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SITTING DAYS—2011

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<td>1, 2, 3, , 7, 8, 9, 10, 21, 22, 23, 24, 28, 29, 30</td>
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- HOBART     747AM
- MELBOURNE  1026AM
- PERTH      585AM
- SYDNEY     630AM

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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

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

Printed by authority of the Senate
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(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 to be filled (vice H. Coonan, resigned 22.8.11), 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—A Thompson
### GILLARD MINISTRY

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

Minister for the Arts
Minister for Social Inclusion
Minister for Privacy and Freedom of Information
Minister for Sport
Special Minister of State for the Public Service and Integrity
Assistant Treasurer and Minister for Financial Services and Superannuation
Minister for Employment Participation and Childcare
Minister for Indigenous Employment and Economic Development
Minister for Veterans’ Affairs and Minister for Defence Science and Personnel
Minister for Defence Materiel
Minister for Indigenous Health
Minister Assisting the Prime Minister on Mental Health Reform
Minister for the Status of Women
Minister for Social Housing and Homelessness
Special Minister of State
Minister for Small Business
Minister for Home Affairs and Minister for Justice
Minister for Human Services
Cabinet Secretary
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary to the Treasurer
Parliamentary Secretary for School Education and Workplace Relations
Minister Assisting the Prime Minister on Digital Productivity
Parliamentary Secretary for Trade
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary for Defence
Parliamentary Secretary for Immigration and Multicultural Affairs
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing
Parliamentary Secretary for Disabilities and Carers
Parliamentary Secretary for Community Services
Parliamentary Secretary for Sustainability and Urban Water
Minister Assisting on Deregulation and Public Sector Superannuation
Minister Assisting the Attorney-General on Queensland Floods Recovery
Parliamentary Secretary for Agriculture, Fisheries and Forestry
Minister Assisting the Minister for Tourism
Parliamentary Secretary for Climate Change and Energy Efficiency

Hon. Simon Crean MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Senator Hon. Mark Arbib
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Kate Ellis MP
Senator Hon. Mark Arbib
Hon. Warren Snowdon MP
Hon. Jason Clare MP
Hon. Warren Snowdon MP
Hon. Mark Butler MP
Hon. Kate Ellis MP
Senator Hon. Mark Arbib
Hon. Gary Gray AO, MP
Senator Hon. Nick Sherry
Hon. Tanya Plibersek MP
Hon. Mark Dreyfus QC, MP
Senator Hon. Kate Lundy
Hon. David Bradbury MP
Senator Hon. Jacinta Collins
Senator Hon. Stephen Conroy
Hon. Justine Elliot MP
Hon. Richard Marles MP
Senator Hon. David Feeney
Senator Hon. Kate Lundy
Hon. Catherine King MP
Senator Hon. Jan McLucas
Hon. Julie Collins MP
Senator Hon. Don Farrell
Senator Hon. Nick Sherry
Senator Hon. Joe Ludwig
Hon. Dr Mike Kelly AM, MP
Senator Hon. Nick Sherry
Hon. Mark Dreyfus QC, MP
### SHADOW MINISTRY

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<td>Leader of the Opposition</td>
<td>Hon. Tony Abbott MP</td>
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<td>Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs</td>
<td>Hon. Julie Bishop MP</td>
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<td>and Shadow Minister for Trade</td>
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<tr>
<td>Leader of the Nationals and Shadow Minister for Infrastructure and</td>
<td>Hon. Warren Truss MP</td>
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<td>Leader of the Opposition in the Senate and Shadow Minister for</td>
<td>Senator Hon. Eric Abetz</td>
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<td>Deputy Leader of the Opposition in the Senate and Shadow</td>
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<td>Attorney-General and Shadow Minister for the Arts</td>
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<td>Shadow Treasurer</td>
<td>Hon. Joe Hockey MP</td>
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<tr>
<td>Shadow Minister for Education, Apprenticeships and Training and</td>
<td>Hon. Christopher Pyne MP</td>
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<td>Manager of Opposition Business in the House</td>
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<tr>
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<td>Shadow Minister for Regional Development, Local Government and Water</td>
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<td>and Leader of the Nationals in the Senate</td>
<td>Hon. Andrew Robb AO, MP</td>
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<td>Shadow Minister for Finance, Deregulation and Debt Reduction and</td>
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<td>Chairman, Coalition Policy Development Committee</td>
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<tr>
<td>Shadow Minister for Energy and Resources</td>
<td>Hon. Ian Macfarlane MP</td>
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<tr>
<td>Shadow Minister for Defence</td>
<td>Senator Hon. David Johnston</td>
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<td>Shadow Minister for Communications and Broadband</td>
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<tr>
<td>Shadow Minister for Health and Ageing</td>
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<td>Hon. Greg Hunt MP</td>
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<td>Shadow Minister for Productivity and Population and Shadow Minister</td>
<td>Mr Scott Morrison MP</td>
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<td>Shadow Minister for Innovation, Industry and Science</td>
<td>Mrs Sophie Mirabella MP</td>
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<td>Shadow Minister for Small Business, Competition Policy and Consumer</td>
<td>Hon. Bruce Billson MP</td>
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Shadow Minister for Employment Participation
Hon. Sussan Ley MP

Shadow Minister for Justice, Customs and Border Protection
Mr Michael Keenan MP

Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation
Senator Mathias Cormann

Shadow Minister for Childcare and Early Childhood Learning
Hon. Sussan Ley MP

Shadow Minister for Universities and Research
Senator Hon. Brett Mason

Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Minister for Indigenous Development and Employment
Senator Marise Payne

Shadow Minister for Regional Development
Hon. Bob Baldwin MP

Shadow Special Minister of State
Hon. Bronwyn Bishop MP

Shadow Minister for COAG
Senator Marise Payne

Shadow Minister for Tourism
Hon. Bob Baldwin MP

Shadow Minister for Defence Science, Technology and Personnel
Mr Stuart Robert MP

Shadow Minister for Veterans' Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC
Senator Hon. Michael Ronaldson

Shadow Minister for Regional Communications
Mr Luke Hartsuyker MP

Shadow Minister for Ageing and Shadow Minister for Mental Health
Senator Concetta Fierravanti-Wells

Shadow Minister for Seniors
Hon. Bronwyn Bishop MP

Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate
Senator Mitch Fifield

Shadow Minister for Housing
Senator Marise Payne

Chairman, Scrutiny of Government Waste Committee
Mr Jamie Briggs MP

Shadow Cabinet Secretary
Hon. Philip Ruddock MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition
Senator Cory Bernardi

Shadow Parliamentary Secretary for International Development Assistance
Hon. Teresa Gambaro MP

Shadow Parliamentary Secretary for Roads and Regional Transport
Mr Darren Chester MP

Shadow Parliamentary Secretary to the Shadow Attorney-General
Senator Gary Humphries

Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee
Hon. Tony Smith MP

Shadow Parliamentary Secretary for Regional Education
Senator Fiona Nash

Shadow Parliamentary Secretary for Northern and Remote Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Local Government
Mr Don Randall MP

Shadow Parliamentary Secretary for the Murray-Darling Basin
Senator Simon Birmingham

Shadow Parliamentary Secretary for Defence Materiel
Senator Gary Humphries

Shadow Parliamentary Secretary for the Defence Force and Defence Support
Senator Hon. Ian Macdonald
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<td>Dr Andrew Southcott MP</td>
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<td>Shadow Parliamentary Secretary for Regional Health Services</td>
<td>Mr Andrew Laming MP</td>
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<td>Shadow Parliamentary Secretary for Supporting Families</td>
<td>Senator Cory Bernardi</td>
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<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
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<td>Shadow Parliamentary Secretary for Environment</td>
<td>Senator Simon Birmingham</td>
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<td>Shadow Parliamentary Secretary for Citizenship and Settlement</td>
<td>Hon. Teresa Gambaro MP</td>
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<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Senator Michaelia Cash</td>
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<td>Shadow Parliamentary Secretary for Innovation, Industry, and Science</td>
<td>Senator Hon. Richard Colbeck</td>
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<td>Shadow Parliamentary Secretary for Fisheries and Forestry</td>
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Monday, 7 November 2011

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

BILLS

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Climate Change Authority Bill 2011

In Committee

Debate resumed.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (10:01): The committee stage of the clean energy bills is designed to ensure that we get answers to specific questions. I seek to raise with the minister this morning whether the government still claims that the carbon tax is needed to save the planet. If so, why has it ignored constant warnings, especially from the opposition, that the carbon tax in Australia, acting alone, would in fact have the perverse result of increasing the world's carbon dioxide emissions? As yet another specific example, I refer to Coogee Chemicals, which will now shelve its methanol plant proposed for Australia. Instead of being built in Australia, it will now be built in China, with four times the amount of carbon dioxide emissions. Not only does the world suffer four times the carbon dioxide emissions; Australia loses 150 jobs, a $1 billion investment and $14 billion in export earnings. Indeed, the existing methanol plant, in Ms Gillard's very own electorate, has had its future questioned.

I ask in relation to all that: was this part of the Treasury modelling? In that context, I also ask the minister to explain—because it was not answered last week—why it is that Australian coal dug up for Australian energy production, for Australian jobs and Australian manufacturing, is seen as being so evil that it requires a carbon tax, but Australian coal dug up for energy production in China, for Chinese jobs and Chinese manufacturing, is okay and will not have a carbon tax imposed on it?
Finally, another issue that the minister did not answer last week: on what authority does the government claim that it can force this legislation through the parliament? Was it an election promise? Does the government claim to have another electoral mandate? Does it claim to have popular support as witnessed by opinion polls? On what basis does the government actually believe that it can guillotine these measures through this place, or is it simply that the government is doing the bidding of the Australian Greens?

Senator WONG (South Australia—Minister for Finance and Deregulation) (10:04): Well, we have the usual menu of opposition attacks on this policy that we have heard for years now. Here we are in the committee stage. We have one amendment from the opposition. They have yet to move it. All they are doing is making the same political points over and over again that they have made for years.

Senator Abetz: No. We're asking questions.

