rise to my feet, it occurs to me that I have spent my entire professional life either talking about Labor debt and deficit or helping to repay it. Essentially, my entire professional life has been spent cleaning up after the Australian Labor Party. I was working with the Greiner government, which inherited from Labor debt and deficit, and I should note in passing that the opposition leader for that entire period was none other than current Senator Bob Carr, who opposed each and every measure put forward to repay debt and get the budget back into balance. I was working for the Kennett government, which inherited from Labor debt and deficit, and the job was, again, to seek to repay that debt and get the budget back into balance—again without any assistance at any time from the Australian Labor Party. So, in 1996, when I found myself working for the then Treasurer, Peter Costello, it was, as Yogi Berra would say, 'Déjà vu all over again'. There was a $96 billion debt and a budget which was $12 billion in deficit, and we set about repaying the debt. Again, it was done without any assistance from the Australian Labor Party. In fact, the Labor Party opposed each and every measure put forward to get the budget back into surplus. It took us the best part of a decade to completely eliminate that $96 billion of Labor debt—the best part of a decade. It is easy to rack up these bills; it is much harder to pay them down. So successful were we in doing so and establishing what was widely accepted as a new and better fiscal paradigm that then opposition leader Mr Rudd was at pains to ape the Howard government—to present himself as a slightly younger, slightly funkier version of John Howard. He was essentially putting forward the proposition to the Australian people that it was safe to vote for the Australian Labor Party because it would be a status quo situation—that there was essentially no difference. Mr Rudd went to the extent of appearing in those television ads, which I am sure we all remember, where he put his hand on his heart and said, 'I'm often accused of being an economic conservative. It's a badge I wear with pride.'

Senator Wong: No, it was your tone!

Senator FIFIELD: You are with me and that is the main thing, Senator Wong. But it now seems so farcical to remember him saying, 'I'm often accused of being an economic conservative. It's a badge I wear with pride.'

Senator Wong interjecting—

Senator FIFIELD: See, she likes it. The very sad thing is that too many people believed Mr Rudd. Too many people believed that the Australian Labor Party had learnt the lessons of the past—that it was a bipartisan commitment to balanced budgets, to living within your means, to economic
conservatism. That is what the Australian public believed. Mr Rudd was guilty of misleading and deceptive conduct. He was elected in effect on the back of a lie. We know Ms Gillard was elected on the back of a lie—that she would not introduce a carbon tax—but the lie that Mr Rudd put forward was no less significant: that he would be an economic conservative, that he would preside over balanced budgets, that he would not rack up massive debt as previous Labor governments had.

So the election came and went, Mr Rudd became Prime Minister and Mr Swan became Treasurer. They were talking a good game, you have got to say. In his very first budget Mr Swan said, 'We're budgeting for a surplus of $21.7 billion in 2008-09, 1.8 per cent of GDP, the largest budget surplus as a share of GDP in nearly a decade.' No. It did not come to pass. It reminds us, as if we needed reminding, that what is in a budget speech, what is in a budget paper when it forecasts a surplus, when it forecasts a lessening of debt, or when it forecasts a smaller budget deficit than the year before, is a forecast—it is nothing more than that.

The global financial crisis came along. It is such an unlucky government, this one: if it is not one thing, it is another! So we had the global financial crisis. If you believe the Australian Labor Party it was the first time in human history that there had ever been economic uncertainty; it was the first time in human history that a government had ever faced significant external shocks and it was of such magnitude that it would not matter what happened—

Senator Wong: Oh, come on. You'd be laughed out of town if you went to Washington and said that. Go to Washington and say that—go on.

The ACTING DEPUTY PRESIDENT (Senator McKenzie): Order!

Senator FIFIELD: I am noting, in effect, the tone and the language that the government used at the time—that this was something that was completely unprecedented, that they had no option but to go into deficit, that they had no option but to spend massively, to waste massively.

But I do contrast that with the Asian financial crisis. We are much more enmeshed in the Asian region than we are enmeshed with Europe or the United States. In the Asian financial crisis—our region, where we are—our major trading partners were in recession. Despite that and without massive fiscal stimulus, without massive waste, we still continued to grow. It is not automatic that recessions elsewhere lead to recession in your own country.

The global financial crisis, yes, was a real event, but Europe and the United States were the genesis and the epicentre of that. It was not automatic that we would go into recession. What saved us from recession was not the economic stimulus. It was the fact that we have a floating exchange rate; it was the fact that we had strong demand from China; it was the fact that we had the world's best prudential regulatory arrangements, courtesy of Mr Costello; it was the fact that the Reserve Bank cut official interest rates. It was the combination of those factors which led to Australia coming through the global financial crisis in good condition. It was not because of this massive fiscal stimulus. It is important to have a look at the contrast between how we fared during the Asian financial crisis and how he fared during the global financial crisis and what the Howard government did at the time of the Asian financial crisis and what the Rudd government did at the time of the global financial crisis.

But it seems that this government just cannot take a break; luck just never goes
their way! Even if you accept the thesis of the other side in relation to the global financial crisis and the budgetary situation in the year or two after that, it in no way explains the fiscal situation since then. We have heard time and again those opposite say that the reason that the budget is in deficit year after year after year is because of revenue write-downs. There have been revenue write-downs—I acknowledge that—but, if you look at the budget papers year by year under this government, the overwhelming reason that the budget is in deficit year after year after year is not revenue write-downs; it is because of policy decisions. What 'policy decisions' means is spending decisions by the government. That is the overwhelming reason that the budget is in deficit year after year after year. It is because of spending decisions.

Honourable senators interjecting—

The ACTING DEPUTY PRESIDENT: Excuse me, senators will not debate across the chamber. Senator Fifield has the call.

Senator FIFIELD: Thank you, Madam Acting Deputy President, and we are seeing here that very debate. It is not revenue write-downs that account for the Australian government being in deficit year after year after year, and assertions to the contrary do not make that proposition true. It is because of policy decisions of this government. It is because of spending decisions by this government.

As if it is not bad enough that this government have failed to live up to the promise that they presented leading into the 2007 election, to be good and conservative economic managers, and as if it is not bad enough that each and every budget forecast for deficit has been well and truly exceeded at the time of the final budget outcome, the government have embarked on a new path of fiscal recklessness. That comes in the form of the new $120 billion budget black hole. The genesis of that is a series of unfunded, grandiose commitments, some of them worthy in their aspiration and some of them not.

That which is worthy in its aspiration is the National Disability Insurance Scheme, a scheme—according to Productivity Commission figuring as amended by the Australian Government Actuary—which would cost in a full year about $7½ billion to $8 billion a year. The reason for that figure is it is simply a product of the unmet need for Australians with disability who need aids and equipment, who need supported accommodation and who need respite. That is a worthy aim. But, in the case of the National Disability Insurance Scheme, the government have only allocated over the forward estimates $1 billion of the $3.9 billion that the Productivity Commission said was necessary for that first phase. So it has been massively underfunded and the government have given no indication as to how a full national rollout of the NDIS would be funded.

Then we have the dental scheme which Minister Plibersek announced the other week and, depending on who you listen to, it is either funded or underfunded. Ms Plibersek said, when asked how it would be funded, that it was all new money and that decisions would have to be taken as to how to fund that. So she said it was all new money but the Prime Minister, on the other hand, said, 'No, no, no, no, it's not all new money but this is essentially a savings measure.' When you have a Prime Minister and a substantive minister on a multibillion dollar announcement being unable to agree whether something is a savings measure or requires new money, you know that there is absolutely no fiscal rigour left in the outfit.
We then have Gonski. There are some elements of Gonski which are fine and worthy in their aspiration but it is a pipedream, with not a dollar put towards it. We are seeing the emergence under this government of a pattern where a grand announcement is made. In the case of the NDIS, you may have a little bit of money put towards it but there is none in the case of Gonski. You may have a little bit of detail provided—as is the case with the NDIS or none, as in the case of Gonski—just enough to give the illusion of activity and just enough to give the illusion of substance. You will then have the Prime Minister picking fights with the states, demanding things of them through the airwaves—things which are news to them. Then, when the states say, 'Look, we'd like to have a chat about this as this is meant to be a nation where cooperative federalism is the order of the day; could you give us a little bit of detail?' the Prime Minister then seeks to excoriate the states—well, certain states, Liberal states—for being against proper support for people with disability or for being against every kid in Australia having a decent education. We have these fabricated confected fights to convey the illusion that only the Labor Party cares about people with disability or that only the Labor Party cares about quality education.

The final element of this new pattern that we see is that the government will seek to introduce a token piece of legislation. I think we are going to see by the end of this year some legislation with the brand of Gonski. I suspect all that legislation will do will be to essentially say that it is a good thing that kids get a good education. I think that is all it will do, I have got to say. I would suspect, although we have not seen it, that the legislation that the government puts forward for the NDIS may technically formally establish a national disability insurance agency, but we will not have details of eligibility criteria, we will not have details of scheme design, we will not have details of how the scheme will be funded and we will not have a commitment to a full national rollout by 2018-19. What we are seeing is an attempt to deceive the public. We are seeing a systematic, deliberate attempt to deceive the public; that these are sorts of announcements—Gonski, dental and NDIS—constitute a comprehensive policy by this government which will be legislated, funded and introduced. It is nothing of the sort. There are two possible explanations for this scenario. One is that the government have been complete frauds, that they have no intention of introducing the Gonski arrangements, no intention of properly implementing an NDIS and no intention of doing what they want to do on dental—disagree with it though we do; they just want to provide enough evidence of activity to convince people that they are serious.

The other explanation for the situation is that the government really want to do these three things but they are just so absolutely and hopelessly incompetent that they cannot bring forward detail, they cannot bring forward implementation plans and they cannot find the money. They are the two explanations—thay are serious and genuine, but they are also genuinely hopeless; or they are deliberately and systematically deceiving the Australian public. I would be interested if you could hazard a third explanation, Mr Acting Deputy President Furner. But they are the two explanations before us.

The cumulative effect is $120 billion of unfunded commitments. And you can throw into that the amount of money which is required to support the situation with asylum seekers. I think the government are actually pursuing a con, that they are gearing up for opposition, that they have no intention of
finding the money for these programs and that they have no intention of actually delivering them. That would be appalling, that would be deceitful and that should be condemned. I hope that the government prove me wrong. I would love that. I would love to see the National Disability Insurance Scheme, but I seriously doubt the government's bona fides.

Senator MOORE (Queensland) (16:09): I am a bit worried looking across at the opposition because they were all wearing their R U OK? badges earlier in the day but now they seem to have disappeared. It would be a real worry to me if we are to fall into a process of excoriation this afternoon. We need to have a debate around the issues and we are more than keen to have the debate, but I think we should be looking to see that everybody in the chamber are feeling well, positive and moving well into the debate. Senator Fifield, I am worried that the badge has gone. I hope that does not mean that the spirit is lacking on this day.

However, in question time this afternoon we heard the preliminary part of this debate with the series of questions across the chamber to Senator Wong. The opposition started with quite clear assertions about and confirmation of the figures that prove the great blow-out in the budget. Yet again, we have the litany from those opposite—if you say something often enough and loud enough, it automatically becomes truthful. We know where the figures come from that the opposition are using. They come from the Australian Financial Review. With great deference to the Australian Financial Review, a newspaper that is read vigorously by people on a weekly basis to find out what is happening in the economy, it seems that, yet again, the opposition's work is being done through other sources, the media and the AFR's report on the budget. That is worrying because in this place we have processes which work effectively.

As you know, Mr Acting Deputy President, because you sometimes sit with me on the Finance and Public Administration Legislation Committee during estimates, we look at the Treasury figures and the budget process, and line by line the Senate is able to examine exactly what the determinations are across all expenditure in the budget. It is clear through that process that you can identify in the budget exactly what is happening with the forward spending and what the methodologies are and have been for many, many years. There is no new way of calculating the budget. We have not created a new budget process. We have not created a new Treasury. We have not created a new department of finance. Those processes and systems have existed. We work within that infrastructure and we continue to do so.

I looked at the AFR's figures—which I actually found in the media release from the opposition that claims the attribution to black hole, to which they love to refer—and it was clearly listed on the basis of an eight-year forward plan for the budget. I immediately turned to my little book on how the budget process operates to see what we do during Senate estimates. I found that we look at the forward budget and at the way calculations are made, and I picked up almost immediately that the forward budget does not cover an eight-year period. The data and the arguments put forward by the opposition—and I know they will continue to use them next week, because why start with a new line when you already have a good one—were the inflated figures around an eight-year outlying process. That is a technique. It is a proposition into the future but it is not an examination of budget figures; it is a guesstimate. Anyone can have an argument using guesstimates.
The comments made by Senator Fifield we have heard many times before. I knew the way his comments were going to flow and I knew what was going to come next. He waxes lyrical that we must be very unlucky, that we have all sorts of things happening to us and that we hide behind what is happening in our budget figures. It is as though the government have not gone through the process of putting out a budget every year and reviewing the figures midterm—all of which is publicly available—as well as sitting through three weeks of intensive Senate estimates. There is a view in the rhetoric of the opposition that we have not known, or not noticed, that we have run budget deficits over the first years of our government. We have known that. We have planned it. The reasons that those budget deficits have occurred have been put out into the public arena, as well as what we are planning to do as a government to respond. We have been told by the opposition that our government's plan to have a budget surplus going into the next financial year is somehow an unworthy affirmation, that it is something that might or might not happen. What we have said as a government is that we will bring in a surplus, and we are working through the process to ensure that happens. Every time there is an examination of our figures, that is brought into an account. But that is not good enough; somehow it has to be some kind of manipulation or conspiracy or hiding that the government is doing. That is not true. The job of government is to put forward our figures, to justify those figures and to put evidence as to what we are going to do, how we have done it and what factors are impacting on our budget.

I heard Senator Fifield today draw a comparison between the Asian financial crisis and the global financial crisis. That argument has been made. At the time of the Asian financial crisis I was in this place, and at no time did the then opposition say that there was no such thing as an Asian financial crisis. There was debate about whether the methodologies and responses being put forward by Costello at that time were appropriate, but at no time was there any suggestion by the opposition that it was somehow a made-up exercise and that Australia would be completely immune from everything that was going on. In contrast, from the time that the global financial crisis was identified, to the horror of the world's economies, there has been a view by those now on the opposition benches that it was not having any impact on Australia, that we would be able to sail through without impact and that any good thing that came out was somehow a legacy of the good financial management of the previous government. The view was that there was nothing untoward, nothing major and nothing troubling that would cause the government to make the really strong financial decisions, publicise them and explain why they were being done, which resulted in the economic stimulus processes we put in place, particularly in the first three years of our government.

They were decisions that have been respected and held up by international economists as not just appropriate action but action which could be held up to show the rest of the world's economies a way to make the best response to a significant threat to our financial security. But, no, again that was not good enough for the opposition, who said the government was lucky or unlucky, it fell into decisions, it did not know what it was doing. Many leading economists, including at that stage, I have to say, economists in the Australian Financial Review, said that the Australian economy had pulled itself through the global financial crisis in a very effective way. There has been pain, and we continue
to see pain from businesses that were caught up in that process, particularly those involved in international markets. But the economic decisions that were made by this Labor government, using figures prepared by Treasury and the department of finance that are public, have protected to a large extent the integrity of our economy. I think that should be acknowledged. It has been acknowledged by most organisations, most governments and most economic theorists, with the major exception being those in the opposition at the moment. I do not consider it a matter of luck. I believe it was a series of strategic decisions based on economic theory that led us to the position we are in today.

There seems to be a viral process happening around the country where Liberal-National governments have been elected by the population—and that is the joy of our democratic process: we do not always enjoy the results but we enjoy that democratic process that we have. The process I am referring to where you get into government and you have an independent review, which is run of course by people that you know and appoint, that brings out the astounding finding that there are budget issues and problems from the outgoing government. What a surprise—that has never happened before in history! Nonetheless, we have seen it happen now in Victoria, in New South Wales and, most recently, in Queensland—my own state and yours, Mr Acting Deputy President Furner. What we have is a battle of the black holes, an argument over whose black hole is bigger than whose. What we have now in Queensland is an independent review which has had a responsive independent review. It points out that the figures used in the first independent review, which was chaired by Mr Peter Costello, whilst following economic methodology, were blown out and exaggerated to respond to the worst possible scenario that could occur. I do not think it took into account nuclear destruction, but it almost did.

Various figures have been thrown around in the Queensland parliament and in this place which claim to be the deficit that the Queensland government is facing. Subsequent inquiries and opinions have been sought which say that those figures are not absolutely accurate, that there are other ways to calculate the figures and that that could make a difference. It is much the same as the basis of the debate we have had in this place, where the opposition are claiming significant blow-outs, that the deficit is going to be $120 billion. Again, this has been done using data and a process which the government does not agree with. What a surprise!

As I said earlier, what we have is a battle where if you say something and then I say it is not right, and yell louder and louder, somehow at the end we are going to reach some kind of agreement. It never happens. It does not happen in any form of debate and it particularly does not happen in financial debates. What we have seen is a clear disagreement from the government, from the Treasury and from the Treasurer with the premise that was put forward in the $120 billion figure.

What we do have is a process where the government releases its figures every month, and the scrutiny takes place through the Senate estimates process and in the midyear figures. We now all know that the building is being done in the government for the next year's budget. It is an important budget. Our government has said that it is going to have a surplus in the next financial year budget. That is not some kind of wishy-washy goal; that is the government's statement. What will happen is all the figures will lead into that—taking into account what Senator Fifield seems to put as some unusual process of
policy decision—which is the basis of what we do as a government: develop a policy, develop the financial figures around that and then crunch the figures into a budget which will fund that policy which has been put out. Governments have to make decisions about what they can afford to do and not do. That seems to me to be standard financial management. There is nothing unusual about that. There is no conspiracy about that as is being put forward by people in the opposition. That is how policy is developed and policy is funded through budgets.

Senator Fifield made statements about a number of key areas: the NDIS, the dental scheme and other key policy areas such as the Gonski review into education. One of the things that disappointed me most when I was looking at the Australian Financial Review figures was the way in which in a couple of these key areas there was no differentiation about what was going to be a state funding responsibility and what was going to be a federal funding responsibility. That to me would be quite a basic arrangement because the government has said consistently that, particularly around the areas of education and health and most particularly around the area of the National Disability Insurance Scheme, there is an expectation from this government that they are going to be shared responsibilities between state and federal governments, as indeed always; this is not a new policy. In the areas of disability, health and education, which are three of the very large policy areas about which the opposition has been speaking and to which this government has a commitment, there has always been shared responsibility between the states and the federal government. It is not always an easy relationship. In fact, I am not sure it has ever been an easy relationship and we have lots of great quotes from the past about the terms used by various premiers and various federal leaders to refer to each other in that process. Rather than an attack on state governments by the federal government in developing the budget parameters around which the NDIS scheme would be introduced, there was a clear discussion about what amount, what percentages, what areas the states would be responsible for and what areas the federal government would be responsible for.

At this stage we are not into the core aspects of the NDIS. There has been a policy decision, an agreement to move forward and an agreement to have a series of trials to set the basis on which further action would be taken. All this is public knowledge. Just by saying that you do not agree with it does not mean that it is not true and is not publicly acknowledged. It would seem to me that there should be a clear understanding about who is responsible for what and what expectation there is for budget agreement. However, in the Australian Financial Review figures—the eight-year-into-the-future figures, which have never been a known economic model in Australia—it seems that all the financial responsibility on those figures falls back to the federal government. That is just not true.

It is a standard process for governments to consult on what their policies are going to be. It is the expectation that governments will develop budgets around that and then put that out to the community and show them what has happened. Then it is the responsibility of the parliament to review those budgets to ensure that the money is being appropriately spent. That is standard process. So any view that there is something particularly wrong or different about the way this government is working is just not true. It may suit a political purpose and it does. Throwing figures around this place, throwing figures around the community and throwing figures around the media do not constitute economic argument. They may make really
good one-liners and I reckon if you just keep saying billions and trillions and squillions often enough and have a whole lot of zeros in the figures and then accuse them of being wrong then that may give you a couple of moments in the sun or a couple of moments of newprint. That does not constitute economic argument. And it certainly does not mean that the current government is not effectively planning and working through a budget process.

It seems to me that if the best way to argue is just to consistently say that the others are wrong and not put forward your own case, it will not get you very far. I think it is a sad point that when we get into 'whose black hole is bigger than the other's', we throw up figures about other figures that are incorrect and fall into the same trap. I do not think that is an effective way of moving forward either. I can remember sitting across on the other side of this chamber and being constantly asked by people on this side of the chamber, 'Give us your policies and give us your budget figures. Don't talk to us until you put your own budgets up and show us what you are going to do.' So, with respect, you can make these statements about what this government is doing with our budget; that is what you do. It would be useful if you did not rely on other people to do the calculations, particularly those in the media. It would be useful if when you are talking about policy areas such as the NDIS, the dental scheme and education into the future—those things which are so important to all of us—and as you are making allegations even to the extent of excoriating people on this side of the chamber, you could provide the details of the budgets in opposition that you are wanting to bring in to ensure that once again that battle over the black hole size could be justified and we could see exactly where people are moving into the future—with budgets across the board.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (16:29): Before I make a contribution to this debate, I would just like to acknowledge some of my Western Australian National Party colleagues up in the gallery here with us today. It is good to see them over here with us on the other side. Welcome to the Senate.

Mr Acting Deputy President, I have to say that Senator Moore is one of those on the other side for whom I have the greatest respect—no doubt about that at all. But I have to say that when Senator Moore was speaking I just tuned out. I think that is like what the Australian people are now doing en masse—they are just tuning out when the government are talking about money, when they are talking about the budget or when they are talking about the economy, because they know that this government simply cannot manage money. And add to that the fact that they simply do not believe anything that the government says anymore. The government cannot manage money, and everybody knows that. We see the same cycle from decades past: Labor gets in, runs up a huge debt, they eventually lose an election, the coalition comes back in and we are left with a giant debt that we have to fix, and we have to put the country's economy back to rights again.

That is not just a fanciful story. When you go back to history it has happened time and time again. It is no wonder, Senator Williams, that the Australian people simply do not believe a word the government says, not a word—

Senator Williams: They've given up!

Senator NASH: They have given up—thank you, Senator Williams. They have just given up. I apologise to Senator Moore for
tuning out. Usually, I listen with great intent to Senator Moore's contribution because she makes very sensible and balanced contributions. But on this particular issue, no go. Unfortunately, as I said, I did tune out, as many of the people across Australia have done and continue to do.

Senator Fifield, in his opening statement, referred to 1996 and the $96 billion of debt that the incoming coalition government had to deal with. I can remember that very clearly; not that I was in this place at the time, but I was very involved in the National Party. I think I was about 16—sorry, Hansard, that was a joke! But I remember it very clearly and I remember hearing from John Anderson about the ERC and what the coalition had to do to get the economy back to rights. And it was really, really tough.

It was $96 billion and it took us about 10 years, give or take, to pay it off. And in that as well there was—let us not go there!—the sale of Telstra of around $30 billion. At the moment we are now looking at this $120 billion black hole from Labor. They glibly try to make it sound as if it is no real problem at all—it is no bother; it is all fine, everything is on track and the economy is going well. You cannot escape the fact that there is a $120 billion black hole under this Labor government's management of the economy.

Again, I refer to my colleague over there, Senator Williams, who has an amazing grasp of economic issues, I must say.

Senator Kim Carr: Amazing! It is truly amazing!

Senator NASH: I mean that most sincerely! He has a tremendous grasp of economic issues, and I know that he would back me up with everything I am saying. We are left with the situation now where I think that there was around $70 billion in net Commonwealth assets when the coalition left office in 2007. Since then, Labor has delivered the four largest budget deficits in Australia's history and the list just goes on and on.

In 2012-13—and I am going to refer to my notes because I want to get this absolutely right—the government will be spending around $100 billion a year more than in the last Howard-Costello budget. Interest payments on Labor's debt are running at $22 million a day which, interestingly, colleagues, equates to about $300,000 in the 20 minutes that I am going to be speaking. These are facts that the government cannot get away from. Interest payments on Labor's debts since 1 July 2009 are $15 billion; $15 billion—that was a 'b', not an 'm'—'b' for billion. It is interesting, colleagues, isn't it? Labor often talks about budget surpluses but it has not delivered one for more than 20 years. Again, probably back when I was 16!

Senator Crossin: Now you are making that up!

Senator NASH: They have just increased Australia's debt limit to a record $300 billion—I am not making this one up! I am not making any of this up, Senator Crossin. $300 billion at the last budget debt limit—

Senator Crossin: You are making it all up!

Senator NASH: Okay, Senator Crossin, let me ask you this: do your budget papers say that Australia's debt limit is now $300 billion? Because if your answer is not 'yes' then you have no idea what you are doing on the other side of the chamber. You have no idea. If I had asked you this a year ago and said, 'Senator Crossin, in the budget in 2011 did the debt limit go to $250 billion?' Again, you would have to say, 'Yes'. You would have to say yes because it is true. It is a fact. And not only that; I love the way, Senator
Humphries, that these things get slipped through—

**Senator Humphries:** That's right!

**Senator NASH:** Slipped through in the budget! And remind me if I am not correct: I think that in 2011—or it may have been 2012—that all this was tied into the budget so we actually cannot object to the lift in the debt ceiling because it is all tied in with everything else and we would have to oppose the entire budget. Clever on the government's behalf, of course.

This is like a family going to their bank manager every year and saying, 'Please, sir, may we have some more?' and taking no responsibility for the economic sustainability of their family budget. All they do is just keep coming back here and saying, 'Please, can we have some more?' There is no responsible economic management from this government, and that is just a fact. I am not making it up, that is just a fact. You only have to look at the figures to see. I know that my good colleagues from over in WA would agree with me in saying that, because the mismanagement is appalling, absolutely appalling.

The point is, colleagues, that if the government did not waste so much money they would be able to direct properly the money that they do have to far more appropriate and useful policy measures. When we look at the waste and mismanagement, people are just astounded. And the hits just keep on coming; that is what amazes people. Just when you think you have seen the last possible—possible—bit of waste and mismanagement from government, up comes another one. It is great: the hits just keep on coming! They are just a bit like Alvin and the Chipmunks—there is another one just around the corner, just when you thought you had got through the lot. We should just have a look at the list of waste and mismanagement, because, like Pinocchio's nose, it is ever growing. We have Labor's failed border protection policies that have now blown out the immigration budget by over $5 billion; $650 million of that is in detention costs. We have the Home Insulation Program. Who can forget the pink batts? There was $2½ billion mismanaged, with at least half a billion dollars spent fixing the mistakes. We have the computers in schools blow-out; that is a favourite of many. Mind you, I am absolutely supportive of computers in schools, and everybody would know that I am absolutely supportive of everything we can possibly do to improve education outcomes, particularly for rural and regional students. But there was about a $1½ billion blow-out. We have Green Loans and Green Start. The $175 million Green Loans program was mismanaged and then eventually dumped and then replaced with the $130 million Green Start program, which never started. We have the solar homes program, an $850 million blow-out, with the program cancelled. The program was originally meant to cost $150 million. The list goes on.

What is really impressive is the talkfests that we have seen. I note for Hansard that 'impressive' was highly sarcastic. Labor's talkfests include the 2020 Summit. Who cannot remember the 2020 Summit? Does anybody have any idea of one outcome from the 2020 Summit? Anyone? I did not think so. We—when I say 'we' I mean we the taxpayers—spent $2 million on that. The Henry tax review cost $10 million. The list goes on and on.

Two of my favourites are Fuelwatch and GroceryWatch. They sounded really good, didn't they? 'Let's have Fuelwatch and GroceryWatch to make fuel and groceries cheaper.' Nearly $30 million was spent setting them up, and then they were dumped. Then, of course, we have Labor's NBN,
 involving Senator Conroy, a personal favourite of the Senate here, with the blow-out to over $50 billion—and that is not even included in the budget. This is extraordinary from this government.

There was spending of $2.1 billion on consultancies over the last four years. Let us just think for a moment, colleagues. If all of this waste had not happened, think of all the things that that funding could have been far more appropriately directed to which would not have resulted in this situation we have with this huge blow-out—the $120 billion black hole. You will love this one, my WA colleagues: the pool tables that used to be in Parliament House here.

Senator Williams interjecting—

Senator NASH: Senator Williams remembers the pool tables. I must say that I am not too bad at the old pool table myself, but I had not frequented these ones. The government sold them for $5,000. Fair enough, you might say—very sensible. They were not being utilised terribly much, I understand. The government sold them for $5,000. They then spent $102,000 determining whether or not they got value for money. That is a wise, wise use of taxpayers' money, isn't it? Again, Hansard, that is sarcasm.

This is extraordinary. The list just goes on and on. When we see federal government departments and agencies spending more than $10 million checking what is said about them in the media, I think the Australian taxpayers would rightly be absolutely astounded and would think, 'How much money do you need to spend on checking what it is that you've said and done?' I just go to an article in the Australian on 27 August, and I will quote from it:

FEDERAL government departments and agencies are spending more than $10.3 million a year checking what is said about them in the media.

The hefty monitoring bill from external companies would pay for more than 100 full-time staff each earning $100,000 a year. An analysis by The Australian—and I have great respect for the Australian and for the author—revealed the Department of Health and Ageing ploughs more than any other department or agency into monitoring with a bill of—any guesses, Senator Williams or Senator Humphries?

Senator Williams: Five?

Senator NASH: No, you need to increase it: $940,000 for press clippings and transcripts in just one year, 2011-12.

The ACTING DEPUTY PRESIDENT (Senator Furner): Order, Senator Nash! I remind you to address your comments through the chair.

Senator NASH: Certainly. I am suitably admonished. Thank you, Mr Acting Deputy President.

Senator Marshall: Not suitably.

Senator NASH: No, suitably admonished. Thank you very much, Mr Acting Deputy President. It is no wonder that the Australian people are shaking their heads when they look at this black hole. They think, 'How on earth did the government get us into this position?' When we look at all that waste and mismanagement, it is not at all surprising.

As I said, if the government had not wasted and did not continue to waste so much money, they would not need to make the cuts that they have. One cut in particular that I think Australians are very well aware of is the $5.45 billion cut to defence in the May budget. Australians are quite rightly outraged about that. In particular—which I think is just appalling—the government is restricting free flights home for soldiers on
recreational leave to those soldiers who are under 21.

**Senator Humphries:** Disgraceful!

**Senator NASH:** Thank you, Senator Humphries. I will take that interjection. That is absolutely disgraceful. So we see the list of waste and mismanagement, yet our defence forces are bearing the brunt of that. That is absolutely unacceptable. I went yesterday to the funeral of Private Robert Poate, who was an old boy of Canberra Grammar School and was an incredible Australia. The fact that other Australians just like him who are continuing to serve are suffering from budget cuts from this Labor government because they have wasted so much money is absolutely appalling and unacceptable.