Senator WONG: They say they are asking questions. They are not interested in the answers. They are in large part the same questions they have asked for the last year. Really it comes down to this: the opposition just want to say no. They just want to vote no. It is all a complete pretence from them that they have any interest whatsoever in the detail of this legislation. They do not. They do not have any interest in the policy, as is evinced by the fact that they are putting forward a policy that seeks the same environmental outcome at a higher cost to Australian business and to Australian taxpayers. Let us pause there and remember: this opposition want the same reduction in emissions from Australia that the government has pledged, but the opposition want Australian business and Australian families to pay more to achieve that reduction. The position of the opposition only has to be said to be demonstrated to be utterly ridiculous.

I am very happy to answer some of the questions which have been put, but I will again say—and I will make this point in every contribution: move your amendment; have the debate on the amendment; vote on the amendment. Senator Xenophon has some amendments. They should be moved and debated. What we saw from the opposition in the last four hours on Thursday—and what I predict we will continue to see—notwithstanding all the complaints about the shortness of time, was more of the same, more of what we saw in the 63 hours of debate on the CPRS, what we have seen in the last year, what we have seen in question time, what we have seen in the some 30-odd inquiries on climate change and in particular the many which have occurred in the last parliament and this parliament: the same series of questions that they have no interest in the answers to, because they do not believe that climate change is real. Certainly Senator Abetz does not, and he does not believe that we should do anything about it. Bizarrely he seems to want us to tax Australians more to try and pretend to do something about it, but that is the economics that seems to be running the opposition at the moment. I was asked about Coogee Chemicals' proposed investment. I refer the senator to the statement put out by Minister Combet today, which made a number of points. The first is that, because we are committed to proper support of Australian industry as we transition from a very high-polluting economy to a clean energy economy, which is a very large economic transition—we agree with that; we have been saying that for many years—we have a $9.2 billion Jobs and Competitiveness package, which is designed to address the issue of competitiveness to which the senator referred
in his question. For industries that are highly emissions intensive, which would include, I am advised, activities like methanol production, the assistance to be provided starts at 94.5 per cent. Let us just pause for a moment and understand what that means. That means that 94.5 per cent of their carbon liability under the package would be dealt with by the issue of free permits. Remember also that those free permits are against an average efficiency baseline—in other words, to look at the efficiency of the particular process as it exists. That in builds an incentive for people to be more efficient, because if you are actually more efficient than the average you can retain free permits over and above that. Mr Combet has told us:

The fact is that a highly-efficient methanol producer like Coogee Chemicals is likely to end up with no net carbon price liability under our industry assistance arrangements, so they will not be at any disadvantage compared to their international competitors.

On the basis of information provided by the company—

Senator Cash interjecting—

Senator WONG: I know you do not like it, Senator Cash. Perhaps if you listen, you might learn something. He said:

On the basis of information provided by the company, due to the expected efficiency of the proposed new facility, Coogee Chemicals would be entitled to more than 100 per cent of its carbon price liability in the form of free carbon permits.

Let us be clear. That is the advice that the minister has provided the chamber and I, as the minister representing him, provide the chamber with to put a little bit of clarity in the scare campaign that the opposition are engaging in.

I also make the point that it is not the case on the government's policy that assistance under this package is simply withdrawn after five years. There is a review process during which regard will also be had to the state of international action in the relevant industry sector. So that deals with that issue.

We go on and on about the Treasury modelling. Really there is one point that the opposition cannot get away from. They cannot get away from the fact that the Treasury modelling, the people who advised Peter Costello, have made it very clear in public modelling that we can grow our economy, that we can grow jobs, that we can grow income and that we can reduce emissions from what they would otherwise be with a carbon price. It does not matter how many times the government says that, the opposition simply do not want to accept it, so they ask the same set of questions over and over again. They simply cannot deal with the fact that those are the findings of that modelling.

I was asked about Australian coal. I covered that in great detail on Thursday with I think Senator Macdonald. We talked about the coal package that the government has in place. We talked about the fact that what we were looking at was a small number of very gassy underground mines and, therefore, the government has in place an assistance package and a coal abatement technology package as well that are designed to recognise those matters.

I also went through on Thursday with the senator—and I appreciate that Senator Abetz was not in the chamber and may not have had an opportunity to hear it, or maybe he did not wish to—the increase in investments in resources, including in coal, over the last three years. When we talk about the effect on the economy—and in the face of what is really quite a shameless fear campaign from those opposite—I invite senators to look at the actual investment numbers. It is sort of a question of: which proposition do those facts support? Which proposition does the money support? The investment demonstrates that
the market recognises that they can continue to make money with a carbon price. So, despite Senator Abetz, Mr Abbott and others saying that the sky is going to fall in, the reality is that we see continued growth in investment in resources, including in coal, which really puts paid to the sorts of propositions that the opposition are putting.

I was also asked about the procedural arrangements. We have had years of debate on this issue. We had some 60 hours of debate on the CPRS. We have had numerous Senate inquiries. I have been asked questions over and over again by the opposition. The reality is that no amount of debate will change the minds of Senator Abetz or Senator Bernardi. They are vehemently opposed to a carbon price. The Labor Party have been trying to get a carbon price through this Senate for some years now. We were not able in the previous parliament and we look forward to the Senate finally taking the responsible step that it ought to have taken, finally doing what is right, and passing this legislation. I invite the opposition and Senator Xenophon to do the normal process in committees and move their amendments and speak to them.

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (10:13): If the package, as the minister asserts, is so good, why is it that Coogee Chemicals is now not going to invest $1 billion in Australia? Why is Australia going to forfeit 150 jobs? Why is Australia going to forfeit $14 billion worth of export earnings? Why is it good for the world environment that Coogee Chemicals go to China on the back of the government's policies, where they will be emitting four times the amount of carbon dioxide than they would have been in Australia under the current laws? In the very long speech by the minister none of those issues were actually answered or addressed.

The minister referred in her answer to actual numbers. They are the actual numbers that I have given her—a $1 billion project, 150 jobs and $14 billion worth of potential export earnings being lost to our nation with the perverse result of four times the carbon dioxide emissions into the world's atmosphere. They are actual numbers. That is what is on the table. All that is going to occur because of the government's carbon tax.

Also, while the minister did talk about all matters coal on Thursday, she did not deal with the issue of why the burning of coal in China will not attract a carbon tax but the burning of coal in Australia will. If we are to believe the minister in relation to all the discussions that have been had over the years about the need for a carbon tax, can she explain why she herself, her leader, her deputy leader and every single Labor candidate at the last election went to that election promising there would be no carbon tax. The minister has not answered any of those questions. I will sit down again now to give the minister the opportunity to actually provide detailed responses to the detailed questions that have been asked rather than just giving her normal 10-minute homily in relation to why anything the opposition says or raises in this space is bad.

Senator WONG (South Australia—Minister for Finance and Deregulation) (10:16): It is always ironic when Senator Abetz—and also Senator Brandis—accuse me of giving homilies! Even Senator Mason thinks that is amusing. I did in fact answer the Coogee Chemicals issue. I spoke specifically about our advice about the effect on such a new plant. If you are getting in excess of 100 per cent of your liability then it is hard to see how a carbon price would be an impost on the facility. So I have responded in detail to that.
In relation to China I want to say that I think it is extremely unfortunate that the opposition continue to make some pretty thinly veiled attacks on the government because of something China does. I would make this point. China has the world's largest installed renewable energy generation. In 2009, China added 37 gigawatts of renewable power capacity, more than any other country in the world. Everyone knows China is an economy on the rise. Perhaps Australia and the opposition should take some note of the fact that this growing economy wants to get ahead in the clean energy space. What does that say about where China believes the global economy will move? I also make the point that China has indicated it will introduce—

Senator Cormann: They're all egging you on. They're all laughing behind your back, those other countries.

Senator Wong: Senator Cormann, given you got rolled this week on super, I'd be quiet if I were you. How embarrassing! At least Mr Robb is out there running a sensible line. You just got rolled by Senator Abetz and Mr Abbott on a super policy you had already announced, so I would not be interjecting if I were you. I would keep my head very low for today. Very embarrassing. It shows that you just cannot deliver the fiscal responsibility you lecture everyone else about. But, anyway, I digress.

Senator Abetz: As you always do!

Senator Wong: I am coming back to the point. China has also indicated it will introduce emissions trading pilot schemes in a number of provinces, including the industrial centres of Beijing, Shanghai and Guangdong. The World Bank has recently indicated the prospect of these schemes being expanded to a national scheme by 2015. India has a tax on coal which is expected to generate over half a billion dollars annually.

On the issue, the Senator has also yet again gone on about process here in this chamber. I again remind the chamber we have been debating this for many years. We look forward to dealing with the amendments and dealing with the bill. I thought I would also make this point. Mr Howard in October 2007 was asked:

JOURNALIST: Mr Howard, just in relation to climate change, haven't you locked Australia into an emissions trading scheme in the next term…

PRIME MINISTER: Yes I have.

JOURNALIST: …regardless of what our trading competitors do?

PRIME MINISTER: Yes, but that is precisely the sort of contribution we should make, because that emissions trading system is tailored to suit Australia’s needs and it’s an earnest of our serious commitment to making a contribution commensurate with the capacity of our economy.

It says 'earnest', but that may be a typo for 'indication'.

In the address to the Melbourne Press Club of 17 July 2007, he said:

In the years to come it will provide a model for other nations to follow.

Being among the first movers on carbon trading in this region will bring new opportunities and we intend to grasp them.

Let no-one believe that the Liberal Party's position in 2007 was ever dependent on the rest of the world moving. It was not. Out of the mouth of your Prime Minister—for whom, Senator Bernardi, I know you have enormous regard—very clearly your policy did not expect or anticipate that the world would move before you introduced an emissions trading scheme. Four years later that is your new position because it is the only way you can justify the change in position we have seen from Howard to
Nelson to Turnbull to Abbott. It is the only way you can justify it. But the historical record shows you went to an election very clearly accepting the same advice we did, which is that delaying increases costs. You were not waiting for the rest of the world to put in place a price on carbon.

I invite the opposition or Senator Xenophon to move an amendment so we can get onto the substance of the matters before the chamber.