The list goes on. Let us go to agriculture, because the hits just keep on coming. The Department of Agriculture, Fisheries and Forestry spent $77,627 on consultants to alter its mission statement. What happened then? They removed the word 'agriculture' from their mission statement. So we have nearly $80,000 with all this help and the consultants that they needed to do more than just change the mission statement—though I am sure there was a significant contribution towards it—which was 'increasing the profitability, competitiveness and sustainability of Australia's agricultural, fisheries and forestry industries'. That is what it was. They changed it to, 'We work to sustain the way of life and prosperity of all Australians.' What is that? I am a farmer. To spend all that money on advice and consultants, eventually altering their mission statement to remove the word 'agriculture' from it—what is this government doing? That is absolutely extraordinary. It is not at all surprising that the people of this nation have just about had a gutful. They also spent nearly $80,000 coming up with identity branding to work out how the department projected itself. All of that wrapped up in that $80,000 is absolutely extraordinary.

What is interesting is that, if we had not had all of this waste and mismanagement that I have been talking about, we would not have had to have cuts like the Labor government abolishing Land and Water Australia, cutting $63 million in CSIRO agricultural research and a $12 million cut in funding to the Rural Industries Research and Development Corporation. In the 2009-10 budget Labor cut cargo screening resources at ports and airports by $58 million, obviously risking our borders when it comes to plant disease and animal risk, and cut the government's contribution to biosecurity by $35 million. When we look at all these things and look at the list of waste, people wonder, not surprisingly, what on earth this government is doing. How dare they put at risk our borders? How dare they cut funding for agriculture for our farmers, who are the backbone of this nation? And yet we see $80,000 going on trying to get identity branding for the department. It is absolutely ludicrous.

When it comes to education, colleagues have already mentioned Gonski and the costs there. Again, if we had not seen the waste and mismanagement, we would not have had to see the cuts that we have seen. The minister has admitted—and I take his point—that, when they made changes to youth allowance, they could not have any greater impact on the budget. What I find absolutely appalling about that is that part of what they did was put a $150,000 parental income test cap on independent youth allowance for students. As the minister said at the time, that was because there is technically only X amount of money to go around in the youth allowance changes and it was a savings measure. So we see this situation from this Labor government where
there is a parental income cap for students wanting to get independent youth allowance. How incongruous and stupid is that? These are students who have proved themselves independent of their parents. That is the nature of it. That is why they go and work for a year. They are independent of their parents when they go to university. But this government, which clearly has no understanding at all of the needs of rural and regional students, puts a cap in place saying, 'By the way, if your parents earn that, too bad: you're not eligible and cannot even apply.' That is $150,000 before tax for two parents. We are talking about a police officer and a schoolteacher whose children are unable to apply for independent youth allowance because of this government's stupid parental income cap because they did not have the money to increase the budget for the youth allowance measures.

When we look at all this waste and mismanagement, it is absolutely no surprise that the Australian people have concluded beyond all doubt that this government cannot manage money. They do not believe a word the government say anymore. The government no longer have any credibility. They never had any ability to manage the economy properly. The Australian people are seeing through this government day after day. They are seeing the negative impacts we are seeing right through our communities because of the economic mismanagement of this government, because the government have no vision for the future, and the Australian people will make this very clearly felt at the next election.

Senator MARSHALL (Victoria) (16:49): I thank Senator Nash for her contribution. She was obviously playing to the audience, which I understand is an audience very sympathetic to Senator Nash and to Senator Macdonald over there. I am sure they enjoyed that mixed speech full of slogans and rhetoric. But that was mostly what it was. Every now and again, though, Senator Nash had to confirm that those things were facts as if somehow that actually made them facts. Let me point out a few of the things that she claimed were facts when they were not.

She talked about a number of minor matters which I do not know the detail of, like an $80,000 expenditure on consultancy. That does not sound like good money spent; but, again, I do not know the detail of that. We will have a look at it. But, when we talked about programs worth many hundreds of millions of dollars, she talked about computers in schools and talked about the blow-out. Senator Nash should know—and I think she actually does know—that there was not a blow-out in that program. The government made an extra budget allocation to compensate the schools and states for the extra IT required to implement that program. We ended up with a fantastic program when we finally got a unit cost per computer on an average of $500. The extra budgetary allocation was to ensure that we had proper, powerful IT systems in place to get maximum benefit out of those computers. It was disappointing that some of the states did not step up to the mark to assist in that very generous position that the Commonwealth government took.

Some of Senator Nash's contribution reminded me of the contribution John Howard made in the lead-up to the 2007 election. When talking about interest rates, he said interest rates would always be lower under a Liberal government than they would be under a Labor government. Well, what is the cash rate today? The cash rate today is 3.5 per cent. That is lower than the cash rate was at any time under the last Liberal-National government. Yet we hear this sort of stuff peddled all the time as if there is a problem. If you listen to Senator Nash, you
would think that the economy is a basket case. Of course, that is what the Liberal-National parties want you to think. They want to talk the economy down. They want to trash it.

Let us just look at some of the fundamentals of the economy and acknowledge that the global financial crisis was real. I just refer back to some of the comments I heard Senator Fifield make. One of the things he said was, 'Even if you accept that there was a GFC' and then he went on to talk about some other things. I think there was a GFC. I do not think there is a conspiracy theory group or a GFC deniers group going on. I notice members of the National Party want to accuse the Greens of being involved in conspiracy theory groups. But there ought not to be a conspiracy theory group suggesting that there was no global financial crisis. Maybe Senator Fifield should just look to Europe, to the United States and to other parts of the developing world to see the devastation that is still occurring as a direct result of the global financial crisis. It came here as well but we have not been affected by it so much because of the actions we took as a government to mitigate its effects on our economy and our community.

Let us just look at the fundamentals of the economy, which is no basket case. Let us just look at our economy as a whole. It is 11 per cent larger now than when we came to office, despite the worst global financial conditions since the Great Depression. Our economy has been growing faster than every other single major advanced economy—0.6 per cent in the March quarter and 3.7 per cent over the year. It is a larger rise than every other economy. Our unemployment rate is 5.1 per cent. It is less than half of what it is in Europe, and it is not quite half of what it is in the United States. But it is significantly below every other advanced economy. Our inflation rate is at a 13-year low, with underlying inflation at the bottom end of the RBA's target band of around two per cent for the year through to June. As I have said, the cash rates are at 3.5 per cent—lower than at any time under the Liberal government. We have got a huge investment pipeline with a record $260 billion at an advanced stage, helping to boost the productive capacity of our economy. Consumption in the country has also been growing by about four per cent throughout the year. We have very low debt. Net debt as a percentage of GDP is peaking at around one-tenth of the level across major advanced economies.

Let me just talk about debt for a minute, because when figures are bandied around they actually sound like significant figures. When people start to talking about millions or billions of dollars, a normal household would grapple with what that means in reality. Where is it? What sort of size is that? And what does it mean in terms of the overall economy? Net debt peaked as a percentage of GDP at 9.6 per cent in 2011-12. That is around one-tenth of the level of the major advanced economies. I want to make this comparison: this is like someone earning $100,000 a year and owing 9.6 thousand dollars. That is your debt. I know my mortgage is significantly higher than that. It would be like Senator Fifield owing $20,000 on his mortgage based on his wage. That is what it is. So when people talk about those massive figures, put them into perspective. You talk about what that percentage means and you give some real-life examples. Anyone would accept that that sort of debt level is incredibly manageable. Gross debt peaked as a percentage of GDP at 18 per cent for the year 2011-12. We start paying down gross debt as a net debt percentage of GDP from 2012-13. Net interest payments in 2012-13 will be 0.5 per
cent of GDP. Again, that is like someone earning $100,000 a year and paying only $500 a year in net interest. If you make that comparison, it takes it back to what an individual might own.

That is not the economy that Senator Nash and Senator Fifield were describing. This economy is strong, and it is strong because of the actions that this government took. When the global financial crisis hit the world, we were quick to act because we did not want to see the ravages from massive unemployment that would follow. We decided that we would stimulate the economy—and I will talk about that in a minute. But what did the Liberal-National Party do? They actually voted against that. They said, ‘Let the market rip.’ Let us look to Europe—

Senator Humphries interjecting—

Senator MARSHALL: Sure, Senator Humphries reminds me that in the first tranche they were supportive of some stimulation, but of course they rejected the bulk of it. They rejected what was absolutely necessary. We would have seen that stimulus completely wasted if we had not followed what the Reserve Bank governor of the day said to do, which was: if you do not spend enough early you will end up spending much more later. We took advice from Treasury and from the Reserve Bank and spent the necessary money to protect this economy. We know—and all the Treasury modelling shows this; you will only have to look at the graphs—that when the private sector investment was removed from the economy, the stimulus investment filled that gap. We actually saw that.

I know how many jobs it saved. You can look at the Treasury modelling and see that it was in excess of 200,000 jobs. I know this from personal experience because I have opened many, many BER buildings. This was a fantastic program of $16.2 billion of unprecedented spending in our education sector to support the economy. When I opened those buildings the builder would often be there. I would talk to those builders and say: 'Did this project make a difference?' And builder after builder would tell me that this program actually stopped them putting off staff or stopped their companies from going under completely. That was what they would tell us. That is what they do tell us. We know it had a massive impact. We know it saved 200,000 jobs. That is 200,000 incomes that are spent in shops and other small business that then support other employment. It has an enormous flow-on effect. It is 200,000 people that then would not be on Newstart. The impact of saving this country from the ravages of high unemployment not only has untold economic benefit for this country but also gave workers dignity. It saved people from being unemployed. It saved people the worry of having to scratch out a meagre existence to provide for their families.

At the same time—and only a Labor government would do this—when it came time for the government to reinvest in our economy, we picked education to do it in. We have left a lasting legacy. We have built school halls, classrooms, libraries and science centres across more than 10,000 schools in this country. Those buildings will be there for 20, 30, 50 and sometimes more years as a lasting legacy, a great investment in the educational future of this country and of our kids—and it was something that the opposition voted against. It was a great legacy, a great investment in our economy, and it worked absolutely. And it gives you the opportunity to say, ‘Oh, what GFC?’

Senator Humphries: No-one said that. Don't be ridiculous.
Senator MARSHALL: Well, Senator Fifield said, ‘Even if you accept that there was a GFC,’ Let me say to you that there was a GFC and most of the developed world is still suffering the consequences of it.

Let me just come back to BER building program for a minute. One would have thought that after the Liberal-National Party members voted against that building program, they would not turn up to the opening of the buildings. I did many openings in different areas in seats that were held by the Liberals or the Nationals and saw that the local National Party or Liberal Party member would turn up, stand up there for the photo and want to be part of it. They wanted to be part of saving their community. They wanted to be part of that spending program that supported local businesses, local industry, local jobs and saved jobs, so that money could be spent in local businesses supporting further jobs. They wanted to be associated with that but, of course, when it came time to put the money where their mouth was, they voted against it. It shows the hypocrisy of the Liberal-National Party when all they want to do is talk down the economy—when, as I have already pointed out, the economy is in the best shape of any in the developed world. We are the envy of the rest of the developed world, but all you want to do is trash talk the economy.

You talk about the $120 billion supposed black hole. That is another statement that reminds me of the John Howard statement that interest rates would always be lower under a Liberal Party than under a Labor Party government. It is just absolute nonsense. It is a fallacy. You have used numbers to manufacture this figure for your own political interests. Let us just look at the inputs you have put into that claim from the carbon price. You have used numbers from Frontier Economics, who happen to be a longstanding critic of the carbon pricing scheme. You have made assumptions on where the EU carbon price is right now and transferred that out into the future as if there is no movement. You have ignored the average EU carbon price over the last five years. You have ignored the fact that the EU is now considering policies to bolster the price. You have put the absolute worst-case scenario in those figures.

In terms of the dental care scheme, it is $4 billion for dental care and it is over six years, not the two years that you have put into your figures. Two years is quite different from six years, just in case you thought that was a minor discrepancy, Senator Williams. That is a significant distortion of the figures. But we also know that the program that that will replace will actually improve the long-term position of the budget as well because it brings dental care back to a sustainable level—again something that you have completely ignored.

You spoke about an NDS in schools. You incorrectly attributed the full cost to the Commonwealth where the states will bear some of the costs and you have also included a much faster transition that will cost significantly more than the assumptions made in the budget and the planning for these schemes. So again you have misled. You have cooked the books to get the result that you want to get. Then, of course, you base your figures on maintaining the Defence White Paper 2009 proposals, but ignore the fact that there is a new white paper coming for 2013. So even though you know there is going to be a different set of figures coming out of that, you have used figures that you know will not be relied upon.

This government is returning the budget to surplus on time as promised and ahead of every other single major advanced economy. We are seeing that, despite what even Senator Fifield conceded: that there has been
$150 billion ripped out from government revenues due to global instability. We are very proud as a Labor government of what we have done to stimulate the economy. We are very proud that we have put jobs front and centre. We are incredibly proud that we have saved this economy from falling into the recession. We are incredibly proud that we have done that in the worst financial conditions the world has seen since the global financial crisis. The record of this government is incredibly strong in this respect.

Let us talk about those jobs for a minute. Jobs were front and centre and that is why we acted to support, in the face of the global financial crisis, measures that would support many hundreds of thousands of jobs. We have an exceptional jobs record, with this economy creating around 800,000 jobs since this government came to office while the rest of the world has lost millions. You only have to look at Europe and the United States today, where there are still millions of people unemployed as a direct result of the global financial crisis. Look at their result and look at our result: 800,000 jobs grown since this government came to office; millions of jobs lost in the rest of the developed world. We have an unemployment rate at 5.1 per cent, one of the lowest rates in the industrialised world and less than half of that in Europe.

But what is the Liberals response to that? We can probably just have a little look at what is happening in Queensland right now. Their response is to cut 14,000 public sector jobs. That is their response. There is no commitment to jobs from the Liberal-National Party, and that is a fact. Senator Nash talked about facts, and wanted to reinforce all of her claims as facts. Well the facts are there for everyone to see. If you elect a Liberal-National government, they will slash jobs. They do not care about working people, they do not care about the dignity of work, they do not care about the suffering that unemployment creates. And they certainly do not care about the communities and the small businesses that rely on those incomes for those businesses to grow and survive. They seem to forget that jobs are not just numbers; those wages are spent in local communities, supporting local jobs, supporting local small businesses. Those sorts of cuts destroy communities and provide enormous hardship.

We have also seen the government in Victoria, the Baillieu government, slash $300 million from the TAFE budget—sabotaging the educational future of regional and city kids—and we have not heard a peep out of the National Party about sabotaging regional kids' educational futures. It is an absolute disgrace, and the Australian public would be very well advised to look closely at what newly elected Liberal and National parties are doing with jobs, with education and with their own state economies, because that is what they will get if they actually elect a Liberal-National coalition when the next election comes around. I hope Australians will learn from those lessons, and I believe they will stick with this government.

Senator CORMANN (Western Australia) (17:09): The Labor Party in government always stuffs up our public finances. It always comes down to the coalition to fix up the fiscal mess that the Labor Party in government has left behind. People across Australia instinctively know that the Labor Party always spends too much, which is why it always has to tax too much, which is why it always drives up government net debt, and that is why it always comes down to Liberal and National parties in government to sort it all out, to pay down debt, to deliver surplus budgets, to deliver income tax cuts, to deliver all of these things that people across Australia have become used to from Liberal-National coalition governments.
Instead of strengthening our economy, instead of making our economy more resilient, instead of making our economy more competitive internationally, instead of focusing on our productivity growth, this government has hit our economy with one new tax after the other, with one new bit of red tape after another—in fact, more than 18,000 new bits of red tape under this government over the past four years. You cannot keep adding more and more lead to our saddle bags and think it is not going to have an impact somewhere along the way. When you have a government that keeps putting more lead into our saddle bags, eventually it slows down even the most resilient and strongest of economies.

It is worthwhile at this point to reflect on a bit of history. Back in 1996 the Howard government, as a coalition government always does, inherited $96 billion worth of Hawke-Keating Labor Party debt. It took us 10 years to pay that off, and not only did we pay off $96 billion worth of Hawke-Keating Labor government debt, but we also delivered surplus budget after surplus budget, we delivered income tax cut after income tax cut, we delivered genuine tax reform through the introduction of the GST, which replaced wholesale sales tax, which was inefficient, and a whole series of inefficient state taxes. We also left the budget in the best shape of any budget in the history of the Commonwealth. When we left government in 2007 the budget was $22 billion in the positive. We had a $22 billion government budget surplus. There was no government net debt—zero—. There was $70 billion worth of Commonwealth net assets, and the government in 2007 was collecting more than $1 million in net interest payments from the net Commonwealth assets that had been invested.

In just under five short years, this government has completely turned that around. In less than five short years, we are now looking at a situation where this government has delivered $174 billion worth of accumulated deficits, where this government is heading for $145 billion worth of government net debt, and instead of collecting $1 billion in net interest payments from the investments in the Future Fund, this government is planning to spend nearly $30 billion just to pay the interest on the debt that it has accumulated over the past 4½ years. Just imagine what the government could do with $30 billion if it did not have to spend it on interest payments to service that debt that it has accumulated over the past few years.

This is not enough for this government—$174 billion worth of accumulated deficits, $145 billion worth of Commonwealth net debt is not enough; they have to go harder. In the few months that might be left for this Labor government, they are thinking: ‘We've got to be true to ourselves; we've got to be true to our DNA. We've got to go harder when it comes to the reckless spending.’ So in the last few weeks they have been spending like drunken sailors. Spending commitment after spending commitment after spending commitment—all in relation to meritorious issues. We are not questioning the issues. There are a lot of things that would be nice to have but, ultimately, the question is whether we can afford all of the spending commitments that are being locked in by this government right now. That is why we are now looking at a $120 billion budget black hole under this government, which comes on top of the $174 billion worth of accumulated deficits.

We have a government that spends too much, which is why it always has to cast around for more cash, which is why it is always coming up with yet another ad hoc tax grab—some of them retrospective in
order to really make sure that it really collects a lot of money—and which is why it is always looking at borrowing more money and pushing up the levels of debt.

On top of all of that, we have a government with a Treasurer who hates success, who hates successful people. Not just through his rhetoric is that blatantly obvious; it is also obvious through the policy initiatives that have been pursued by this government over the last 4½ years that invariably seek to penalise success. The truth of the matter is that, for Australia to be successful, we need the Australian people to be successful. For Australia to be successful, we need Australian businesses to be successful. To hit them with tax after tax after tax and with 18,000 new pieces of red tape is not the way to incentivise and encourage success.

We have a Treasurer in Australia who is somehow inspired by Bruce Springsteen to actually go after people who are successful. This is a Treasurer who does not really seem to like success. That is not the way to take Australia forward. As a result, this is a government that is taking Australia in the wrong direction. We are now less competitive internationally than we were 4½ years ago. The cost of business has consistently gone up and up and up. It is now harder to attract investment into Australia than it was 4½ years ago and, of course, that will have significant medium- to long-term consequences for Australia and for our economic prosperity moving forward if it is not corrected by the next government very quickly.

Under this government, over the last 4½ years we have had 26 new or increased taxes. Obviously, the mining tax and the carbon tax are the most high-profile taxes, but we have had a whole series of others. The first big tax grab, the first big lazy cash grab, was the alcopops tax in April 2008. That was going to fix binge drinking—there would not be binge drinking anymore as long as we put in place a 70 per cent increase in the form of the alcopops tax. We had the condensate tax; we had the increase in the luxury car tax; we had the flood tax, the mining tax and the carbon tax; and we had successive increases in tobacco taxes. Despite all of these increases in taxes and despite the best terms of trade in 140 years, over the last 4½ years this government has not been able to balance the books. So when we are talking about $174 billion worth of accumulated deficits under this government, which are there in black and white for all to see in the budget papers, it comes after and despite 26 new or increased taxes and it comes despite the best terms of trade in 140 years.

We have had ad hoc tax grab after ad hoc tax grab to feed Labor's addiction to wasteful spending. They are still not on top of it and they are still dealing with budget deficit after budget deficit. And, with a $120 billion Labor Party budget black hole moving forward, guess what? There will be more from where the others came from. There will be more new taxes and there will be more new debt in order to fund the spending spree of the last few weeks. One of the things that the Labor Party are particularly bad at is coming up with a tax that actually leaves the budget better off.

You would think that, if a government comes up with a new multibillion dollar tax, if a government has a significant fiscal challenge, if a government is looking at a gaping big hole in its budget—a government that has $174 billion worth of accumulated deficits—like the mining tax, the least it would do is use it to help bring the budget back into surplus. But, no, this government is so good at spending. It spends faster than it can bring the money in, which is why the mining tax—that is, the mining tax revenue
minus the cost of all of the related spending commitments and various measures—left the budget worse off than when the mining tax package was announced.

How can you do that? How can you come up with a multibillion dollar new tax which has massive implications for a very important industry for Australia and end up in a situation where the budget will be worse off to the tune of $4 billion over the forward estimates, and even more worse off over time because the revenue from the mining tax was always going to moderate whereas the cost of the related spending commitments was always going to go up? There is much wrong with the carbon tax and the mining tax. Without getting sidetracked by the detail of everything that is wrong with those taxes, the carbon tax package leaves the budget worse off too. The government aims to collect $25 billion over the forward estimates, but it has already spent $30 billion. There are all these new taxes and still the government is going deeper and deeper and deeper into the red. No wonder this government is not able to ever balance the books.

Since the government announced the mining tax and the carbon tax, they have been confronted with a few developments that are further undermining their fiscal position. There are serious doubts over the revenue the mining tax will raise. There is no doubt in our mind that this is because, firstly, the government seriously overestimated the commodity price assumptions and production volume assumptions underlying their mining tax revenue estimates. Secondly, because of the direct incentive the federal government has given to state governments to increase their state royalties on iron ore and coal, given that the federal government is going to credit royalties on iron ore and coal against any mining tax liability, the revenue will again be less than they thought. Since the dodgy mining tax deal was negotiated exclusively and in secret between the Prime Minister, the Treasurer and the three biggest mining companies, five out of six states have increased state royalties either on iron ore or coal—five! Both Liberal and Labor governments have increased royalties on iron ore or coal since Wayne Swan and Julia Gillard signed that dodgy mining tax deal. Western Australia, of course, removed the concession on iron ore fines, which is an effective increase in the royalty rate. South Australia increased royalties on iron ore. Tasmania increased royalties on iron ore. New South Wales increased royalties on coal. Queensland on Tuesday announced an increase in the royalties on coal. When Tasmania and South Australia increase their royalties nobody takes any notice, because the volumes are actually very low. When New South Wales, Queensland and Western Australia increase their royalties, it has a more significant impact. Fundamentally, the way the government have structured their mining tax deal has exposed the federal budget to structural risk, and it is a structural risk of the government’s own making, because the government’s budget is now hostage to decisions by state and territory governments to increase their royalty arrangements.

They have removed the floor price on carbon. They still want us to believe that their expectation is that in 2015-16 the carbon price will be $29 a tonne. If that is what they truly believe, if they truly believe that the carbon price in 2015-16 will be $29 a tonne, why did they see the need to remove the floor price at $15 a tonne? Because they know what experts around the world know: that the international carbon price in 2015-16 is not expected to be anywhere above $10 a tonne. That is another massive budget black hole, because the revenue will be
significantly lower than what the government thought it would be.

Then we have the spending frenzy that has been happening in the last couple of weeks. Everybody knows full well that this government do not have a clue as to how they are going to actually fund all these promises that they are making. It seems that this government have completely given up. They do not actually care whether they need to somehow come up with the money to fund all of the promises they are making—otherwise, you would think that the health minister and the Prime Minister would be on the same wavelength when they explain how they are going to fund the dental scheme.

You would think that the Prime Minister going to the National Press Club on a Monday lunchtime to outline the government's response to the Gonski report would actually say where the money was coming from to fund all the promises that she is making in the context of education. You just get spending promise after spending promise without any indication whatsoever as to how the government are going to fund them.

The government wants us to believe that everything is going to change this financial year, that this financial year is going to be totally different from last year, the year before that, the year before that and the year before that—in fact, that this year's budget is going to be a completely different budget from any Labor budget for the last 20 years. The government wants us to believe that this year we are going to have a $1.5 billion surplus. It ain't gonna happen. It ain't gonna happen unless the government comes up with some very serious spending cuts in the Mid-Year Economic and Fiscal Outlook. The other alternative, of course—the one the government pursues quite readily—is it goes for some more massive increases in the tax take.

The reason I can say that with a lot of credibility is because I look at Labor's track record. Look no further than the last financial year. Back in July 2010 the Treasurer told us that the deficit would be $10 billion—that we were back on the path to an early surplus by 2012-13. So the deficit in 2011-12 was only going to be $10 billion. But six months later that was $12.3 billion, six months after that it was $22.6 billion, six months after that it was $37.1 billion and another six months after that it was $44.4 billion. Within less than two years the deficit for the last financial year had blown out by $34.4 billion. It has more than quadrupled. And this government want us to believe that they are going to deliver on a $1.5 billion surplus in the context of these revenue write-downs and the spending sprees that we have just experienced in recent weeks! Give us a break—it ain't gonna happen. In fact, senior economists have been telling us that in their assessment the government are currently on track to deliver a deficit this year of 1.5 per cent of GDP, or in the order of $21.6 billion. It is time for the government to come out with some answers. It is time for the government to come clean.

In the short time that is left to me I want to touch on some of the comments that Senator Marshall made. Senator Marshall was suggesting that debt was low in Australia by international standards. That is true, because our starting position in Australia was very different from the starting position in the countries of Europe and in the US. In Europe and in the US they have been at it for longer—the high spending, the high taxing and the high levels of red tape. They have been at it for longer. This government is working very hard to catch up. But, yes, it is true, even this government in 4½ years has not quite been able to get to the incredible levels of debt that we have seen across large parts of Europe. But do not get too cocky
about it because, if you look at where Ireland was four or five years ago and where we are now, it does not take much to actually significantly change that particular proviso. Senator Marshall says that net debt will peak at 9.6 per cent. That was before the latest spending spree. That was before the latest revenue write-downs.

Let me make one more observation about this assertion that Senator Marshall made that somehow the reason the government is in bad shape financially is that the revenue has collapsed in the wake of the financial crisis. That cannot be true for the 2011-12 financial year, because for the first budget after the global financial crisis—the 2009-10 budget—Treasurer Swan estimated that the revenue from 2011-12 would be $310 billion. It ended up being $330 billion. That is a $20 billion increase in revenue for that year compared to what he thought. Just because he inflated his expectations along the way does not mean that revenue has collapsed. It only means it has collapsed against his excessive expectations.

I am going to run out of time. There is much more to be said about the mess that Labor has created and there is much to be done to fix it up. Only a coalition government will fix up Labor's fiscal mess.

Senator SINGH (Tasmania) (17:29): Senator Cormann talks about not getting too cocky. I think there is probably nothing more cocky than a Liberal senator in this place talking about fiscal management and managing the economy when they have a confirmed unfunded promise of a $70 billion black hole. They have very little credentials when it comes to talking about our economy. In fact, the Leader of the Opposition, Tony Abbott, has admitted that he is not interested in economics or the views of economists—and we can all remember. It was not that long ago that the Leader of the Opposition made it very clear that he was not interested in economics or the views of economists and yet, interestingly enough, we have a debate by Liberal senators on the economy, on the budget and on fiscal responsibility when we know that they certainly do not honour the Charter of Budget Honesty of their former Treasurer, Peter Costello. Instead of actually following that charter of budget honesty, they would prefer to have their costings done secretly behind closed doors by nothing greater than some kind of catering company or an accountant or the like so that nobody knows how their costings were worked out—nothing to do with abiding by the principles of the Charter of Budget Honesty, given the charter was something espoused by their former Treasurer, who they talk of so highly.

Well, we are very much committed to that charter of budget honesty. We are also very much committed to returning another surplus, as we have already done this financial year. We know when it comes to surpluses—and we have heard a lot in this place about the issue of surpluses—that the opposition are not interested at all in surpluses. In fact, Tony Abbott has walked away from a budget surplus. He said something like 'we will get back to surplus as quickly as possible' but he will not even put a date on it. Why is that? We know it is because the Liberal Party do not have any real strategy about how they are going to govern this country and about what their real policies are. They do not have any real policies. They do not have any real costings other than black hole costings. They do not have any real savings. They do not really have any leadership when it comes to the issue of the economy or the policies that are needed to drive Australia forward.

We know very much, though, that the first actions of an Abbott government will be to look at things like reversing income tax measures for families, higher taxes for small
business—but tax breaks for big mining companies of course—lowering pensions and lowering superannuation for working Australians. These are things that are not good for Australians and Australians are very much aware of some of these things.

As I touched on, we have a confirmed unfunded promise of a $70 billion black hole, something that has been confirmed by Andrew Robb and Joe Hockey, who have both said that the coalition would have to find some $70 billion in cuts to services—a slash and burn approach, of course, just like we are seeing a number of Liberal premiers doing at the moment. Dare I say it, we could be looking at the slash and burn approach of Premier Campbell Newman in Queensland. When it comes to skills, he is cutting the Skilling Queenslanders for Work program of $287 million. They are talking about breast-screening programs as well and the public service is taking a huge cut. Obviously, these are replicated in Victoria when we look at the TAFE cuts that are going on there. That fits very well with the mantra that has been coming out of the federal Liberal Party from the mouths of Mr Robb and Mr Hockey. We know that on 12 August 2011 Mr Hockey said on the Sunrise program:

I will tell you what we are doing. We are going through the budget, line by line and item by item. The government will spend -Liberal or Labor-will spend $1500 billion over the next four years. It is a massive amount of money. Therefore finding 50, 60 or 70 billion is about identifying waste and identifying areas where you do not need to proceed with programs.

Well, before they even start, the $70 billion that they have admitted that they need to find in savings in fact translates into the equivalent of the cost of Medicare payments for four years or halting all age pensions for two years. These are dramatic cuts that the federal Liberal Party are saying that they themselves will need to find. Then they have the audacity to come in here and talk about the economy and talk about fiscal management when that kind of fiscal management is certainly something that this country does not need at all.

I noticed recently the Leader of the Opposition was in my home state of Tasmania and he put out a press release on 25 August this year in relation to the coalition's supposedly forward-thinking working group to grow Tasmania. Part of this working group that the Leader of the Opposition talked about creating will 'create jobs'. He says it is a working group for Tasmania that is going to create jobs. Let us look at the factor that it is going to 'create jobs'. One thing we know is that the opposition is going to turn back the clock when it comes to carbon pricing. What is that going to do? We have a whole new economy and we are creating jobs in this new economy and in this new sector through renewable energy and in my home state of Tasmania the creation of jobs around renewable energy is a really important factor. We have the Mussleroe wind farm and we have another wind farm—they are in the north-west and the north-east of the state—and it is all about creating jobs and creating renewable energy for the future. Of course, it is renewable energy that we can then sell back into the grid of which we are part of in the mainland. So it is about creating jobs around renewable energy for which the carbon pricing's Clean Energy Package provides as big polluters change their behaviour, as the need for new kinds of energy come on board and are doing so through things like the ARENA board approving such new renewable energy schemes. It is all a really important factor that is going to create jobs. But if the Leader of the Opposition is elected to govern this country he will turn back those. His working
group that will create jobs is a very interesting piece of rhetoric indeed.

What is the alternative? The alternative is incredibly stark. We have a very forward-thinking Gillard Labor government that is embarking on the new economy and a whole new agenda, one that we need to embrace like the rest of the globe is doing. In the meantime, we are doing it in a fiscally sensible way, in a way where we continue to ensure that we return the budget to surplus. Our economy is envied around the world because we got through the global financial crisis and with that have come some great benefits for Australians and Australian families—things like the tripling of the tax-free threshold. These are the things that are really at risk here.