Senator MASON (Queensland) (10:21): Just the other day I was looking at What a carbon price means for you: the pathway to a clean energy future. There are very few copies of this left because, I understand, most of them were sent back to Ms Gillard and Mr Combet. They are about as rare as Shakespeare's first folio. But I did manage to find one. It says on page 7:

The economy will continue to grow as Australia embraces a clean energy future.

Implicitly, the government is arguing that this tax promotes growth. No doubt they think it is a case of the higher the tax the greater the growth. We might want to tell the Greeks about that one! On page 7 it continues:

A carbon price is not a tax on households—it will be paid by Australia’s biggest polluters.

As if householders will not pick up the bill! They will pick up the bill.

Finally, the document says:

By 2020 the carbon price package will take 160 million tonnes of pollution out of the atmosphere every year. That’s the equivalent of taking forty-five million cars off the road.

But how much will it lower world temperatures by? Approximately zero. I think it was the great American talk-show host Rush Limbaugh who said, 'No country has ever taxed itself into prosperity,' but that is what the Labor Party and the Greens think you can do—tax carbon into prosperity. Only Labor and the Greens, beholden as they are to this sort of magic-pudding thinking, could claim that a new tax will help the economy. Only Labor and the Greens could claim that a new tax is needed to save the planet, even though it will have no impact at all on temperature. Only Labor and the Greens could try to shackle this country with a new tax even though similar policies have already cost one Prime Minister his job and even though the current proposal has sent Labor's primary vote to its lowest levels ever recorded in Australian history. This carbon tax does for Labor's vote what it cannot do for global temperatures.

Almost two years ago, nearly to the day, I stood here along with my colleagues in this chamber arguing against a similarly harebrained idea—the CPRS—embraced by Labor. During the debate two years ago, the coalition argued:

It is ultimate folly to try to rush through and pass an emissions trading scheme before the United Nations Climate Change Conference in Copenhagen and before our major trading partners introduce similar schemes.

Guess what? Copenhagen was a dismal failure, as my colleague suggested it would be, and, two years on, none of our major trading competitors—not one; and they are the resource rich, trade exposed economies—are at all close to introducing similar schemes at home. We heard what the Canadian foreign minister said the other day: an emissions trading scheme is not on the agenda in Canada at all. In the United States, even when President Obama had huge majorities in the Senate and the House of Representatives, he did not introduce a scheme because he knew it would be against the national interest of the US. Brazil, Russia, India and China—none of them is going to introduce a scheme. Before anyone shouts out 'what about the European Union?' I remind you that, as you know, it is a small,
limp and corrupt market useful only for spivs, speculators and organised crime. It has been a disaster of a marketplace.

It seems that, at a time when world economic growth is in the doldrums and has slowed to a crawl, no other competitor country is keen to enter into a sort of economic suicide pact. So, with a sickening sense of déjà vu, two years later we are once again debating the same issues, and Labor and the Greens still don't get it.

Here are some questions which Labor still cannot address. Why would you do something that you know goes against the national interest and against the interests of the people you are supposed to represent? Why would you disadvantage a kid from Bankstown who is doing a diploma and wants to get a job in the mining industry? Why would you want to impose extra burdens and costs on a working family in Caboolture which is already struggling in difficult times? Why would you want to make it more difficult for a small business to carry on, employ people and contribute to its local community? Why would you want to punish your own people—why would you want to punish Australians—with a tax of such severity that no other country in the world has chosen to punish its people with a similarly severe tax? Why would you want to go it alone when none of the other major emitters and none of our major competitors are shackling their economies with similar schemes? Why would you want to impose a new tax in the name of fighting climate change even though that tax would have no impact at all on climate change?

We now know—the coalition knows, Labor knows and even the Greens know—that China is the largest emitter in the world and that India is the third largest. According to the 1990 benchmarks, China's emissions will have grown by 500 per cent and India's by 350 per cent by 2020. We now know that China is building two new coal fired power stations a week and that any reductions in emissions which Australia might achieve will be completely swallowed up in a matter of weeks—if not days—by the increases in China. We now know that, even according to the government's own documents, between 2010 and 2020 Australia's own carbon emissions will increase by eight per cent. That is what the government says—Australia's own emissions will increase by eight per cent. We now know that should current trends continue, and there are no signs at the moment that any competitor country is willing to change its course, global carbon dioxide emissions will increase by 43 per cent by 2035. We now know that this tax will make Australian businesses less competitive. We now know that this tax will push the cost of living up. We now know that this tax will not result in any real environmental gain and that regional Australia will be hardest hit.

I ask again: why are Labor and the Greens doing this? The answer is pretty simple. They are doing it because of moral vanity, the vain belief that the Left knows best and is the world's conscience; they are doing it because of guilt that Australian capitalism has made us one of the most prosperous and most successful nations on earth; and they are doing it because of self-loathing, or at least because of a deep scepticism about the value of our society. Moral vanity, guilt, self-loathing—the three great contributions to the temper of politics by the Left in the 20th century. Moral vanity in feeling self-righteous, guilt for one's own prosperity and good fortune, self-loathing and deep scepticism of one's own society—the leftist trifecta. For this lot, for the Left, it is all a giant psychodrama, sacrificing everyone else and everything else for the sake of that warm feeling that they are right and everyone else
is not only wrong but actually dangerous, deluded and immoral.

This carbon tax legislation is the best example there is of the absolute disconnect between Labor's heartland in the battlers' suburbs and Labor's trendy inner-city elites. There is no better example. It represents the ultimate act of sacrificing the interests and wellbeing of working families. Remember working families? When was the last time we heard about them? This represents sacrificing working families for the sake of international interests and the moral vanity of a trendy elite. In the Labor Party today the battlers now tug their forelocks to the trendies, the lefties and the inner-city luvvies. That is what has happened to the modern Labor Party. The Labor Party is now wholly subservient to the Greens monster, as Senator Madigan has here today—

Senator Ludlam: I rise on a point of order, Mr Temporary Chairman. I do not know if there is a standing order that relates to shouting, but it is actually quite painful. I am wondering whether the senator could moderate his address.

The CHAIRMAN: Senator Mason, it does reverberate around the chamber. Could you bear that in mind as you give your speech.

Senator MASON: As Senator Madigan recognised earlier in this debate, Ben Chifley would never have sold out workers and working families in our country for the sake of satisfying the moral vanity of the inner-city trendies. Mr Rudd and Ms Gillard do not even bat an eyelid. The sad thing is that so many of Labor's senators and members in fact know this is a disgrace. They know it; the awful thing is that they have not got the courage to speak about it. The great tragedy of modern Labor is this: they have been cannibalised on the Left and they have sold out on the Right. The Prime Minister was certainly right when she said that this was a Labor government that had lost its way.

Remember the light on the hill? The light on the hill has flickered out and been replaced by a green wind turbine. Welcome to the new Dark Green Ages. Labor's continuing quest for relevance means that it is now far more comfortable fighting for polar bears and dolphins than it is fighting for working families. That is modern Labor. Labor and the Greens will sell our country's prosperity to satisfy their moral vanity. They will mortgage our national interest to make themselves feel better. They will gamble our nation's future to satisfy their guilt and their self-loathing. They want to be heroes. They want to save the world. They want to make the state bigger and the people smaller. They want to shackle business and empower government. They want to take the money from the productive and distribute it amongst the rent seekers in Australia and abroad. The Labor-Greens carbon tax will damage Australia and, as we all know, it will do absolutely nothing for the environment.

This is not about embracing the future. It is not inevitable, it is not moral, it is not righteous and it is not enlightened. It is self-righteous. In the end the carbon tax is a tax conceived in guilt and given birth to upon a lie. It is the bastard child of the Australian Left. The idea that the working people of this country should foot the bill so that Labor and the Greens can feel good about themselves is the ultimate betrayal of the people this lot say they represent. They will sell out working families so they feel better, so they feel righteous and so moral vanity can come to the fore. That is what modern Labor stands for. It is the final act of a party that does not deserve to govern, does not deserve respect and does not deserve the support of ordinary working families and ordinary Australians. In the end we back the boy from Bankstown and this lot back the luvvy from...
Balmain. They do not deserve to govern this country.

Senator WONG (South Australia—Minister for Finance and Deregulation) (10:34): That was certainly a theatrical speech. It had words such as 'leftist trifecta' and 'great psychodrama'—really very little to do with what is actually happening here. There are a number of issues to which I feel I should respond. I was asked: why is the government doing this? We are taking the best advice of Australia's and the world's scientists. We are listening to that advice. We are taking and listening to the advice of Australia's best economists and we are acting in accordance with that advice.

I am asked about working Australians and I have to say that sitting on this side of the chamber it is pretty hard to stomach listening to the 'born to rule' pose from the other side, the people who put in place Work Choices and whose response to the Qantas dispute demonstrates that they retain their born to rule perspective, lecturing us about working Australians.

Opposition senators interjecting—

Senator WONG: Let me just remind you about our government: we have put more into hospitals than any government in previous history. What did you do? There was a billion dollars taken out of public hospitals; that is what Tony Abbott did. What have we done? Understanding that the pension needed to increase, we have put in place a historic increase to the pension for Australians who have worked hard. Twelve years under John Howard did not deliver that. A Labor government delivered that. A Labor government delivered paid parental leave—the first government ever to deliver paid parental leave. In 12 years you never delivered support for working women, working mothers—never. A Labor government delivered that. We have increased the childcare rebate. We have increased the amount of support that we give to working families through the childcare rebate. It never occurred under you. We put in place the carers supplement. We introduced additional family tax benefits and an education tax refund. And we abolished Work Choices, which you, Senator Mason, were so enthusiastic in supporting—just as all of you have been so enthusiastic to jump on board the bandwagon backing Qantas's right to lock out all its employees.

So do not come in here and talk to us about working Australians, because we have actually delivered for working Australians—and we will continue to, because we do understand who we represent. We understand that managing the economy is about managing it for working Australians and their families. That work is never finished, and we will always continue to do that work, unlike those Johnny-come-latelies, who were in here on this side of the chamber telling us how wonderful Work Choices was—and I remember you, Senator Mason—and how wonderful it was for bosses to be able to sack people and for people to be able to have their penalty rates ripped away. Senator Abetz, Senator Mason and all those—

Senator Mason interjecting—

Senator WONG: Are you shouting while you are not in your seat?

The CHAIRMAN: Order! If senators wish to participate in the debate they should take their seats.

Senator WONG: I am happy to take the interjection when he is in his seat, Mr Temporary Chairman. All of those who now pretend to be the champions of the working class lined up in the Work Choices debate to say how wonderful it was that this new flexibility would come into place that would enable employers to rip away peoples' entitlements. Give us a break! I think
everybody knows, and, clearly, you saw it in the Qantas dispute—

Senator Brandis: What does this have to do with climate change?

Senator WONG: Senator Brandis, I agree with you, but I am responding to the somewhat dramatic contribution—

Senator Brandis: I did not hear it.

Senator WONG: You did not miss much!

Senator Mason interjecting—

Senator WONG: When you are finished—

The CHAIRMAN: Order, Senator Mason!

Senator WONG: Chair?

The CHAIRMAN: You have the call, Minister.

Senator WONG: Well, perhaps you might say something to him.

The CHAIRMAN: Minister, I did, and you are reflecting on the chair. You have the call and I have called the senator to order. Will you continue, Senator Wong?

Senator Mason interjecting—

Senator WONG: Well, perhaps I will finish when he is finished speaking to me.

The CHAIRMAN: Senator Wong, you have the call.

Senator WONG: I am just waiting to see if he is going to continue, Mr Temporary Chairman, given that you do not wish to—

The CHAIRMAN: Senator Wong, if you have nothing further to say, you can resume your seat, or you have the call.

Senator WONG: Thank you; I have the call. In terms of Labor values, we have brought to this package Labor values. Let us have a look at the assistance package—

Senator Mason interjecting—

Senator WONG: I know you do not want to know this, but have a look at the assistance package.

Opposition senators interjecting—

The CHAIRMAN: Order!

Senator WONG: Chair?

The CHAIRMAN: Order on my left.

Senator Brandis interjecting—

The CHAIRMAN: Order, Senator Brandis. Senator Wong, you have the call.

Senator WONG: Who are the people we have prioritised in the assistance package?

Opposition senators: The Greens.

Senator WONG: It is low-income Australians.

Opposition senators interjecting—

Senator WONG: Chair, do I get to make any contribution without an interjection?

The CHAIRMAN: Senator Wong, you have the call. When interjections get disorderly, I will bring the Senate to order. You have the call, Senator Wong.

Senator WONG: Chair, I would ask you to reflect on the fact that Senator Mason was listened to in relative silence. I have yet to have 10 seconds on my feet without the opposition interjecting.

Senator Nash: Stop being so precious.

Senator WONG: Precious? That's a little bit gendered from you, Fiona.

Opposition senators interjecting—

The CHAIRMAN: Order! Senator Wong, you have the call.

Senator WONG: Thank you. We have brought Labor values very much to the assistance package before the chamber. In fact, I recall some on the other side talking about this as wealth redistribution.

Senator Bernardi: Hear, hear!
Senator WONG: Yes, hear, hear! I will take that interjection from Senator Bernardi. They do not like working Australians, low-income Australians, getting more. We have given them more of the share of assistance than we have given high-income Australians. Let us have a look at what we are providing: an additional $510 per annum for couples combined on pensions; up to $110 per child under FTBA; up to $69 for FTBB; and additional funding, as I said, for pensions and also for self-funded retirees who held the Commonwealth seniors health card.

We have also put in place as part of this assistance package, tax reform. We will triple the tax-free threshold. That will give a benefit not only to low-income Australians but also to secondary-income earners. This is a very important part of the government's package. It will increase participation and it will give a tax cut to every Australian earning under $80,000 a year. We have unashamedly skewed this assistance to low-income Australia—and the opposition hate that.

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Senator Mason interjecting—

Senator WONG: They have, Mr Chairman—if I could shout over Senator Mason shouting at me—consistently said things such as, 'We object to the redistribution.' Do you know what they are actually saying? They do not like low-income Australians—pensioners and people earning under 80 grand—getting more of the assistance than high-income Australians. That is what they are actually saying.

So do not come into this chamber and lecture us about low-income Australians. You are the party that in government never provided the sorts of assistance—paid parental leave, increased childcare rebate, increased pensions and ripping away Work Choices—that we have provided. You have never put in place the funding for health and education and the investment in Australian families that we have put in place. We put in place these things because we understand that our job is to manage the economy for the benefit of working families.

Senator Mason: I haven't heard about working families for months.

Senator WONG: I would invite the opposition to move their amendment. I would invite Senator Xenophon to move his amendment. We had four hours on Thursday night on precisely the same type of debate and we now have had for 45 minutes this morning and there has not yet been one discussion about the bill or the amendments before the chamber. There has been a lot of discussion about conspiracies, trifectas and psychodramas. I am not sure what that actually adds to the debate at this point.

The CHAIRMAN: Before I call Senator Xenophon, can I remind senators to address their remarks to the chair and not across the chamber.

Senator XENOPHON (South Australia) (10:43): I am afraid I will not add to the theatre of this morning, but I do have some questions that I want to raise that I think are serious issues with respect to the pricing of electricity in this country and the price pressures of electricity as a result of this scheme and whether we can improve it. The chamber knows what my views are—that we should not be proceeding with this matter—and there is an amendment that I have introduced, and I think the opposition has one as well that is on the table, to defer this whole scheme until after the next election. I think there are some important principles there. The issues I genuinely want to ask the minister about relate to the concerns expressed by the Energy Supply Association of Australia. Those concerns are quite significant in terms of whether the design of the scheme in its current form could lead to
unnecessary increases in electricity prices. I refer to the front-page story in the *Sydney Morning Herald* by Lenore Taylor, Peter Martin and David Wroe headed ‘Tax flaw: power bills may rise 20%’ The Energy Supply Association has written to me and has written to my colleagues saying that the plans under this scheme to force immediate payment for forward dated emissions permits rather than the deferred payment allowed under the Rudd government's emissions trading scheme, the CPRS, could lead to the consequence, perhaps unintended, of unnecessary increases in electricity prices. That is an area of significant concern.

I should indicate that Steven Munchenberg from the Australian Bankers Association has a different view. I respect that there are different views out there that you can have a derivatives market. I do not want to misquote Mr Munchenberg, because he contacted me in good faith to express the views of the banks in relation to this and to reject the Energy Supply Association of Australia's arguments. But I think there are some valid concerns there about whether the design of the scheme in its current form not allowing for deferred payments is going to cause unnecessary increases in supply costs. If you do have a derivatives market or a secondary market in terms of these matters— as the Australian Bankers Association has indicated, and I think it does have a valid point of view on this—will that market in itself be unnecessarily inflationary and lead to price increases?

I think these are legitimate concerns. I would like to hear from both the government and the opposition on what their views are in relation to this. It is all well and good to oppose a piece of legislation, but if there is an opportunity to try and improve a piece of legislation then I think that is what we are meant to do here in the Senate. The key role of the Senate is not only to play that scrutiny role but to improve legislation even if we disagree with it. If the numbers make it inevitable that it will get through but there is an opportunity to improve it, we should explore that opportunity. If it is a matter of improving the legislation then I think it is incumbent on us to try to do that.

I would like the minister to respond to this. Minister, you understand the spirit in which I am asking these questions. This is not a polemical debate; it is a practical debate. Will the design of this scheme in its current form, unlike the CPRS, lead to unnecessary increases in electricity prices? I reserve the right to move amendments in relation to this in the next couple of hours, but I really want to genuinely engage with the government in relation to what I think are important issues that have been raised by the Energy Supply Association.

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (10:48): I will first give a response on the ESAA modelling, which I think was referenced by Senator Xenophon. The advice I have is that it was a hypothetical exercise rather than an attempt to estimate what will actually happen to electricity contracting under the package. The modelling report itself says:

The study does not purport to project what will happen in terms of contracting levels, as they are influenced by numerous and countervailing influences.

The government remains confident in the findings of the Treasury modelling which shows the impact of a carbon price on electricity prices to be an increase of around 10 per cent, or about $3.30 a week, for the average household. I can say to Senator Xenophon that there was certainly a lot of consultation with this sector both in the context of the CPRS and in the context of this package. As part of the package before the chamber there is a very significant
The policy issue that you are referring to is the purchase of future carbon units and how that is managed. It is correct that under the CPRS there were a range of deferred payment arrangements in relation to the auctions of future vintage carbon units. The advice I have is that deferred payment arrangements increase the administrative complexity of auctions and inhibit the development of secondary markets to manage carbon pricing risk. The government is offering loans to emissions intensive generators who are otherwise unable to secure finance on reasonable terms to buy future vintage carbon units at auction. This addresses working capital constraints directly without interfering in the functioning of the auction.

There is a different mechanism that is being proposed in the package before the chamber to that which was previously proposed, both of which deal with this issue. But the advice I have is that the loan provision to which I have referred addresses working capital constraints directly without interfering with the functioning of the auction. The Energy Security Council can advise the Treasurer to provide further assistance to generators, such as loans, if that is required to safeguard energy security. The policy question here is how the companies manage their carbon price exposure. The expectation the government has is that the private sector will continue to offer hedging services to generators and there are the additional safeguards to which I have referred in the energy security package.

You invited the opposition to respond as well. If there is a concern about volatility in the short term and the impact on the electricity prices, I would make the point about—I cannot recall if it was the ESAA or some other industry association that said this—the likely price impact of the opposition’s commitment to repeal. If they retain their position—I do not think they will, but if they do—that is likely to have two potential consequences. The first is it makes it more difficult to engage in long-term contracts, which obviously has an impact. The second is that it also makes hedging more difficult because of the inherent uncertainty. But really the issue goes to what the policy mechanism to manage this is. You are correct to say there is a difference between this and the CPRS, but the advice I have is these other arrangements deal with this in an appropriate way. I am also reminded that obviously there is a three-year fixed period, which is relevant here.

**Senator XENOPHON** (South Australia) (10:52): I want to follow that through. The minister has acknowledged that under the CPRS there was a deferred price mechanism. Presumably there would have been modelling done and advice sought as to the difference between the former scheme, the CPRS, and the current scheme in terms of the impact on electricity prices. I presume that modelling would have been done by Treasury. As to what the price impacts would be on consumers, I would be grateful if the minister could indicate whether any modelling was done on the price impacts of having a deferred payment scheme or paying upfront, as this particular scheme is seeking to do.