We had a tax-free threshold of $6,000 and this government have now tripled that to $18,200. That means many Australians who earn up to $80,000 will get a tax saving, but many also will not have to put in a tax return because they will be under the threshold and will not have paid tax. This is the largest increase to the tax-free threshold in many years. It was not something that we just thought was a good idea, that the Gillard Labor government introduced and thought was a good idea; it was very much embraced and those in the NGO sector knew that this was needed and something that would benefit many low-income Australians, of which there are many in my home state.

This is one of the largest tax cuts for low-income earners that this country has ever seen. What does it mean? It means that a mother with some part-time work will get a tax cut of $600 if she earns $20,000 and $503 if she earns $25,000. That is significant for low-income earners. On top of that, there is the new schoolkids bonus, which has already been automatically provided to many Australian households. In fact, in Tasmania I know that 34,000 families have benefited from that cash bonus—another really important, positive reform by the government.

Through the Clean Energy Supplement, something we know will be rolled back under a coalition government, we have seen a 1.7 per cent increase to pensions, allowances and family payments. All these things will be in jeopardy under a coalition-Abbott government, as it searches hard to find its $70 billion of savings, which Mr Hockey and Mr Robb have said that they need to find. These are the things that will be cut. These are the things that will really affect average Australian families and average Australian pensioners if the disastrous event of a coalition government were to occur.

We are not just looking at the needs of Australians here and now; we are also looking into the future. Of course that is what the clean energy package is about. Of course that is what carbon pricing is about—which is why so many other countries are doing it as well, to address global warming. We are also looking at the fact that we are living in the Asian century. There have been a number of academic writings on the fact. There has been a lot of debate and discussion about the growing economies in the Asian region. We are in the Asian region. We are neighbours of Asian countries. Not only will we benefit from our Asian neighbours; they will benefit from our relationship with them in the areas of clean energy jobs, technology and skills and so forth.

Part of being in an Asian century is building a new economy. What does a new economy look like? What are the things that Labor have started to get on with to ensure that we have a strong, robust, new economy and that we embrace the future—not one that looks back to the 1950s and turns back the
clock, ensures we do nothing and only protects the biggest mining companies in the country while the rest of the country can find their own way? No, we are looking forward to things like the National Broadband Network to ensure businesses are more productive and that we can deliver better government services to them. We have brought in the minerals resource rent tax to increase retirement savings, provide tax relief to small businesses, which are not in the mining boom fast lane, and invest in the critical infrastructure that this very large country needs—as well as the ongoing upkeep of that infrastructure.

On top of that, we are increasing our skills base through trade training centres, historic reforms to our skills system and an expanded education system from primary to tertiary with the national curriculum, equipping Australia for current and future jobs, and looking ahead to ensure that Australia builds on the new economy and builds a bright future for ourselves and our children. That means looking at the Gonski review and continuing to improve our school and early childhood education. We know that the research says that the early years are critical to childhood development and that is an area where we have invested heavily. It includes ensuring children's health is kept at a pace that is required through good dental care, something that was neglected under the 11 years of Howard. He abolished the Commonwealth dental scheme—it did not matter that teeth were part of the human body; they were excluded and did not matter, and that cost families a lot of money to ensure that their children were provided with the necessary care.

We are returning the budget to surplus on time and as promised, and ahead of every major advanced economy. That is an enviable position to be in. It is a little rich for Liberal senators in this place to talk about budget blow-outs, not meeting surpluses and all these sorts of things when they are the ones who need to look in the mirror. Mr Robb and Mr Hockey have said, time and time again, on NewsRadio, on Sunrise, on ABC News 24 and on a number of media outlets that they are going to have find $70 billion worth of savings, that they will not be returning any budget to any surplus any time soon. Of course, that is in stark contrast to the strong economic position that Treasurer Wayne Swan has us in due to the good, responsible decisions we have made in ensuring that we can be fiscally responsible for our country under a new Australian economy. What does that really mean? We have delivered savings of $33.6 billion in the last budget and more than $100 billion over the previous four budgets to fund the important priorities of dental health, education, the NBN, increasing our skills base and so on by looking at our priority areas that really matter for our nation's future. That is what good Labor governments do. They look at the things that matter. They look at the issues that matter for the Australian people and for our country and they act accordingly. And they look ahead, they look into the future. They are progressive, not regressive. They are not looking backwards into the 1950s. They do not say: 'We should put our heads in the sand. There's global warming but we're just not going to do anything about it. Don't mind the rest of the world acting on it; we'll just put our heads in the sand.'

No, that is not what good Labor governments do at all. They look at the areas of reform that are needed for our country, that are needed desperately for the Australian people, for our families, for our newly arrived migrants who are helping build our country, for our refugees—all the people who make up Australia, this great multicultural nation that I am so proud to...
live in. And I am so proud to be part of a Labor government that is inclusively ensuring that everybody has the opportunity to succeed, to achieve and to have a good, strong, decent, healthy life, an education and all the benefits that we all enjoy so much.

I find it a bit rich that the debate from those opposite is so fixated on issues on which they themselves do not have good standing. Let us look at workplace relations. I could talk all day about workplace relations and the opposition's Work Choices policy. It helped them lose government. Their own Prime Minister could not hold his own seat as a result of their diabolical policy that was going to rip decent wages and conditions away from working families. That still exists somewhere over there in the ether of the Liberal Party. We know that some of them want it to raise its ugly head from time to time; it has not completely gone away. That is just one area of policy. Where do the Liberals stand on workplace relations? No-one really knows, but I know that the future certainly is not bright.

And then we can go to health and look at the areas we have invested in—GP superclinics, increasing hospital beds and mental health. Mental health is an incredibly important area. These days we are happy to talk about it; we find it much more comfortable to talk about than we did in times past. We can look at infrastructure. The broadband network is another area they are not interested in and want to turn back. Even senators from regional parts of the country are not interested in the National Broadband Network.

Of course, I have already touched on how we have such a strong fiscal position compared to the black hole of those opposite. And then there are the really important ongoing factors around the cost of living—family tax benefit increases, age pension increases and the introduction of a paid parental leave scheme. That is something that after 11 years a Liberal government could not do, leaving Australia as one of only two OECD countries to not have a paid parental leave scheme. We can look at our childcare rebate increases, the environment and climate change. We have done so much and they stand for nothing. (Time expired)

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (17:49): As an accountant, and also having spent five years in banking, I know that, when people spin you a yarn about the marvellous things they are going to do, there is one way you can check the reality against what they have promised, and that is to have a look at the figures. So we can have a look at the figures to see exactly what this government has been like. When people are listening to this they think a deficit is all your debt and a surplus is all your profits. Deficit and surplus are like profit and loss in a government business—and debt is what happens when you keep on making a loss.

Back in 2008-09 this government basically said to the Australian people, 'In 2008-09 our business will make a profit of $21.7 billion.' What actually happened was that they made a loss, a deficit, of $27.1 billion. It was a loss; they went out the back door. And in 2009-10 they said, 'We'll make a profit of $19.7 billion.' But they actually made a net loss of $54.8 billion. Back in 2008 they said, 'In 2010-11 we promise we'll make a profit of $19 billion.' But they actually made a loss of $47.7 billion. In 2011-12 we promise we'll make a profit of $18.9 billion.' When 2011-12 came along, guess what? They made a loss of $44.4 billion. What you can see here is obviously that what they promise is never what they deliver. They are so far out that you just cannot take them seriously.
The problem we have got lately is their debt. Back in 2008, Treasurer Wayne Maxwell Swan said that they would just need a temporary increase in the overdraft limit—because they are such good business people! He had a $75 billion overdraft limit, and he just wanted a temporary increase. He was going to have a bit of a day at the shops with his mates—a bit of a day at the track—and he said, 'Can you just bump my overdraft up from $75 billion to $200 billion?—but it's only temporary.' You can trust them; they are such good economic managers!

Then, what happened? The reason they said they wanted this increase in the overdraft is that China apparently was going to go into recession. But, as we all remember, it did not; it never missed a beat. And neither did the overdraft. The overdraft for our nation went up to $200 billion and just kept going up. The next thing, they're back: 'We want another extension in the overdraft. This time we want to extend the overdraft to a quarter of a trillion dollars—$250 billion—and then we can talk about our debt just like the Europeans do, in portions and fractions of trillions.'

So then we had a quarter of a trillion dollar overdraft. And that was as bad as it was going to get; it was never going to get any worse than that—but, of course, it did. The next thing, they are back, saying, 'We want another extension on the overdraft'—this time to $300 billion. And the latest we have heard is that their figures are out the door by, in forward projections, $120 billion.

What does this mean for our overdraft at the moment? They said they would never get close to a quarter of a trillion dollars. Well, the prediction is that the overdraft for our nation is now going to be, by 2020—even on the most conservative estimates—around about $370 billion. How are we going to pay this money back? Where is the money going to come from? Every time, for years, they would go to the doors and hear, 'It's out of control', and always we would get the same thing: 'Don't worry; trust us. It's all under control.'

They borrowed an extra $2 billion four weeks ago. The next week they borrowed an extra $2 billion. I'll grant you, last week they paid back one. These are the people who promise us they are going to have a surplus—that this year we will be in surplus. They try to trick you that they have delivered a surplus, but of course they have not; it is just another one of their promises.

And in the midst of this, what did we get, for all that money they borrowed? What did we get? Where is it? We could have bought a couple of Central African republics for that money. What did we get? We got ceiling insulation, and we got school halls. But you would expect that with that sort of money there would be inland rail, massive ports, massive new dams, freeways—but nothing; there is nothing there. They have just put it all up against the wall. And now they are panicking, having to freeze spending to regional Australia. And then Minister Crean comes out and says, 'It's not a freeze; it's a stocktake'—it is like they are running a corner store, and they are going to have a stocktake. But why do you need a stocktake? Don't you know what is in your budget? They say, 'We're trying to get some more transparency on it.' This stocktake sounds awfully like delay to me. It sounds awfully like you are not going to spend any money, to me. And of course it is because the panic is setting in. All of a sudden it has become apparent that they are running out of money, that they are getting towards their next overdraft limit. All of a sudden it really is starting to become a concern.

These people went out the back door when the prices of commodities were at a
peak. When it was actually boom times, they went out the back door. How on earth are they going to manage the show when it is struggle time, when there is a peel off in commodity prices? And that is happening right now. How are they going to manage it? What they have done thus far has been an absolute circus, and the circus is never better reflected than in the carbon tax. These people cannot hit one target. If they were a credit paper, you would reject it. They have not been able to hit one target of one promise. They have not been within a bull's roar of delivering one promise—but they are, apparently, able to cool the planet. Prime Minister Julia Gillard and Treasurer Wayne Swan can cool the planet.

So we are going to get ourselves a carbon tax, because—you have to understand—it is morally right to be poor! It is morally right that we should make you poorer, that we should go to people and say: 'You know what? We don't think your power bills are dear enough; we're going to jack them up a bit, because we've got to look after the Greens!' They say: 'We don't believe that it's morally right that we should have a competitive price for power to keep manufacturing in Australia, because we've got to look after the Greens. We don't believe it's morally right that you should have the capacity to buy cheap fertiliser—something that has a high usage, and creation of it creates a higher usage of carbon emissions—we're going to make everything dearer.'

And as if it could not get any more insane than what it currently is, the way they are going to do it is to buy carbon permits—of course!—this fictitious market that we are going to indulge ourselves in. So, as you are getting poorer in Australia, you can live in the happiness—in that warm glow—that the money is going out of your wallet and to a trader who is collecting their commission and then sending it overseas to, I don't know, the east coast of Africa, or wherever it goes, so that you can know that you are poorer for the sake of a trader who is buying some fictitious permit from some place that you have never ever been to and will never ever go to! And of course, this all makes sense! In this Wayneconomics world, this all makes sense. It is just another promise that you can believe from the current Labor Party government. But the ultimate test: I do not think they are actually going to cool the planet. But I will tell you what is real: their debt is real. The fact is they are making people poorer: that is real. It is a real fact that they have created this debacle of an economy, when they were given so much. All they had to do was sit down and shut up and smile and they would have got somewhere.

The ACTING DEPUTY PRESIDENT (Senator Furner): Order! It being 6 pm the time for this debate has expired.

DOCUMENTS

Debate resumed on the motion that the Senate take note of the document.

Senator BACK (Western Australia—Deputy Opposition Whip in the Senate) (18:02): This provides me with an opportunity to comment on and put the record straight on some misinformation that has been presented in this chamber this week relating to two vessels, the Al Shuwaikh, going into the port of Kuwait, and the Ocean Drover, a ship that left Fremantle, discharged sheep successfully at the port of Mina Qaboos, in Oman, and at a port in Qatar, and, upon arriving in Bahrain, there appeared to be a difficulty associated with
the remaining sheep. I can assure the chamber that there was no medical or veterinary difficulty associated with those animals. They were the same consignment that had been offloaded in Oman and Qatar. Regrettably, some time elapsed before those sheep were discharged.

The excellent part about this, contrary to the misleading and mischievous statements that have been made in the media and in this place, is that the stock at all times were very well looked after. Their numbers were reduced by a third by virtue of sheep having already been discharged in the other two ports. There was adequate feed, adequate water and the sheep in fact travelled very well.

What eventually did happen as a result of the Bahrainis not wishing to take these sheep—and I assure the chamber again that it was not because of any animal disease circumstance, but certainly a matter beyond that of the shipper or the vendor—was that the sheep were eventually discharged at the port of Karachi, in Pakistan. I compliment the officers of the Department of Agriculture, Fisheries and Forestry. I know that it is considered in this chamber that I often do not congratulate or compliment those opposite. On this occasion I do so because they worked very diligently. I also give credit to Minister Ludwig. It is a shame he is not here—he probably would not be able to tolerate his joy! I compliment them for the work that was undertaken by the department to ensure that compliance with the Exporter Supply Chain Assurance Scheme was undertaken so that those stock could be unloaded and discharged in the port of Karachi, further to Karachi being approved for that purpose. It speaks to the excellence of the management of Australian livestock handling at sea, the robustness of the relationship that exists and, on this occasion, the diligence of all those involved to ensure that it did.

In the case of the *Al Shuwaikh*, the sheep were delayed for some time, but there is a memorandum of understanding in place between Australia and Kuwait, as there are with the other importing countries, and that memorandum of understanding was enacted, so those stock were safely discharged in the port of Kuwait.

This allows me to comment on the excellence of the operations run by Australia, overseen by AMSA, the Australian Maritime Safety Authority, and contributed to by government and by industry. It allows me to comment on the excellence of the quality of the vessels and of the management of the livestock on those vessels. No other country is anywhere near Australia when it comes to the standards that we have been able to establish for livestock handling.

I saw in my previous employment in the oil and gas world a great movement take place internationally with the quality of oil tankers to the extent that now every oil tanker licensed to cart oil around the world is double-skinned. In other words it has an inner and an outer surface so that any leak from an inner surface is caught before it escapes. I hope that Australia's leadership in ship design and ship construction and in the inspection and oversight may become international so that we will not have another suggestion—as we again had, mischievously, from Senator Rhiannon in this place—that a ship that got into difficulties off Brazil and its loss of stock had anything at all to do with Australia. Indeed, it had none. Again, I urge that, as Australia leads the world in animal welfare and husbandry and in management standards in the Middle East and the other markets, we extend that leadership internationally to the shipping process so that
the movement of stock around the world is as safe. I seek leave to continue my remarks.

Debate adjourned.

Air Services Australia

Debate resumed on the motion that the Senate take note of the document.