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (10:53): I think that goes back to the issue I was raising. This all comes down to the way in which companies manage their carbon price exposure. Pre-CPRS, as you said, there was deferred payment. In these arrangements we have the $5.5 billion, we have the Energy Security Council and we have the capacity to offer loans. This is assuming, of course, that
the market does not deal with this. I know that the Australian Bankers Association had views on the previous occasion about whether deferred payment was in fact required. I assume the senator, because he has taken an interest in this, would be aware of the views of the financial sector that the market has the capacity to provide instruments to manage this risk without government interfering with the auction mechanism. For that reason, the government put in place the policy parameters that I have outlined to deal with this.

Senator XENOPHON (South Australia) (10:54): I want to go to the issue of what the impact will be of requesting upfront payments, if you like, under this scheme compared to the deferred payments in the CPRS. The Energy Supply Association of Australia complained in a letter to me, and I think to other senators: 'This effectively amounts to energy companies being asked to provide working capital to the Australian government which could be in the order of $10 billion.' They go on to say that they commissioned analysis from economic modeller ACIL Tasman and that this analysis found that reduced electricity contracting could increase volatility in the electricity market and increase retail electricity prices by 10 per cent in a single year for small users—households and small businesses—and up to 15 per cent for large users. They say that these rises in electricity prices are in addition to the carbon price.

I acknowledge what Senator Wong, the minister, said in relation to the Australian Bankers Association. They have a different view. They say that you could have a secondary market and that financial instruments could deal with this and manage the risk. So that is the difference between the two arguments. The question I am asking is: was some modelling done by the government on the impact of having deferred payments under the CPRS, as distinct from having upfront payments with this scheme? Surely there would have been some modelling done on such a fundamental aspect of the scheme design.

I note an article written by Lenore Taylor in the *Sydney Morning Herald* last Friday headed 'Ministers in final plea to delay carbon repayments'. It makes reference to the New South Wales energy minister, Chris Hartcher, and Queensland Treasurer Andrew Fraser. So you have a Liberal or coalition government in New South Wales and a Labor government in Queensland and the report says that both have written to the federal government 'in a last-ditch bid to win amendments to the carbon tax legislation that could prevent power prices soaring higher than forecast'. This again goes to the issue of deferring payments. So they are the issues. Was there some modelling done? What do you say to two ministers from two different political parties who have concerns about this—the Labor government in Queensland and the coalition government in New South Wales? I raise these issues because I am nervous that we are going to push up prices more than we need to. Given that the CPRS, the old scheme under the Rudd government, had deferred payments, I am trying to work out what the best public policy is to minimise the impact on households.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (10:57): I want to ask a further question in relation to Senator Xenophon's remarks before the minister responds. This issue came up in the joint house inquiry. We heard from the Energy Supply Association, but from further discussions subsequent to that and after thinking about it, I think the difference between the CPRS and this scheme in terms of this particular issue is that the CPRS only had one year of a known price, whereas with this scheme we are going to a fixed price.
mechanism for three years before going to flexible pricing.

From my point of view, that does make a difference on this issue. As Senator Xenophon said, this is one of the issues that were raised that requires consideration. I went back to the minister's office to raise it with them and to ask whether this is really the issue it is being made out to be, because the government obviously has the benefit of a lot more confidential information than we have in relation to this matter. I am led to believe that the three years does make a substantial difference in the circumstances, so I would appreciate it if the minister, in answering part of what Senator Xenophon raised, could also refer to that matter.

**Senator Wong** (South Australia—Minister for Finance and Deregulation)

(10:59): I will answer both of these. I think that I understand what Senator Milne is referencing, although I was not involved in the committee. The proposition about the three-year fixed price is an important one. It means that there is a longer period over which this scheme is transitioned for all sectors before a floating price comes into play. That means that the products around hedging carbon risk have a longer period before the floating price comes in. That is of relevance. This policy proposition comes down to how generators will hedge carbon risk. I referred in my opening answer to the modelling to which Senator Xenophon just referred, so I have already responded to that.

On the issue of the two states and the different political parties, I would make the point that it is not surprising that treasurers of states that own generators might have a consistent position around this. I suspect that that is not party political but treasurers looking to the interests of their states. What the Commonwealth has to look at is what the sensible policy for the transition is. For the reasons that I have outlined, we think that the framework that we have put in place, with $5.5 billion and the capacity to provide financing from government if the market does not provide that, is able to deal with the risks that you have raised.

**Senator Xenophon** (South Australia)

(11:01): I am grateful for the minister's answer, but that brings me back to the question about what modelling, what assessment and what risk analysis were done when it switched from a deferred payment scheme under the old CPRS that we were debating about two years ago this month—and I am sure that Senator Cormann will correct me if I am wrong on that—to what is now being proposed. You have the Electricity Suppliers Association of Australia concerned about it; the Australian Bankers Association disagrees. But you have two state governments who have expressed concerns. Notwithstanding that the Queensland government's interest in this is by virtue of being the owner of generators, if there are price effects, as found in economic modelling done by ACIL Tasman on behalf of the Electricity Suppliers Association of Australia, they are matters that deserve to be considered and rebutted by the government if the government believes them to be wrong. What modelling did the government do when comparing the CPRS and this scheme? What assessment was undertaken in terms of the potential impact on prices in the electricity market?

**Senator Wong** (South Australia—Minister for Finance and Deregulation)

(11:02): I am advised, Senator, that the Treasurer modelling did not assume deferred payment arrangements. In other words, the Treasury modelling—Strong growth, low pollution: modelling on a carbon price—

**Senator Xenophon**: On the CPRS.
Senator WONG: Yes, but the update did not assume deferred payment. That is the advice that I have. In other words, it does not assume the policy proposition which you are advocating.

Senator XENOPHON (South Australia) (11:03): I am not necessarily advocating this position. I am just trying to find some information, so I think that the minister has verballed me in a gentle way.

Senator Cormann: She does that.

Senator Wong: The policy proposition that you are raising, then.

Senator XENOPHON: I am sure that it was not intentional. Was any modelling done? Given that under the CPRS that was debated in this place two years ago there was going to be a deferred payment scheme rather than an upfront scheme, which is what this scheme is proposing, why wasn't some modelling done based on the CPRS to determine what the differences in price rises would be if we had a scheme in place under which deferred payments were allowed, as was proposed by the CPRS?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:04): The government stands by the Treasury modelling. The Treasury modelling does not assume deferred payment and the Treasury modelling sets out the likely electricity impacts.

Senator XENOPHON (South Australia) (11:04): I do not know whether the opposition has any view on this. I am grateful to the minister for her answer. I will try to put this another way. Given the concerns expressed by the Electricity Suppliers Association of Australia and by the New South Wales and Queensland governments—two governments of different political hues—will the government continue to look at this issue in the three-year transitional period proposed by this legislation so that, if it becomes apparent that there has been the unintended consequence of greater price rises as a result of the current design of the scheme in respect of upfront payments rather than deferred payments, the government can consider changing it? Will the government consider that or is the government saying that once this is passed that is the point of no return in terms of changing to deferred payments?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:05): I do not have in front of me the entirety of the ESAA modelling and what the treasurers of the states said. But I am advised that the propositions in there assume a failure of financial markets to provide the sorts of hedging products that would be required. That is the assumption in that modelling. The proposition that is being put forward is that therefore these different price impacts will occur. First, we do not accept that the financial markets will not be able to provide such products. Second, even if that were the case—which we do not accept—the government has arrangements in place through the package to provide financing, including on the advice of the council. So there are a number of assumptions in what you raise. First, there is the question of whether the market will be able to provide these. We think yes and financial providers have also indicated that to be the case, which is important. Second, even if that is all wrong, the government has said that the Treasurer can authorise the provision of financing on certain terms if required. There are a range of policy requirements around that. So I think there are range of safeguards on this issue, and I again say that in many ways the larger risk is the coalition's talk—although I know they seem to talk about this a bit less—about the effect on electricity prices of the uncertainty imposed by the blood-oath of rescinding this, because that
obviously is a signal to markets as well. Having said that, I suspect it will go the same way as their superannuation policy.

Senator XENOPHON (South Australia) (11:07): Minister, given the concerns expressed, will the government consider undertaking some modelling during this transition period as to what the potential price effects would be of having upfront payments rather than deferred payments? Wouldn't that be the prudent approach to take, given concerns that have been expressed, from a number of credible sources—from two state governments, from the Electricity Supply Association and from modelling done by ACIL Tasman? Would it not be reasonable to at least to consider that, as to whether then the minister needs to use regulation making powers to try and rectify any potential risks? In other words, given the concerns that have been raised, will there at least be some modelling done to deal with those concerns one way or the other?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:08): Directly in response: obviously the government will continue to monitor the operation of the scheme upon commencement—

Senator Xenophon: I said 'modelling'.

Senator WONG: Senator, I am not going to commit here to a whole new round of Treasury modelling, if that is what you are asking for. Certainly, there are reviews built into the act—

Senator Williams: We've tried; you won't get it!

Senator WONG: These are very large modelling exercises. The first one was the largest modelling exercise the government has ever undertaken. Let's understand that. The government will continue to monitor the scheme. If that monitoring showed that modelling was required then that is obviously something we would take advice on, but for the reasons I have outlined we think the policy framework we have put in place is a sensible one.

Senator XENOPHON (South Australia) (11:09): I think this is my final question on this issue, which does concern me as to whether there is an opportunity to avoid unnecessary increases to households and small businesses. The government's position—and it would be the position of the Australian Bankers Association as well, and of those that disagree with the Electricity Supply Association—is that you could have secondary markets in place to manage the risk, to hedge the risk. I think that is a fair summary. But wouldn't it be better to try and deal with the problem directly rather than relying on a secondary market? All I am asking is: will the government have an open mind in looking at issues of the risks involved that have been raised and, if necessary, to commission modelling on these issues, given the very live concerns that have been raised by two state governments, of different political persuasions; the Electricity Supply Association; and the modelling carried out by ACIL Tasman?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:10): With respect to Senator Xenophon, I think it is actually the same set of questions. What I would say, again, is this: this is about how you manage that uncertainty. What you are flagging, as opposed to 'advocating'—I accept I verballed you—is a policy proposition that says: let's fiddle with the auction process within government to manage this risk. We say: no, we believe financial markets will, as they do now, provide the ability for firms to hedge risks. Let's remember, firms hedge risk all the time; not just on a carbon price but on a whole range of issues: exchange rates, whatever the commodity price is and so
forth; this is not a new concept. If we are wrong in that then the government has the capacity to provide financing through the mechanisms I have outlined.

Senator BIRMINGHAM (South Australia) (11:11): I thank Senator Xenophon for raising these issues, which are certainly issues the opposition would like to explore as well. I would like to follow on from some of the points that Senator Xenophon has raised. Perhaps, just for the benefit of the base principles of dealing with this issue of the forward-selling of permits, and whether or not the funds from the forward-selling of those permits to electricity generators are collected at the point of sale or indeed in the vintage year at which they become available for use, could the minister explain as clearly as possible to the Senate what the policy rationale was behind the government changing its approach on the payment times for these permits from the CPRS model, which did defer the payment—and therefore did of course defer the risks and the need for this type of hedging, at least in terms of the costs of those payments—compared with this model, which ESAA claims will cause detriment because there is this requirement for this upfront payment? So, before we go too much further into some of the other more specific questions, can I just get from the minister what the policy rationale was for changing from the CPRS model, which did defer the payment—and therefore did of course defer the risks and the need for this type of hedging, at least in terms of the costs of those payments—compared with this model, which ESAA claims will cause detriment because there is this requirement for this upfront payment?

Senator BIRMINGHAM (South Australia) (11:13): I thank the minister for repeating those points. But perhaps, Minister, if you could provide us with some information and explanation as to who advised and informed the government that the previous model was a flawed model and that this then is a better model, and who actually is supporting the theory and approach that you have just outlined that there are in fact benefits from bringing the payment forward. Obviously, the electricity generators themselves have concerns and do not see there to be a benefit. So who is actually supporting the government in arguing that the bringing forward of the payment actually is of benefit?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:14): Unlike those opposite, we recognise reform is not a popularity and beauty contest. So I am not going to come in here—Senator Birmingham: I asked who—Senator WONG: Senator, this is a package. There are elements of it that are very similar to the CPRS and there are elements that are very different. I have talked at some length about the tax package. It is as a result of the Henry review having reported.

Chamber
This is a very good and much better assistance package because it combines a tax reform element with the assistance, which is of more benefit to participation than the previous assistance. So, there are parts that are different and parts that are similar. The policy proposition is the one I have outlined on quite a number of occasions. It is a very cogent proposition that we have put forward. I am not sure how much further I can assist the senator with it. I have outlined on a number of occasions now the policy rationale behind this.

Senator BIRMINGHAM (South Australia) (11:15): I note, Minister, that in response to Senator Xenophon you describe the ESAA modelling as hypothetical, and of course all modelling, as I am sure you would agree, deals with a range of hypothetical scenarios. You also indicated that the Treasury modelling did not assume the deferred payment scenario. Minister, are you able to advise the chamber whether the Treasury modelling did assume or believe there would be a reduction in the forward contracting for electricity? It is of course one thing for it not to assume the deferred payment scenario and, therefore, as you rightly said, presumably it then did assume that payments would be made at the time that the forward purchase of these permits was locked in. However, does it accept the principle, to some extent at least, of the scenario outlined by the ESAA that there will be a reduction in forward contracting of electricity prices and, therefore, the greater risk and uncertainty, and the possible higher use of spot price electricity and, with that, the potential flow-on for increases in electricity prices? But, very particularly, does the Treasury modelling that was undertaken accept that there is a chance, in places, that there will be a reduction in forward contracting?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:17): I will just check that. I am advised that there was no assumption as to a reduction in forward contracting in the electricity sector. I am also advised that no suggestion of such a risk was raised by the two independent modellers for the electricity market component of the Treasury modelling.

Senator BIRMINGHAM (South Australia) (11:17): Given that, does that mean that the government rejects outright the proposal put forward by ESAA that there could be some reduction in the forward contracting of these electricity contracts. Is it the government's contention that this modelling that they have outlined and believe does present a real risk to forward contracting is totally flawed?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:18): I have answered that question previously. It is the same answer as I have provided now some seven or eight times.

Senator BIRMINGHAM (South Australia) (11:18): Minister, I am not convinced that it is. I note that we have got to the point now where you have confirmed that those who informed the Treasury modelling say that there was no belief there would be a reduction in contracting, but the electricity generators obviously believe that there will be a reduction in forward contracting. The generators believe that, if there is a reduction in forward contracting, it will have a flow-through effect on electricity prices and of course on prices for consumers. Does the government at least accept the principle that if you have it wrong, if there is a reduction in forward contracting of electricity, the way in which the electricity market works and the way the Energy Supply Association of Australia argue that it works there would be an additional impact...
on electricity prices above that which has been forecast?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (11:19): On the first issue I refer to my previous answers. On the broader issue about electricity prices I would make the point that without a price on carbon we will continue to see a stalling of investment in our energy generation sector, in particular. This lack of investment feeds through to electricity prices, but in that world there is no assistance available to households.

The next point I would also make is that the most significant risk to electricity prices is the position of the opposition on this. It is that uncertainty and that opposition that is more risky for electricity prices. On the policy issues that have been raised, I have extensively answered them in previous responses.

**Senator BIRMINGHAM** (South Australia) (11:20): I am not at all convinced that the minister has given a clear answer on whether the government accepts that if there is a reduction in forward contracting for electricity there will be a commensurate flow-through of increased price and volatility in the electricity pricing market. It is a pretty straightforward proposition; it is one that the government can and has rejected on whether or not that will happen. But there is conflicting modelling presented by the Energy Supply Association of Australia—conflicting modelling that says the opposite to that which the government's Treasury modelling has assumed. So, if the government's Treasury modelling is wrong, and instead the ACIL Tasman modelling done by the ESAA is correct, then do you accept that there is a risk that forward contracting could be reduced? The particular question I was asking on this occasion was: if that scenario eventuates, if there is a reduction in forward contracting for electricity, does the government accept that that means there is a potential for greater volatility and higher prices in that market? It is fairly straightforward and, if you have answered it before, do the chamber the courtesy of answering it again. But from your answers previously I cannot see a clear-cut and direct answer to that very direct question.

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (11:22): I am being asked to respond to a hypothetical if. We are not here to debate hypotheticals; we are here to debate the package. I have explained that the independent modellers on this issue, which we used as part of the Treasury modelling, did not anticipate a reduction in forward contracting. I have also explained that the advice of financial institutions is that such products would be available. I have explained that if the market did not work as anticipated the government has made clear it will provide loans for market participants to address these working capital constraints that have been asserted. I have also explained that we are providing $5½ billion under the Energy Security Fund.

I have also explained on a number of occasions now that if the opposition do care about uncertainty in the market, which is an issue that goes against forward contracting and management of risk through the longer term, then they would not be opposing this and they would not be suggesting that they have some blood oath to rescind it. That of itself puts uncertainty into the market and would therefore add to the very policy risks that the senator has referred to.

**Senator BIRMINGHAM** (South Australia) (11:23): Minister, given that you have highlighted the reliance upon the government having a backup provision as such for the provision of working capital to
purchase these future permits, are you able to
tell the Senate what the terms and rates for
that working capital will be, please?

Senator WONG (South Australia—
Minister for Finance and Deregulation)
(11:24): The advice I have is that govern-
ment loans may be available where
generators need to finance their debt but
finance is not available from the market. The
Energy Security Council will advise the
government of the provision of loans in these
circumstances. Both forms of loans will be
priced on terms that encourage generators to
provide private finance where possible and
there will be an assessment of the potential
recipient's capacity to repay the loan.

Senator BIRMINGHAM (South
Australia) (11:24): Obviously in that
answer, Minister, you have not exactly
provided either terms or rates, you have
simply provided a process by which such
loans may be provided. Again, that hardly
provides any certainty to the industry in the
passage of this legislation. In particular your
statement that it will be structured in a way
so as to encourage generators to seek the
commercial provision of loans, is that an
indication that the packages as structured by
the government would be at rates above
commercial rates or at terms that are less
favourable than commercial terms, meaning
that really there is only one offer on the

Senator WONG (South Australia—
Minister for Finance and Deregulation)
(11:25): I think it is important to clarify that
there are two types of loans. The first is
loans to emissions intensive generators who
are otherwise unable to procure finance on
reasonable terms to buy future vintage
carbon auctions. This is to address working
capital constraints. I am advised that auctions
will not be engaged in until the 2013-14
financial year and obviously the details of
those terms will be the subject of further
consultation between Treasury and the
sector. There is a second capacity to provide
loans in the event that this is required to
safeguard energy security. That is amongst
the assistance that the Energy Security
Council is able to advise the Treasurer about.
Obviously the priority there is energy
security.

Senator BIRMINGHAM (South
Australia) (11:26): On the first working
capital loans, there was a bit of the minister's
statement when she referred to the 2013-14
financial year as a start date. I did not quite
catch, due to a little bit of background noise,
what you said the start date for that was.

Senator WONG (South Australia—
Minister for Finance and Deregulation)
(11:27): I am advised that it is a commence-
ment year for auctions for the floating price
period, Senator.

Senator BIRMINGHAM (South
Australia) (11:27): Following on from that,
the forward purchasing of permits by
electricity generators and when they will first
be available to those generators and when
those first auctions will take place for the
non-fixed price period, that will start in the
2013-14 financial year? I am seeing nodding
from the advisers, so the minister will correct
me if that is incorrect. Minister, are you able
to inform the Senate in terms of the budget
estimates that the government has undertaken
what the fiscal impact would be and what
the reduction in revenue from the sale of
permits would be were those revenues not to
be collected in the 2013-14 financial year but
instead to be collected in what I assume
would be the 2015-16 financial year, being
the vintage year for those permits?

Senator WONG (South Australia—
Minister for Finance and Deregulation)
(11:28): We do not provide budget costings
for scenarios which are not government
policy. In relation to some further detail on the issues you raised earlier, the explanatory memorandum to the Clean Energy Bill 2011, page 207, paragraph 6.185 onwards but in particular 6.193, goes to more detail on the loans provisions to which you are referring.