Senator RONALDSON (Victoria) (18:07): On 28 August, at Avalon Airport, the Liberal Party candidate for Corangamite, Sarah Henderson, launched a petition. The petition reads as follows:

The petition of the undersigned shows our support for Avalon Airport to operate as an international passenger airport. The provision of international passenger services at Avalon Airport will provide very important economic benefits for the Geelong region and Victoria as a whole, particularly with respect to employment, tourism, trade and the development of new industries.

Your petitioners ask that the Senate calls on the Gillard Labor Government to honour its 2010 election commitment to the residents of the Federal electorates of Corangamite and Corio by permitting Avalon Airport to operate as an international passenger airport by:

- Providing the requisite land use consents to build an international terminal; and
- Supporting the establishment of the relevant Commonwealth agencies, such as Customs and Immigration, necessary for the operation of an international passenger airport at Avalon Airport.

The Liberal Party candidate in Corangamite actually launched that petition. And, quite rightly, Ms Henderson referred to a promise made before the 2010 election by the Australian Labor Party, including the Minister for Infrastructure and Transport, the federal Labor member for Corio; the federal Labor member for Corangamite, Mr Cheeseman. The press release said:

SUPPORTING INTERNATIONAL FLIGHTS AT AVALON AIRPORT

The Gillard Labor Government supports Avalon Airport's plan to become an international airport and will work with the Airport to develop its plans for an international terminal.

... ... ...

The Government's Aviation Policy White Paper made clear our support for growing international air services to support trade, tourism and jobs in regional communities

... ... ...

"Increasing services to Avalon Airport is a shot in the arm for tourism on the Surf Coast and the Great Ocean Road,"—

Mr Cheeseman was quoted as saying: 'Well, they have been remarkable advocates for the international airport!' Since 2010, what have Mr Marles and the member for Corangamite, Mr Cheeseman, actually done about implementing that policy? Absolutely nothing—nothing at all. If this were so important, wouldn't you assume that they would be making regular speeches in the other place about how important Avalon becoming an international airport is? But do you think they have? They have not. Indeed, the only mention from Mr Marles about Avalon was this:

The election ventilated a number of local issues in Geelong—the future of Avalon Airport ...

That is the end of it! Since 2010 Mr Marles has said nothing at all in the other place about this commitment—and that was on 22 November 2010.

But, funnily enough, when Ms Henderson launched her petition on 28 August, remarkably, having been caught out, Mr Marles tried to justify his inaction in the Geelong Advertiser on Friday, 31 August. And what about the very silent, and almost non-existent Mr Cheeseman? Remarkably, having said nothing about this at all, on 10 September he suddenly rose to make some comments in relation to Avalon. He said:

I have had a longstanding interest in the aviation industry, particularly with Avalon, down in my part of the world ...
He then went on to say:

Our region has a long-term ambition to increase the services available out of Avalon as well as, importantly, to harness the potential opportunities that would come from converting it to an international airport

Avalon Airport is a strategic asset in our region. The member for Corio and I have been working diligently with stakeholders locally and with the government to recognise any potential that Avalon has.

Oh, yeah? And where is the proof of that, I ask. Where is the proof of that? Because the last time there had been any mention at all from Mr Cheeseman of the word 'Avalon' was earlier in May—two words: 'Avalon Airport'—and, remarkably, before that, the last time there was any mention from Mr Cheeseman at all was 11 March 2009. Ms Henderson has shown these members up. They are completely incompetent in relation to Avalon Airport, with their weasel words at the last election. They have been caught out by Ms Henderson. She, thankfully, has taken up the cudgel in relation to Avalon. She, thankfully, has organised this petition. And she, thankfully, has taken some ownership that is of vital importance to the Geelong community and indeed the wider Geelong region. I seek leave to continue my remarks.

Debate adjourned.

Department of Health and Ageing

Debate resumed on the motion that the Senate take note of the document.

Senator BACK (Western Australia—Deputy Opposition Whip in the Senate) (18:13): I rise to speak to this report. Only today at lunchtime Senator Moore and I, amongst others, had the privilege of attending the Action in Melanoma luncheon here in Parliament House. Presented in the main by three people, the CEO of Melanoma Patients Australia, Mr Will Kerkhof; Professor Jonathan Cebon, who heads up the Olivia Newton-John Cancer and Wellness Centre; and the most courageous woman, Mrs Anne Harper, who only this year faced and successfully beat melanoma. I think Senator Moore would agree with me there were not many people who were focused on anything other than Mrs Harper and her remarkable story. As we know, the incidence of melanoma in this country is about four times that of the international average. As Professor Cebon quite eloquently said, this is a climate not for white-skinned people but for those with pigment in their skin. So here we are, and because of the exposure to ultraviolet light we have it; some 10,000 Australians every year are diagnosed with metastatic melanoma of whom some 1,400 die.

Senator Moore, a very close member of my family was diagnosed with the level III melanoma at the same time, and out of the same clinic, that the then Senator Peter Cook was diagnosed. As we know, Peter did not survive. My family member did. But when you are asked whether the family member has income insurance because, if they do, and the level of melanoma is sufficient that it would cause him or her to be able to cease working and call upon that insurance, it is a very humbling and sobering moment.

What was interesting, particularly in the case of Mrs Harper, was that she had been diagnosed with a lump in her back during 2011. It was excised. This was following, regrettably, an annual check-up because a member of her family had died of melanoma some years earlier. Regrettably her GP, when he first saw this lump in her back, said: 'No, it's nothing to be worried about; don't be concerned.' Fortunately, she had the common sense to go to a skin specialist who did excise it. It was in February this year, if my memory serves me correctly, Senator Moore, that she found a lump under her arm. She
showed us graphic pictures of a scan of her body in February of this year and there was not much of her body that was not affected by melanoma.

She was then able to go into a course of treatment. The generic name of the drug I cannot remember but the term 'ippy' is one that is familiar to me. She had four courses within this program of treatment and where she was, having been near death's door—she has a three-year-old daughter and a seven-year-old son who had been wondering why their mother could not be at home with them—standing before us telling her story with great bravery. The cost of this treatment, which the drug company has brought to market, is $118,000 per course of four treatments. They are unable to continue giving it free of charge. It is not an anti-cancer drug; it works on the immune system. It excites the immune system of the body. This is a whole new raft of methods of treatment in cancers. Rather than attack the cancer—often with medications, treatments and drugs which are, of themselves, poisonous to the body—this new approach is to try and excite the immune system so that the person's own immune system will fight the melanoma.

That decrease in the incidence of the melanomas around her body by June of this year was something almost miraculous to see. The point of all this—coming back to the report before us—is that at the moment the Pharmaceutical Benefits Scheme administration has not yet seen fit to add this treatment to its list of prescribed drugs. One hopes that the opportunity may be there for it to do so in the future—if not totally then at least partially. One of the privileges of being in this place, as we know, it is to interact with these people and to come away very much wiser for the experience.

Question agreed to.

DOCUMENTS
Consideration
The following orders of the day relating to government documents were considered:

Wet Tropics Management Authority and State of the Wet Tropics—Reports for 2010-11. Motion of the Parliamentary Secretary to the Prime Minister (Senator McLucas) to take note of document called on. On the motion of Senator Back debate was adjourned till Thursday at general business.

Australian Institute of Marine Science (AIMS)—Report for 2010-11. Motion of the Parliamentary Secretary to the Prime Minister (Senator McLucas) to take note of document called on. On the motion of Senator Back debate was adjourned till Thursday at general business.

Torres Strait Regional Authority—Report for 2010-11. Motion of Senator Bushby to take note of document agreed to.

Australian Fisheries Management Authority—Report for 2010-11. Motion of Senator Bushby to take note of document called on. On the motion of Senator Back debate was adjourned till Thursday at general business.

Great Barrier Reef Marine Park Authority—Report for 2010-11. Motion of Senator Bushby to take note of document called on. On the motion of Senator Back debate was adjourned till Thursday at general business.

Australian Law Reform Commission—Report no. 118—Classification – Content regulation and convergent media—Summary report, dated February 2012. Motion of Senator Bushby to take note of document agreed to.

Australian Postal Corporation (Australia Post)—Statement of corporate intent 2011-12 to 2013-14. Motion of Senator Bushby to take note of document agreed to.

Native Title Act 1993—Native title representative bodies—Northern Land Council—Report for 2010-11. Motion of Senator Bushby to take note of document called on. On the motion of Senator Back debate was adjourned till Thursday at general business.
The ACTING DEPUTY PRESIDENT (Senator Boyce): It being 6.20pm, the time for debate of orders of the day 17 and 18 has expired. So we move now to order 19, which is the consideration of committee reports, government responses and auditor general reports.

To expedite the considerations of the documents I propose, with the concurrence of honourable members, to call on the committee reports and government responses in groups of five, as they are listed on pages 6 to 8 of the Notice Paper. Documents to which no senator rises will be taken to be discharged from the Notice Paper. Documents not called on today will remain on the Notice Paper. There being no objection, it is so ordered. I now call committee reports and government responses 1 to 5 listed on page 6.

### Committee Reports

**Foreign Affairs, Defence and Trade References Committee**

Debate resumed on the motion:

That the Senate take note of the document.

Senator FAWCETT (South Australia) (18:20): This report by the Foreign Affairs, Defence and Trade References Committee into procurement procedures for Defence capital projects has been tabled and distributed and we are starting to get feedback from a range of people on the report. It is another report in a long line of reports looking at defence procurement. You can go back to Mortimer and Kinnaird and there have been other reports such as the report by Rufus Black, looking into accountability within Defence. There have been a string of reports and people have been asking—indeed the committee asked the question during this report—why, after so many reviews and so many reports, are people not happy with how the system is working.

One of the issues that came to light, very clearly, was that people over many years have looked at the symptoms of failure or dysfunction within the organisation but they have not necessarily identified the underlying causes of that dysfunction. When I talk about dysfunction it is worth noting that Defence produce many good projects. People working within Defence—this came through very clearly in the committee—in the services, in the broader Defence organisation and within defence industry are all working with best intent and best
endeavours within the system they have to produce good results. And many of those results have served people in the field well. But the real challenge at the moment, particularly facing the financial pressures that the department is under, is: is it being done as efficiently as possible? Is it good use of the taxpayers' money—is the capital that the taxpayer is investing in defence through the government being productive? The answer so often is no. Some of the projects that were highlighted during the report, such as the Tiger project, were sold to government as off-the-shelf, non-developmental projects, and they have ended up taking many years. Every time you have a delay there are flow-on effects to the services as the chiefs have to rearrange posting cycles and infrastructure plans and extend the life of legacy capabilities. There are many costs involved with that.

One of the prescient aspects of this report, compared to others, is that it has tried to look beyond the immediate symptoms and look at the cause. One of the causal factors that have been identified is the impact of the savings measures that have been made by governments over the last two decades. The Commercial Support Program, the Defence efficiency reviews and many short-term measures looked at achieving savings on a day-to-day basis. That has led in time to some of the failures that we are seeing, like the failure of the amphibious fleet last year. The Rizzo report that followed identified that Defence no longer retained the competence, the skill sets, that it needed to effectively manage the capability it had.

The report also identified that those same capabilities are often required by the Defence Materiel Organisation or by Capability Development Group to accurately identify and assess where there is risk in materiel or equipment that is being offered to the Commonwealth for purchase. If those skills do not exist then people cannot actually identify where the risk is, cannot take appropriate action and cannot set boundaries around schedules. So we are not actually the smart customer that Australia likes to think it is in the defence space. Many of the failures in cost and schedule overruns and capability shortfalls that have occurred did so because of the growing gap between where we think we are as a smart customer and the actual competencies that we have across the three services.

Much of the feedback I have had from people about this report have been comments on the fact that some of these issues have been identified. Some people have said it is a little disjointed, which is probably a fair comment given the nature of the committee, which heard a very broad and diverse range of witnesses and opinions. It is one of the reasons I ended up writing an additional chapter to the report as additional comments—to attempt to bring together a lot of those threads and to address the fact that, if we are going to have sustainable reform, it needs to be for the whole system, and that includes the interface of executive government with Defence.

There are a lot of people talking about a lack of accountability within Defence. Can I say to the Senate that accountability also flows the other way—back to executive government. Every time executive government decides to defer a decision, delay a procurement or commit the ADF to an activity that was not in its plans, there are flow-on effects. The capability managers have what we call the raise, train and sustain function. Those are the investments that we make in people in terms of individual training, collective training, developing doctrine and doing the deeper maintenance on equipment. All of those things get thrown into some degree of disarray when a government makes a decision. So there has
to be accountability from the government back to Defence in terms of its understanding of the opportunity cost of decisions that it takes. Much of the poor capital productivity that we see can actually be traced back to government decisions in terms of deferring, not making decisions or changing decisions within the DCP.

We cannot afford to continue down that path. The inefficiencies within the defence department that have arisen out of those short-term savings measures, whereby the service chiefs have been largely disempowered. They no longer control all of the elements they need to achieve their task, and yet we are happy to hold them accountable for it. They need to have control restored over those things they need to do their job. That came through loud and clear from many of the reviews, from the Rizzo review to the Coles review and the Black review.

One of the challenges is to make sure that we do not lose the benefits of standardisation and of a common approach to things like sustainment, procurement and IT and pay systems which were behind the development of the DER and the CSP. There are ways that we can achieve that. Defence already has some models at work, particularly in the aerospace world, where there is a common regulator who sets standards which apply to all three services, even though the service chiefs operate their own aircraft; they have their own air crew. They are separate organisations with responsibility and accountability but they are held to a common standard, and that model can be applied across Defence more broadly.

People often talk about the fact that Defence should be run more like a company. Well, a company works in a similar way. If you are in the finance sector, you have APRA. Most commercial companies look to the ACCC. If you are in the civil aviation business there is CASA. There is a regulator that sets the standard but does not take away from the CEO the full profit and loss responsibility they have. That same model can be applied across Defence.

The other part that we can apply is the concept of governance. The way to get government more engaged and to understand the impact of the decisions they take is to look at the way the chair of a board of a publicly listed company, a private company or an NGO is engaged in an ongoing manner with the CEO and other stakeholders within the company. The chair of the board does not run it; the CEO does that. But the chair of the board sets the strategic direction and he engages with people to understand what is happening inside the company as well as the impacts of the external environment on the company.

If the defence minister was the chair of a defence board whereby the senior stakeholders within Defence had the opportunity to come on a regular basis and present information about what was happening within the department, considerations around capability development and the various implications of delays, he would be far better informed when he came back to the National Security Committee of Cabinet to inform his colleagues as to why a decision should be made or, if it should not be made, what the cost would be either in terms of capability or financially. The British have actually gone down this path. After Lord Levene's review in 2011, the British have instituted a defence board, where the Secretary of State for Defence, the defence minister, is the chair of the board. They have the service chief and a person looking after procurement, as well as non-executive directors who sit to provide some broader perspective on good concepts of governance.
There is a lot in this report that leads to and points to the fact that we do need to have a broader debate within Australia about the scope of reform that is required, and not just within the procurement part of Defence. If it is going to be sustainable and effective, it needs to include the whole of the Defence organisation as well as its interface with government. It needs to significantly change our approach to governance. It needs to re-empower the service chiefs.

I commend the report to anyone who is interested in the defence of our nation, and I encourage them to also read the additional comments at the end of the report. I seek leave to continue my remarks.

Leave granted; debate adjourned.

COMMITTEES

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Community Affairs References Committee—Report—The factors affecting the supply of health services and medical professionals in rural areas. Motion of the chair of the committee (Senator Siewert) to take note of report called on. On the motion of Senator Back debate was adjourned till the next day of sitting.

Legal and Constitutional Affairs References Committee—Report—Donor conception practices in Australia—Government response. Motion of Senator Back to take note of document agreed to.


Economics References Committee—Report—Investing for good: The development of a capital market for the not for profit sector in Australia—Government response. Motion of Senator Back to take note of document called on. Debate adjourned till the next day of sitting, Senator Back in continuation.


Community Affairs Legislation Committee—Report—Administration of Indigenous Business Australia in relation to certain evidence given to the Senate Community Affairs Committee. Motion of Senator Back to take note of report agreed to.

Education, Employment and Workplace Relations References Committee—Report—The shortage of engineering and related employment skills. Motion of Senator Back to take note of report called on. Debate adjourned till the next day of sitting, Senator Back in continuation.

Corporations and Financial Services—Joint Statutory Committee—Final report—Inquiry into the collapse of Trio Capital. Motion of Senator Back to take note of report called on. Debate adjourned till the next day of sitting, Senator Back in continuation.

Gambling Reform—Joint Select Committee—First report—The design and implementation of a mandatory pre-commitment system for electronic gaming machines—Government response. Motion of Senator Macdonald to take note of document called on. On the motion of Senator Back debate was adjourned till the next day of sitting.


Rural and Regional Affairs and Transport References Committee—Interim (2) and final reports—Australia’s biosecurity and quarantine arrangements. Motion of Senator Back to take note of reports called on. Debate adjourned till the next day of sitting, Senator Back in continuation.


Community Affairs References Committee—Final report—Inquiry into Commonwealth funding and administration of mental health services. Motion of the chair of the committee (Senator Siewert) to take note of report called on. Debate adjourned till the next day of sitting, Senator Back in continuation.

Order of the day no. 2 relating to committee reports and government responses was called on but no motion was moved.

AUDITOR-GENERAL’S REPORTS

Consideration

The following order of the day relating to reports of the Auditor-General was considered:


ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Boyce): Order! There being no further consideration of committee reports, government responses and Auditor-General’s reports, I propose the question:

That the Senate do now adjourn.

Grey Electorate: Trade Training Centres

Senator GALLACHER (South Australia) (18:31): I rise tonight to make a contribution on one of my favourite topics, which is the electorate of Grey and the effect of the Trade Training Centres national framework, which is providing some significant funding for the electorate. By way of a snapshot, the Trade Training Centres in Schools Program is providing $2.5 billion over 10 years from 2008. Just four years into the program, over 1,070 schools have benefited from around $1.2 billion of funding.

The rollout of the TTC infrastructure has progressed on or ahead of projections and, as at 7 September, 218 Trade Training Centres had already been built, benefiting over 600 schools; 63 are preparing to commence construction, benefiting a further 125 schools; 64 are under construction, benefiting over 240 further schools; and 31 have in-principle funding approval, which will benefit another 110 schools.

This is an important part of the Labor government strategy to encourage young people to complete year 12. Secondary schools with students enrolled in years 9 and above can seek funding to establish new trade training facilities or upgrade existing facilities. By the schools providing industry standard facilities in partnership with local employers, students are gaining skills relevant to the workplace, helping them on the pathway to work and further training.

Importantly, this will boost productivity, give students more options and give them, very importantly, the opportunity to seek rewarding careers. We are improving facilities and providing more opportunities in further education and training, delivering high-quality vocational training opportunities. This is central to our
investment in Australian kids and giving them a chance to learn trade skills firsthand. It is abundantly clear that not all of our young people go on to university, and it is particularly important to have these opportunities to identify early in their career path or early in their school path those who want to progress into trades.

The government is seeking to support an achievement rate of 90 per cent of year 12 or equivalent by 2015, and this is a really significant investment in achieving that target. Since 2008 there have been four rounds of funding so far, and as of round 4 there have been some changes that have been made to process the funding approval. Individual project proposals must now form part of a sectoral plan prepared by each education authority for approval by the Minister for School Education, Early Childhood and Youth.

New processes will see the Trade Training Centres being rolled out in a more strategic way. We will see projects prioritised by various factors, including relative socioeconomic disadvantage and program objectives and priorities. All eligible schools are on the indicative priority list, and all schools can ask their education authority where exactly they are on that list.

This Labor government is taking the necessary steps to address an extremely important issue, which is skill shortage in this country. For South Australia, this has meant that after the initial round 4 announcement 48 projects over 140 schools have been approved for funding. The total funding of these projects is approximately $135.6 million. From the data collected to May 2012, 26 of the Trade Training Centres are operational. In the latest round, round 4, there are eight projects, covering 15 schools, at a funding of around $16.25 million.

A significant number of Trade Training Centres have been announced for and are operational, most importantly, in regional Australia—in the remote and very remote areas. I have had the honour of going to Eudunda and Cummins, both vibrant rural communities in the electorate of Grey. I am looking forward to the opportunity of going to the APY lands in November of this year. It is very, very clear that this Labor government initiative is putting in place great vocational opportunities for our kids in regional and rural Australia. Twenty-nine schools have been identified in the remote service delivery priority communities and 18 of them have received funding from this program. To ensure that the remote service delivery can be funded as quickly as possible, $16.5 million has been quarantined, covering 11 RSD schools not yet funded, at $1.5 million per school, reflecting their higher-than-average cost structures.

Sadly, before the last election the opposition promised to cut over $1.1 billion from the Trade Training Centres in Schools Program, robbing secondary students in approximately 1,000 secondary schools of the opportunity to find better pathways to becoming the next generation of electricians, brickies, hairdressers, chefs, carpenters and all those good tradespeople who are the backbone of the Australian community.

It was my great pleasure to go to Eudunda Area School, one of two cluster schools which had submitted an application, along with the lead school, Nurioopta High School, in round 4 of the program. I was up there to do the Building the Education Revolution stuff—the new library, the new classrooms and the new electronic whiteboards that are allowing science classes to be delivered across a range of schools in that area, with one science teacher and four kids in each school, delivering remarkable outcomes. They were extremely excited to have gained
the funding to refurbish, upgrade and replace their trade training centre. They were looking forward to being able to give the kids who were not going on to uni, those kids who wanted to get into trades, that leg-up and that bit of training that was going to help them to realise their full potential by delivering qualifications in the rural, agriculture and automotive sectors. Eudunda is not that far from the automotive plant at Elizabeth. In the food processing sector: the Barossa Valley is around the corner, and wine and food are part of the heritage of that area. In the construction sector: you can get a $10,000 grant in South Australia if you want to build a house out in the Gawler sub-belt. There is building and construction activity. In electrotechnology engineering: there is a lot of that going on around Edinburgh in the northern suburbs of Adelaide, and it has given country kids a chance to get a leg-up and training in a vocational trade and to make something of their lives.

Addressing these skills shortages is something that the Labor government is extremely proud of, and I am ecstatic about being able to go along and witness the enthusiasm that the school communities have for these types of endeavours.

Way over at Cummins, on the Eyre Peninsula, there is a BER project—a $2.15 million library, shade structure and refurbishments. Seventy people from the local community came out, everybody had a cup of tea and a lamington, and they said: 'Thank you very much. No-one cares about Cummins but you have done something really good here.' The person who spoke said, 'This is beyond politics; we are really appreciative of the investment in our community.' There was another interesting sideline to that visit. I actually opened the refurbished agricultural trade centre. The kids there are growing their own crops, they are managing their own pesticides to grow wheat, barley and whatever it is that they require, for their aquaculture and their other endeavours. One of the things that I had not seen before, but I am sure that those in the National Party on the other side who know a bit about it, was a led steer competition. There you had year 9, 10 and 11 kids actually growing cattle—actually growing the wheat, the barley, the feed—putting the cattle into a feedlot situation and getting them from a fairly low weight to 600 kilos. No doubt this week they will take them down to the Adelaide show, they will get them judged on the hoof. Then, I am told, they are also judged on the hook. That might not please everybody, but as a meat eater it certainly does not displease me. The proceeds for those things go fifty-fifty back to the school and fifty-fifty back to the provider of the livestock. It was really great to see.

R U OK? Day

Senator FIERRAVANTI-WELLS (New South Wales) (18:41): I rise this evening to speak on this R U OK? Day. 'Are you okay?' is a very simple question and one which we have been asked to remind Australians about today. It is very important to reach out and connect with family members, friends and colleagues who may find it difficult to talk about their emotional wellbeing. As we know, it is often very difficult for people who are going through rough times to express themselves. Sometimes they feel that the only way to deal with their problems, sadly, is to take their own life. Whilst they do need to learn to speak about their issues, we also need to learn to ask the question when we suspect that something is wrong. Today is all about starting that conversation and taking time out to ask somebody, 'Are you okay?'

On average, six people take their lives every day in Australia. That is higher than
the national road toll. Suicide is a major health concern in Australia, ranking 15th overall as the cause of death in Australia. Feelings of isolation or hopelessness can contribute to depression and other mental illnesses, which ultimately can result in suicide. Psychological autopsies have found that nearly 90 per cent of people who ended their own lives had been suffering from a mental disorder like depression. Men are three times more likely than women to end their own lives. This is what prompted Gavin Larkin to initiate R U OK? Day in 1995, after the death of his father, Barry Larkin. R U OK? Day started in 2009 and has been a fantastic way to raise awareness about preventing suicide across Australia, with nearly one in five Australians participating on this day.

Everybody is asked to sit down with somebody, have a cup of tea and ask them, 'Are you okay?' Indeed, this morning I took the initiative outdoors to wheel out the trolley with cups of coffee and tea in those very stunningly strong yellow-coloured R U OK? cups, along with cupcakes and lamingtons, to make the point that it is over a cup of coffee or tea that you can start this conversation. Indeed, it did start a conversation among some of our journalist friends outside. I must say they joined in the spirit of the moment and ate all the cupcakes and the lamingtons. Again, there was the theme of morning tea at the RU OK? morning tea with former Wallabies captain Simon Poidevin attending. It is really important to see our public figures and people like Simon attending such functions. He spoke quite movingly about his friendship with Gavin Larkin and how that had come about. Thirteen million Australians are aware of RU OK? Day and, as I said, one in five participated in some way today.

A recent Essential Media poll for RU OK? indicated that more than half of all respondents admitted they would not open up if struggling with a problem. However, 84 per cent of people feel confident or very confident about asking a friend who is troubled whether they are okay. Indeed, Professor Graham Martin, OAM who is the chair of the RU OK? Scientific Advisory Group says:

You don’t have to be an expert to support someone going through a tough time, you just need to be able to listen without judgment and take the time to follow up.

Of course we know the spiral of despair and it could be from relationship problems, money worries or bullying. In particular, these days we see such graphic illustrations of what is described as trolling, some absolutely disgusting comments that are put on Twitter and on the internet by people who feel that they can make these comments because they cannot see the person in front of them. Amongst our young people this is causing despair.

Earlier this week was World Suicide Prevention Day. WHO figures indicate that on average one million people across the globe end their own lives and one person ends their life every 40 seconds. As the figures show, suicide is the leading cause of death for almost one in four of our young people aged between 15 and 24 years. We have initiatives such as headspace, which was established under the coalition government and now enjoys bipartisan support, and the EPICs which the coalition would like to see rolled out, but regrettably this government is waiting on the state governments to roll these centres out. That is not actually happening because we understand the states are not willing as yet to come to the party on this.

I would like to take the remaining time to put on the record that at a time when suicide prevention is very important the rollout of important suicide prevention moneys is just
not happening. People like Professor Mendoza have been on the record as being very critical of the government for not rolling out those moneys in a timely manner. We also have the Mental Health Nurse Incentive Program which was sold by the minister as a cap, but unfortunately as you talk to people involved in this program at the grassroots level we are actually seeing a cut. Then we have the road map which was much touted as being a 10-year road map. But we have such eminent people as Professor Rosen being critical of it, saying you do not put out a road map if you do not have a destination.

Yesterday the Department of Health and Ageing appeared to put out its draft road map for national mental health reform 2012-22. Having received such criticisms from eminent persons about this road map, one would think that the government would say, 'Let's put it out there, but let's give people the opportunity to give some proper feedback in relation to this road map.' But what we have seen is a new benchmark in contempt by this government and total disregard for the opinions of the professionals in this area. Indeed, the Commonwealth has only given the sector until Monday—yes, Monday—to give feedback. It came out on Wednesday and they have until Monday to provide feedback to the Commonwealth. I have been provided with a copy of this draft and we have eminent professionals in this area now having to scramble as they only have two working days to provide feedback to the Commonwealth.

That is an absolute and utter disgrace, Minister, particularly in a week in which we have been talking about important things like suicide prevention and RU OK? Day. Yet the government has shown contempt for the sector, after all the criticism you have received about this road map. You put the road map out on Wednesday and expect people to provide feedback to you on what is supposed to be a road map for the next 10 years in such an important area that is the leading cause of death for our young people. It is absolutely and utterly contemptible, Minister, and I would ask you to seriously consider this decision by your office, your department or somebody in your organisation. I have been provided with the road map and some accompanying information that shows clearly: 'The Commonwealth is only giving us until Monday, 17 September to comment and therefore please distribute urgently and provide feedback.' *(Time expired)*

**Member for Gilmore**

Senator THISTLETHWAITE (New South Wales) (18:52): I rise to give voice to the forgotten people of Gilmore in my home state of New South Wales whose needs are being ignored by the member supposed to represent their interests in the other place. Last Saturday the member for Gilmore stood for and was elected to the position of Mayor of Shoalhaven City Council. The member has taken up that job but proposes to stay as a member of parliament. With this act the member for Gilmore betrays her constituents. She abandons them in pursuit of her own political desires. She tells the people of Gilmore that her career is more important than their democratic rights, that she is more interested in the glory of the mayoral robes than in giving them a voice in the House of Representatives. The member for Gilmore is well and truly trashing the democratic rights of her constituents.

It is not just the rights of the people of Gilmore that are being trashed. In holding dual roles as the member for Gilmore and Mayor of Shoalhaven City Council she is thumbing her nose at the Australian Constitution. Senators may be aware that last Friday, 7 September 2012, esteemed
constitutional law academic and barrister Professor George Williams published an article in the *Sydney Morning Herald* which raised serious questions about whether it is constitutionally valid for the member for Gilmore to continue to sit in the House of Representatives now she has been elected mayor. According to Professor Williams, 'there is a real prospect' that the member for Gilmore 'will breach the Australian Constitution' if she continues to sit as an MP after being elected mayor. This is very concerning indeed.

As Professor Williams explains, subsection 44(iv) of the Australian Constitution states that anybody who holds an 'office of profit under the Crown' is disqualified from sitting as a member of the federal parliament. It is possible that the member for Gilmore's newly acquired position on local government could constitute a prohibited 'office of profit' and, if so, she is therefore ineligible to sit in the parliament.

Worryingly, as Professor Williams notes, the High Court of Australia has taken a 'surprisingly strict approach to section 44'. In 1992, the High Court applied this to disqualify Phil Cleary, who had been elected as the Independent member for the federal seat of Wills, because his position as a state school teacher was a prohibited 'office of profit under the Crown'. In 1996, Jackie Kelly was disqualified as the Liberal member for Lindsay because she was an Air Force officer, also a constitutionally prohibited 'office of profit under the Crown'. So there is a worrying risk that the member for Gilmore is disqualified from sitting in the House of Representatives.

Now the member for Gilmore is peddling a range of excuses for placing her constituents in such a terribly dubious position. The member claims she can point to about 20 examples of past members who have held dual roles as MPs and councillors, but most of these people simply held office as councillor, not mayor, and we all know there is a big difference. Everyone knows that mayors have much greater responsibilities than normal councillors.

There is another reason the member for Gilmore's position is different to those who held dual roles as councillor and MP in the past. For past MPs, service as a councillor was their life before federal politics. All the examples I can recall involved people who started out in local government, retained this position for an overlapping period after they were elected to the federal parliament and then resigned from council. After resigning from council, the members in question focused their energies entirely on the federal parliament. There was never any question that giving their constituents a voice in the House of Representatives was their main focus. But the member for Gilmore is doing things the other way around. She started out in the federal parliament and has now been elected mayor. She intends to mark time in the other place until the next election, when she will resign and continue her career in local government. It is quite clear that the member's main focus is her position as mayor.