Senator BIRMINGHAM (South Australia) (11:29): Let me structure the question then in a way that is very specific to what is government policy. Of the revenue from the sale of permits the government expects to bank in 2013-14, how much of that is from the sale of fixed-price permits that obviously are for that vintage year and how much of that revenue is from the sale of non-fixed-price permits from future vintage years?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:29): The fiscal impacts of the package, including the revenue impacts, are detailed in the bill or in the fiscal table in the EM. We do not propose to engage in a further costings exercise at the senator's request. He could of course support the Parliamentary Budget Office Bill, and then he could cost this policy, if that in fact is his policy.

Senator BIRMINGHAM (South Australia) (11:30): That is just an outrageous response from the minister. The minister has been calling on the opposition to come in here and ask detailed questions about the legislation—

Senator Wong: It's not the legislation.

Senator BIRMINGHAM: The fiscal impact of the legislation is not relevant? Is that what you are suggesting?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:30): Through you, Madam Chair, do not verbal me, Senator Birmingham. Of course, the fiscal impact is relevant, which is why we have costed it. It is not my job to provide you with every aspect of government's costings. It is my job to provide you with the budget quality costings that we have provided—far more than anything your party has done since you have been in opposition. So we have provided the fiscal impact and the cash impact and we have provided those fiscal tables in the context of the legislation. So do not verbal me and pretend that we have not been transparent about that. As I said, we have been far more transparent than you have with the $70-plus billion of cuts to services you have to find to fund this and other policies.

Senator BIRMINGHAM (South Australia) (11:31): We will be thoroughly transparent with our budget costings. You can have no doubt about that, Minister.

Senator WONG: I bet you won't!

Senator BIRMINGHAM: We will be thoroughly transparent about our budget costings. Don't you have any doubt there, Minister.

Senator Wong: Not once under Abbott have you been transparent in your costings!

Senator BIRMINGHAM: It will all be there. We will ensure that. For Australians who want to talk about budget costings, who want to talk about deficits, who want to talk about the budget deficit—

Senator Wong: Not once! Zero times!

The TEMPORARY CHAIRMAN (Senator Pratt): Order! Senator Birmingham has the call.

Senator BIRMINGHAM: How many budget deficits has your government delivered, Minister, and how many budget surpluses?

Senator WONG: Not once!

Senator BIRMINGHAM: That's right! Not once have you delivered a budget surplus. Correct. Not once has your government delivered a budget surplus and not once will your government deliver a budget surplus.
Senator Wong interjecting—

Senator BIRMINGHAM: It was 1990 the last time a Labor government handed down—

Government senators interjecting—

The TEMPORARY CHAIRMAN: Order! Those interjecting will allow Senator Birmingham to continue.

Senator Wong interjecting—

The TEMPORARY CHAIRMAN: Senator Birmingham has the call. Please allow him to continue.

Senator BIRMINGHAM: I was more concerned then with the way they were talking over the chair. That was terrible behaviour on the behalf of the minister and the acting government whip.

The TEMPORARY CHAIRMAN: The chair can look after herself; thank you very much.

Senator BIRMINGHAM: I am sure she can. It is interesting, when we get to talking about the budget questions, just how evasive the minister gets on this matter. Today we see debate out there that once again this government’s budget forecasts may yet be proven wrong and once again their promises of returning the budget to surplus may look terribly, grossly overly optimistic.

We see a situation in which the Labor government, who have never managed to hand down a surplus—and Labor governments of course have not managed to hand down a surplus since 1990—will never actually manage to get there. They keep promising, they keep saying it will be in a couple of years, but, as crunch time approaches, you can see that it is going to get pushed out and pushed out even further.

The remarkable thing is that this carbon tax package adds to that deficit. You would have thought, when a government introduces a new tax measure that brings in around $9 billion per annum, that it might somehow actually help put the budget back towards surplus, but this new tax measure only pushes the budget further out into deficit. The question I asked the minister was a pretty straightforward question. It was simply the question of: in 2013-14 and 2014-15, how much of the revenue from the sale of permits is from the sale of fixed-price permits for those vintage years and how much is from the sale of non-fixed-price permits for future vintage years? That is all. I am not asking for some elaborate breakdown of the budget costings. I am not asking for her to tell me which industry sectors she expects each of the permits to come from. I am not asking for her to look in some technical or elaborate way at breaking it down amongst the alleged 500 companies that the sale of permits revenue will come from. I am simply asking a fairly logical question, I would have thought, as to how much of the revenue is relevant to the financial year in question and how much of it is for permits relevant to future financial years.

The government should surely be able to answer that question. That should surely be a question that is very relevant, very germane, to this Committee of the Whole process of debate; very relevant to the issues that Senator Xenophon started the line of questioning on about what the policy implications are, what the cost implications are, of this approach to the forward selling of permits to electricity generators. If you are going to sell them to electricity generators in advance and expect the money in advance then it is only reasonable to know, within the budget, what the implications of that policy decision are. It is only through knowing that that there can be a thorough understanding of what the implications are of any amendments that Senator Xenophon might be considering on this matter. I note that even Senator Milne
said that this was an issue that requires consideration, so even the government's partners in this carbon tax legislation, the Greens, acknowledge that there are concerns here, and they acknowledge that they could be genuine concerns. They are genuine concerns because, if what the Electricity Supply Association of Australia says is correct and true, there is an additional cost impact for electricity consumers above and beyond what is already there, above and beyond the 10 per cent modelling that the government claims. We now know that that is the case because the government has confirmed that Treasury modelling does not believe that there will be any drop-off in the forward contracting of electricity. If the government got that wrong—and it would not be the first time that this government has got anything wrong—then we would have a situation where there could be a drop-off in forward contracting and the flow-on effect of that would be that consumers would see greater price volatility in the electricity market and for small businesses, householders and others that would flow through to potentially higher prices, according to the ESAA.

The government has decided it is going to go down this alternative policy path where it takes the money and banks it in advance. That happens to make the fiscal impact of this carbon tax look better and healthier in the years 2013-14 and 2014-15 than would otherwise be the case. It is worth noting that the money that comes in does in some way boost the revenue in those early years for the government than would otherwise be the case. So the question then is: how much does it boost it by? The only way to ascertain that and to ascertain what budgetary implications of any amendments that the Greens, Senator Xenophon or anyone else might consider is to know how that is split up. It is a pretty straightforward split. It is a pretty straightforward question. Minister, how much of the revenue in 2013-14 and 2014-15 is attributable to the sale of fixed price permits in those vintage years versus the sale of non-fixed price permits in future vintage years?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (11:39): The answer is none.

**Senator CORMANN** (Western Australia) (11:39): I have a question about the impact of the carbon tax on electricity generators, specifically in relation to the government's so-called transitional assistance package. Minister, how much of the $5.5 billion transitional assistance package for electricity generators is expected to go to the No. 1 emitter in Australia, who the Prime Minister would describe as the No. 1 polluter out of 500 polluters—Macquarie Generation? Given they are responsible for 23.4 million tonnes of CO₂ on the latest available information and would be expected to pay about $540 million worth of carbon tax, how much transitional assistance will Macquarie Generation get under the carbon tax package that the government has put before the parliament?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (11:40): I should be clear with Senator Birmingham that in the fiscal tables the revenue from a forward transaction is accounted for in the year in which that transaction is acquitted, so that is the effect on the fiscal balance. That is where it occurs.

Senator Cormann, I think you were asking me—I am sorry, I was a little distracted—how much a particular generator will get under the energy security package. Obviously, I will get some advice on that. We have set out some principles on the allocation of that fund and those principles include the energy intensity of the relevant generator, so there is a finite pool of funding via free permits and cash which is to be
allocated. The permits will be allocated by the regulator and the cash will be allocated by the department. I do not think in those circumstances it would be appropriate or probably possible to in fact identify the exact quantum to any particular market participant.

Senator CORMANN (Western Australia) (11:42): Let me move away from what the minister seems to be describing as a commercial-in-confidence matter. Given we are talking here about a very significant generator in the national electricity market, somebody who is on the record in the government's own data as being responsible for 23.4 million tonnes of emissions and being on track for a $540 million carbon tax bill in year 1, even if you cannot put a number on it, can you tell us whether Macquarie Generation in New South Wales will stand to receive any transitional assistance under the $5.5 billion transitional assistance package and, if so, what sort of assistance?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:43): I do not know and I am not familiar with the details of the emissions intensity of that particular generator. We have laid out the policy principles around the allocation of this assistance. There will obviously be ongoing consultation with industry about the detail of that. Again I would say it is less a commercial-in-confidence issue than a market issue. I do not think it would be appropriate, in the context of a very substantial amount of funding, for me to be indicating an estimate of what particular market participants might receive from this assistance package. I think what is in the public interest is what is in the explanatory memorandum and in the package itself around the principles for the allocation of funding. How that translates to the factual circumstances of particular generators is a matter to be dealt with either between the regulator and those generators in relation to the free permits or the regulator and the department.

Senator CORMANN (Western Australia) (11:44): Minister, here we have the largest single electricity generator in Australia responsible for a significant proportion of the electricity generation through the national electricity market and you cannot even tell us—yes or no—whether they are getting any transitional assistance under your transitional assistance package for electricity generators. That sounds, quite frankly, unbelievable, Minister. Presumably, then, you would not be able to tell me whether, for example, Verve Energy in my home state of Western Australia, which stands to pay nearly $200 million worth of carbon tax, will be eligible for any transitional assistance under the carbon tax package.

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:45): In terms of the detail around assistance, the application for assistance etcetera, I refer you to chapter 6, page 171, forward of the explanatory memorandum. It goes through in quite a great amount of detail how the annual assistance factor is determined, the determination of eligibility, the process of applying for assistance, the assessment by the regulator, the issue of assistance and also the energy security test—the power system reliability test—which is included in this. Those provisions are transparent on the public record.

What I do not think is appropriate—and you can huff and puff all you like about this—

Senator Cormann: I am asking you a question.