Another excuse the member for Gilmore offers is that her mayoral position does not count as an 'office of profit', because she is not being paid a proper salary for this position. The member asserts that she is receiving a mere 'reimbursement of expenses'. I think many of her constituents would dispute the member for Gilmore's characterisation of these payments as a simple 'reimbursement of expenses'. According to the *Report and determination of the Local Government Remuneration Tribunal under sections 239 and 241 of the Local Government Act 1993* from 28 April
2012, the member stands to receive quite a hefty benefit as a result of being elected mayor. According to my reading of the figures, as the Mayor of Shoalhaven City Council, which sits in the 'regional rural' category for the purposes of the determination, the member for Gilmore will be eligible for a payment of up to $17,060 per annum for her general service on the council, plus an additional mayor's fee of up to $37,230 per annum—that is a potential payment of up to $54,290 per year. I may come from a different part of the world to the member for Gilmore but, to me, $54,290 per annum is nothing to be sneezed at. In fact, thousands of the member for Gilmore's constituents earn less than $54,290 per annum.

The member for Gilmore's 'reimbursement of expenses' argument puts her at odds with her own Liberal Party colleagues. Former Senator Nick Minchin, Liberal Party elder statesman and former leader of the Howard government in this place, gave evidence to a parliamentary inquiry that being a councillor could disqualify you from sitting as an MP according to advice he received when he was running election campaigns on behalf of the Liberal Party. This advice was apparently so compelling that Mr Minchin made all eight candidates who held office as councillor resign their positions before they nominated to represent the Liberal Party in that particular campaign. We also know that the member for Gilmore's NSW Liberal Party colleague Premier Barry O'Farrell recently banned state MPs from serving as councillors because, he said, it was a 'conflict of interest'. This tells us exactly what Mr O'Farrell thinks about parliamentarians who double-dip in the fashion of the member for Gilmore.

We know that, on the very first working day after her election as the Mayor of Shoalhaven City Council, the member asked for a pair in the House of Representatives, and sought leave so she could be briefed by council officers on local government issues. More importantly, as Professor Williams points out, unless the member for Gilmore fails to absent herself from the other place while these questions remain, 'there is a risk that that laws will be passed or rejected on the vote of a person who is ineligible to sit'.

As Professor Williams observes:

The federal Parliament is responsible for approving considerable sums of money for local government. Federal laws can also affect the rights and responsibilities of councils. Where interests do not coincide, would Gash—the member for Gilmore—give priority to her local government area or federal electorate?

The constituents of Gilmore deserve a full-time MP who takes their democratic rights seriously. If the member for Gilmore had any integrity, if she had any fidelity to the trust that her constituents had placed in her, she would not leave it up to them to clarify her constitutional eligibility; she would sort it out for herself by resigning from parliament now.

Senator Fierravanti-Wells: Mr President, I rise on a point of order. Senator Thistlethwaite is reflecting. I have listened very carefully to his speech thus far. He is reflecting on the conduct of a member in the other place. I would ask you to consider carefully his speech as to whether it transgresses the orders of the Senate. I believe that he is either sailing very close to the wind or has done so already in reflecting on the conduct of Ms Gash in the other place.

The PRESIDENT: Senator Thistlethwaite, I am not making a judgement that you are; I just remind you that you should be careful about reflecting on people in the other place.
Senator THISTLETHWAITE: There are also serious questions about how the member for Gilmore could do both jobs at the same time. Every member of this chamber and every member of the other place will tell you that service in the federal parliament is a full-time job. If you are only making a part-time effort, you are letting your constituents down. What about her obligations to Shoalhaven City Council? How many mayoral functions will she miss because she is attending to her parliamentary duties? How many community functions will be overlooked? How many council meetings will go unattended? How many local businesses will be ignored because their mayor is away in Canberra?

The Australian parliament is not a waiting room. The Australian parliament is not a retirement village. It is a proud and important institution in which the Australian people, through their parliamentary representatives, exercise their will over our great nation. The constituents of Gilmore in the great state of New South Wales deserve an MP who is committed to living up to those grand ideals. The constituents of Gilmore deserve more than a part-time MP. The constituents of Gilmore deserve a truly committed representative who is fully invested in this parliament. It is time for the member for Gilmore to do the right thing, and that is to move on.

Justice Reinvestment

Senator WRIGHT (South Australia) (19:03): Last month, I gave a speech about the growing community call for the adoption of a justice reinvestment approach to criminal justice here in Australia. Tonight I am continuing that theme, reporting on a forum hosted by the Australian National University's National Centre for Indigenous Studies in August. The question posed for the forum was: is justice reinvestment needed in Australia?

I first want to acknowledge the hard work of Dr Jill Guthrie and Professor Michael Levy in convening and facilitating the forum. They managed to secure a highly esteemed panel of national and international experts in the field, attracting an audience of leaders from Australian academic, government and community sectors. This forum, and the debate it is helping to foster, comes at a critical time for the future of Australia's criminal justice system.

I don't think it is too much to say that Australia's criminal justice system is heading for a crisis. Australia's prison population is now approaching 30,000 prisoners—a 200 per cent increase since the mid-1980s. In fact, the number of people in Australian prisons has grown roughly four times faster than the general population. If Australia's prison population continues to grow at an average rate of four per cent per year, as it has done for the last 25 years, we will need to add at least 10,000 new beds to the prison estate by 2020.

The cost of building a new prison varies, but half a million dollars per bed is a conservative estimate. So in simple terms we are looking at a $5 billion dollar spend on prison construction over the next decade. Five billion dollars could fund the Gonski reforms or the National Disability Insurance Scheme or Denticare. Across the country, millions and millions of dollars are being spent on prison construction and expansion right now. In May, the Victorian government announced it will spend over $800 million building a new 500-bed prison and adding nearly 400 beds to existing prisons. In the Northern Territory, a new 800-bed prison is due to be completed by 2014 at a cost of nearly half a billion dollars, with additional beds also being added to the current prison.
Western Australia has an array of expansion and construction plans, either planned or already in train, which will add over 1,500 beds to its prison system in coming years. Queensland and South Australia also have significant expansion projects underway.

Prisons place an enormous cost burden on Australian taxpayers and the reality is that the more we spend on building new prisons the less we have available for investment in other essential social services such as education and healthcare. Our response to this might be: 'Well, we can't just let criminals walk free'—and that is true. Prisons will always be needed for serious and dangerous offenders. But there are many people in prison who do not need to be there: people who could be held accountable for their crimes while safely remaining in the community; people on remand, held not because they pose a risk to public safety but because they have no permanent home; people who may not have offended in the first place if they had been able to access treatment for mental health or substance abuse problems; people who cannot afford to pay their fines; and young people who enter prison as low-level offenders and then leave as more hardened criminals who are much more likely to commit serious crimes.

What if we spent less money warehousing offenders after the fact and more money strengthening communities to prevent crime from happening in the first place, all without putting public safety at risk? That is the promise of justice reinvestment. At the ANU forum we heard from Professor Tony Butler, head of the Justice Health Research Program at the University of New South Wales' Kirby Institute. His statistics about the health status of prisoners are nothing short of shocking. Nearly 50 per cent of women prisoners, and 16 per cent of male prisoners, were sexually abused as children; over 70 per cent of male prisoners have a history of injecting drug use, as do 50 per cent of female prisoners; and 46 per cent, nearly one-half, of prisoners have a mental illness at the time they enter prison, whilst 75 per cent have experienced some form of psychiatric disorder in the 12 months prior to entering prison.

Going to prison will not solve these people's problems. There is an alarming opportunity cost to prisons, because every dollar we spend on building a new prison is a dollar not spent on programs which promote opportunities and strengths within crime affected communities—programs such as early parent support in the form of nurse-family partnerships, youth mentoring programs, investments in affordable housing plus better coordination and delivery of existing social services for mental health, substance abuse, education and job training.

We also heard from Dr Tom Calma, former Aboriginal and Torres Strait Islander Social Justice Commissioner and inaugural National Coordinator for Tackling Indigenous Smoking. You would be hard-pressed to find a more passionate advocate for justice reinvestment in Australia than Tom. A key player in the Close the Gap campaign for Indigenous health equality, Tom would like to see Indigenous overrepresentation in the criminal justice system receive the same level of national attention.

Aboriginal and Torres Strait Islander people over 18 are 14 times more likely to be imprisoned than their non-Indigenous counterparts. But even more horrifying is the fact that the next generation, Aboriginal and Torres Strait Islander young people under 18, are 24 times as likely to be in detention. When we consider that Australia's Indigenous population grew 20 per cent in the years 2006 to 2011, with 36 per cent aged under 15, then, in the words of American justice reinvestment expert
Professor Todd Clear, that is a 'big bubble down the road that's got to be paid for'. Do we continue along our current path and simply accept Indigenous overrepresentation in our prisons as a fact of life? Or do we take some of the money we set aside for future imprisonment costs and reinvest it now in programs and services which will address the underlying causes of crime in those communities which need it most?

Professor Andrew Coyle, Emeritus Professor of Prison Studies at the University of London and a former governor of some of the UK's highest security prisons, was very clear. He asked: what do we expect from our prisons? Are they delivering? He said that relying on prisons as a place of reform is flawed. You cannot train people for freedom in conditions of captivity, and the best way to make sure someone does not return to prison is to not put them there in the first place. Evidence based policy, cost-benefit analysis—so many other areas of public spending are subject to rigorous analysis, so why not our prisons? Professor Coyle acknowledges that communities place a high priority on safety. They want to be safe and they want to feel safe. We all do. And prisons do have an important part to play in enhancing community safety. But, he says, that role is limited. That is because prisons deal with the actions of individuals after they have occurred. Their influence is retrospective. We need to look beyond prisons for long-term solutions to crime. Most crime is local in nature: it is committed locally and its negative effects are experienced locally. In Professor Coyle's view, the solutions should also be found locally. At this level, justice reinvestment appeals to politicians because it offers an answer to one of the key political questions of our time: how best to allocate shrinking public funds. Professor Todd Clear, Dean of School of Criminal Justice at Rutgers University in the US, argues that all corrections costs are in reality 'public safety investments' and the question is: how do we most sensibly invest those resources?

Here in Australia, positive signs of a multipartisan approach to criminal justice policy are beginning to emerge. In my home state of South Australia, both the Attorney-General, John Rau, and his Liberal shadow, Stephen Wade, have said they support the concept of justice reinvestment. And in New South Wales there is a Liberal Attorney-General, Greg Smith, attempting to introduce long-overdue bail and sentencing reforms whilst exploring ways of dealing with crime by addressing its causes. There is an urgent need for a new approach to criminal justice in this system. I commend the National Centre for Indigenous Studies for its contribution to this ongoing debate.

Senators adjourned at 19:12

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.]

Broadcasting Services Act—
Broadcasting Services (Digital-Only Local Market Areas for Northern New South Wales TV1) Determination (No. 1) 2012 (Amendment No. 1 of 2012) [F2012L01859].
Broadcasting Services (Digital-Only Local Market Areas for Northern New South Wales TV1) Determination (No. 1) 2012 (Amendment No. 2 of 2012) [F2012L01863].
Broadcasting Services (Digital-Only Local Market Areas for Tasmania TV1) Determination (No. 1) 2012 [F2012L01862].
Broadcasting Services (Simulcast Period for Metropolitan Licence Areas) Determination (No. 1) 2012 [F2012L01861].
1) 2009 (Amendment No. 1 of 2012) [F2012L01858].

Broadcasting Services (Simulcast Period for Northern New South Wales TV1) Determination (No. 1) 2012 [F2012L01856].

Broadcasting Services (Simulcast Period for Regional Queensland TV1) Determination (No. 1) 2011 (Amendment No. 1 of 2012) [F2012L01857].

Civil Aviation Act—Civil Aviation Safety Regulations—

Instrument No. CASA EX142/12—Exemption – powered weight shift controlled aircraft [F2012L01854].

Revocation of Airworthiness Directive—

Instrument No. CASA ADCX 021/12 [F2012L01855].

Commissioner of Taxation—Public Rulings—

Class Rulings—


Product Rulings—


Corporations Act—

ASIC Market Integrity Rules (ASX Market) 2010—ASIC Class Rule Waiver CW 12-1143 [F2012L01860].

ASIC Market Integrity Rules (Chi-X Australia Market) 2011—ASIC Class Rule Waiver CW 12-1144 [F2012L01861].

Telecommunications Act—Determination under subsection 23(2) (No. 1) 1998 (Amendment No. 1 of 2012) [F2012L01864].

**Indexed Lists of Files**

**Tabling**

The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2012—

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Prime Minister and Cabinet: Speechwriting Assistance and Communications Advice
(Question No. 2020)

Senator Birmingham asked the Minister representing the Prime Minister, upon notice, on 15 August 2012:

Since 24 June 2010, has the Prime Minister’s office engaged any individuals, consultants or other business, to provide any form of speechwriting assistance and/or communication advice; if so:

(1) For each month from June 2010 to August 2012, can details be provided of: (a) the cost; (b) the names of each individual, consultant or business engaged; and (c) the amounts paid on each occasion.

(2) Can details be provided of the particular speeches, communications or other projects for which such engagements were made.

(3) On what basis were these individuals, consultants or businesses: (a) selected; and (b) engaged.

Senator Chris Evans: The Prime Minister has provided the following answer to the honourable senator's question:

Other than ministerial staff engaged under the Members of Parliament (Staff) Act 1984, the Prime Minister’s Office has not engaged any individuals, consultants or other business, to provide any form of speechwriting assistance and/or communications advice since June 2010.

Freedom of Information
(Question Nos 2069 to 2071)

Senator Johnston asked the Minister representing the Minister for Defence, Minister representing the Minister for Defence Science and Personnel, and the Minister representing the Minister for Defence Material, upon notice, on 20 August 2012:

For the period 1 January to 30 June 2012, in regard to the department and each agency within the responsibility of the Minister/Parliamentary Secretary:

(1) How many Freedom of Information (FOI) requests were received?

(2) How many FOI requests were granted or denied?

(3) How many conclusive certificates were issued in relation to FOI requests?

Senator Bob Carr: The Minister for Defence has provided the following answer to the honourable senator's question:

(1) During the period 1 January 2012 to 30 June 2012, Defence received 177 section 15 FOI requests, and six section 48 requests. Defence Housing Australia received four section 15 requests.

(2) The following tables provide a breakdown of completed requests:

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<th>DefenCe Section 15</th>
<th>Granted in Full</th>
<th>Partial Disclosure</th>
<th>Denied</th>
<th>Refused</th>
<th>Withdrawn</th>
<th>Transferred</th>
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Notes

1. Where a document is identified and exempted in full, access to the document can be denied, with reference to the relevant exemption provisions of the FOI Act. During the period in question, one denial
related to documents where section 47E 'certain operations of agencies' provisions applied, three section 37 where 'enforcement of law and protection of public safety' provisions applied, one section 46 where 'contempt of court' provisions applied, one denial related to documents where section 33 'national security' provisions applied and three section 38 where 'secrecy provisions' applied.

2. Section 24A of the FOI Act provides for requests for access to documents to be refused if the documents cannot be found or do not exist. Access may also be refused under section 24 if the work involved in processing the request would substantially and unreasonably divert the resources of an agency. For the period in question, all 12 refusals related to documents that did not exist or could not be found.

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<th>Defence Section 48</th>
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<th>Granted in part – amend record</th>
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(3) This question has been previously answered under Parliamentary Senate Question on Notice Nos. 1615 to 1617 tabled on 8 May 2011.