Senator Wong: And I am saying I do not think any minister would want to come into this place on an issue of public policy and say to the Senate, 'Company X will get...
this much and Company Y will get that much. I do not think that is appropriate. I think what are appropriate are transparent arrangements around how a pool of funding will be allocated and the process for that. That is what is in the explanatory memorandum. I am sure there will be further detail that will be the subject of consultation upon passage of the bill between the government, the relevant department, the regulator and the companies concerned.

Senator CORMANN (Western Australia) (11:46): I am well aware of the provisions that are on the public record. I have read through them. They have been subject to discussions at a Senate carbon tax inquiry hearing. The question I am asking you—and you are well aware that I had already flagged that I was not asking for a dollar figure—is whether or not there is going to be any transitional assistance at all for a very significant electricity generator like Macquarie Generation as a result of how your government has structured the transitional assistance package. That is a question that obviously goes directly to the impact of the carbon tax legislation on energy security and the cost of electricity moving forward, so don't point me to things that we can all read. I am asking you very directly about your understanding of the implications of the way you are proposing this legislation should operate for a significant electricity generator like Macquarie Generation.

The reason I am picking Macquarie Generation is only that they just happened to be on the top of the list that has been released by your department—sorry, the Department of Climate Change and Energy Efficiency. I have reverted back to the period pre-election. But this is a list that has been put out there by the Department of Climate Change and Energy Efficiency. It is very clear and on the public record that Macquarie Generation was responsible in that particular year—I think it was 2009-10—for 23.4 million tonnes of CO2; which, if you multiply that by $23 a tonne, will take you to $538,402,193.

Your government has talked about the fact that there is transitional assistance available for electricity generators to assist them through the transition from a high-carbon to a low-carbon economy. I want to know if Macquarie Generation is going to be eligible for any transitional assistance whatsoever under the $5.5 billion transitional assistance package. That is a pretty straightforward question. The answer could be as short as 'yes' or 'no'. That obviously might lead to some other questions for you to describe what sort of assistance the highest emitting electricity generator would be able to access. If they are not able to access any transitional assistance, I would be interested in knowing why that is. Given that they are responsible for 23.4 million tonnes of emissions, it stands to reason that they are a very significant supplier of electricity into the National Electricity Market.

It is a very simple question. Yes or no: will Macquarie Generation be eligible for any transitional assistance under the government's $5.5 billion transitional assistance package to assist them from the transition from a pre- to a post-carbon-tax world?

Senator WONG (South Australia—Minister for Finance and Deregulation) (11:50): The government has designed its energy security fund to reduce energy security risks. We are providing assistance to the most emissions intensive generators in the country wherever they may be. Assistance is targeted in this way because the modelling and expert advice indicate that this is the best way to reducing risk to energy security. I have outlined the nature of the energy security fund and I am again saying to the senator that I do not think other
ministers, including from your side of government, would have gone through, in the context of a whole-of-economy-and-sector reform, what a particular company would get in relation to a program that had yet not passed the parliament. I do not think that is appropriate. I think what is sensible is to go through the policy rationale for why assistance has been structured in the way it has. I have done that, but we can do this a fair bit all day. You can move from one company to another and another. What I would say is that they would get no assistance under your package.

**Senator Cormann:** They won't have to pay a carbon tax either. They won't have to pay $540 million.

**The TEMPORARY CHAIRMAN (Senator Pratt):** The minister has the call.

**Senator Wong:** It is interesting, isn't it? I do feel sorry for Senator Cormann, because he is trying to be the fiscally sensible one and he got rolled this week because he very sensibly said, 'If we oppose the MRRT, we should oppose the spending measures, because we haven't funded it.' But then he got rolled—Mr Robb did not even get invited to the meeting—and they are now, again, engaging in more unfunded expenditure. This is pretty embarrassing for the senior economics spokespeople of the opposition, who have yet to come up with a policy that is properly costed.

Senator Birmingham was goading me before, and I was responding to him, but the harsh truth is that, since Mr Abbott became the opposition leader, the opposition—including for the election campaign—have yet to come up with a properly costed policy—

**Senator Birmingham:** You're yet to come up with a properly costed policy!

**Senator Wong:** They have yet to come up with a properly costed policy. So they can lecture us all they like about fiscal responsibility. We know those over there are no Peter Costello.

So I again say there is $5½ billion worth of assistance under the Energy Security Fund, designed to reduce energy security risks. We are, clearly, providing assistance to the most emissions intensive generators in the country. I accept there are some generators who do not agree with that decision. The reason the government have taken that policy decision is that the advice to us from modelling and from experts is that this is the best way of reducing risks to energy security. That is why we are structuring the package in the way that we have.

**Senator Cormann (Western Australia) (11:53):** Reading between the lines, I take it that what the minister is saying is that, if you are a coal fired power station that is less polluting—has less emissions—and has a lower emissions intensity, then you are going to be worse off under this package than if you are a higher-polluting coal fired power station. If you are a lower emissions intensive coal fired power station, you will cop the whole cost. That is $540 million in additional tax for Macquarie Generation, which happens to be responsible for 40 per cent of the power generation in New South Wales, or about 13 per cent of the power generation across the whole eastern seaboard. So they get nothing—they get zero; that is what I am reading between your lines—and the reason they get nothing is that they just happen to be a too-environmentally-friendly coal fired electricity generator.

Of course, the higher polluters need more assistance, and I hear what you are saying there, Minister Wong. But let me just make this point: you talked about how they would get no assistance under our policy; of course they will not get any assistance—because
they will not be whacked with a $540 million tax bill either! There will not be a $540 million tax on Macquarie Generation under our policy, Minister. And, if you are not going to get whacked with a $540 million tax, you will not need to access transitional assistance. But your government is going to whack Macquarie Generation, which just happens to be responsible for 40 per cent of the electricity generation in New South Wales, with a $540 million tax. Why aren't you giving them any transitional assistance? Because they are too environmentally efficient; their emissions intensity is too low. That is what you are saying. It is the same with Verve Energy or Griffin Energy in Western Australia. They are not polluting enough. If their emissions intensity was above 1, rather than below 1, they would get transitional assistance.

The minister can stand there with her back to the chamber and try and ignore us as much as she likes, but that is the effect of the government's policy. The government, very disingenuously, refers to the 500 biggest polluters without telling people that those 500 biggest emitters are either the energy suppliers that are helping Australia keep the lights on or some of Australia's major employers, all of whom have made significant efforts to reduce their emissions intensity, to reduce their emissions and to improve their energy efficiency over the last 10 to 20 years, without a carbon tax.

The evidence that we have had at the Joint Select Committee on Australia's Clean Energy Future Legislation from organisations like Macquarie Generation, and Verve Energy in Western Australia, is that they will be asked to take 100 per cent of the tax without any transitional assistance whatsoever because they are too environmentally efficient and their emissions intensity is not high enough. In the case of Verve Energy, they are saying this is going to be a net cost to their bottom line. They will have to pass it on, either through increased electricity prices or through the states' taxpayers. Will there be any effect on emissions as a result? No. In the case of Western Australia, WA is not part of the National Electricity Market. Western Australia is an energy island, Minister. You may not have realised that when you put your policy together. Minister Wong is now, finally, turning around; we have managed to get her to turn around and focus on what is happening in the chamber rather than keeping her back to us. But, Minister, Western Australia is an energy island—there she goes again; she is obviously not interested in what is being talked about in the chamber. Western Australia, for energy security reasons, needs to have a diversity of energy sources. We will continue to have to rely on a combination of coal, gas and various renewables—but coal and gas to a significant degree.

During the Senate committee inquiry, we asked witnesses what the effects would be in terms of the use of coal as part of power generation in Western Australia. Well, Verve Energy has to pay $200 million in additional tax, and the effect is going to be zero. Verve Energy will not be able to close down a single coal fired power station. In fact, the evidence we got is that it is most likely that, even with a carbon tax, the next new power station in Western Australia will be a coal fired power station, and that is for energy supply reasons. So this is just a net cost that is going to be imposed on the people of Western Australia, in the context of Verve Energy, through increased electricity prices, through increased taxes or through reduced services at a state level. There is zero, zilch, transitional assistance from this government in order to do it. The minister then says, 'There won't be any transitional assistance under your package.' No, there will not be. But there will not be a $540 million tax on
Macquarie Generation, there will not be a $200 million tax on Verve Energy, there will not be a $180 million tax on Alinta Energy and there will not be a $161 million tax on Victoria Electricity. These are taxes that you are imposing, Minister, and in this chamber you cannot even bring yourself to say the words: ‘Yes, you're right, Senator Cormann. Macquarie Generation is not going to get any transitional assistance under this package. Verve Energy is not getting any transitional assistance under this package. And the reason they are not getting any transitional assistance under this package is that their emissions intensity is too low. They are too environmentally efficient. They have done too good a job in keeping their emissions intensity as low as it can be.’ That is why they have to cop the whole force of the carbon tax. That is why they have to pay 100 per cent of the carbon tax. If only they had not done what they could to keep their emissions intensity as low as possible, if only they had kept their emissions intensity above the factor of one, then your government would rush out and give them billions of dollars in transitional assistance. That is one of the many ludicrous parts of this package that your government, Minister, has put forward—a carbon tax that of course the Australian people were promised we would never get. And here today you cannot even fess up and say the words: ‘You're right. There is no transitional assistance whatsoever—not one dime, not one cent; nothing, zilch—for companies like Macquarie Generation or Verve Energy because they are too environmentally efficient’, in your judgment, ‘to warrant getting any assistance.’ That is completely inappropriate.

Minister, you confected outrage when I made the observation that I did not believe that when the government put this package together they understood that Western Australia was an energy island. My question to you is: what are the features in this carbon tax package that give effect to a recognition that Western Australia is actually an energy island which has to be energy self-sufficient and which of course is going to be impacted very differently, and in an even worse fashion, by this carbon tax package as a result of the way you have structured it? When it comes to transitional assistance to energy suppliers under your package, what are the features in which you recognise that Western Australia is not part of the National Electricity Market but is in fact an energy island?

Senator THISTLETHWAITE (New South Wales) (12:02): I find it highly amusing that Senator Cormann and those opposite are seeking to ask questions of the government regarding the operation of the various assistance packages which form part of the government's clean energy package and the set of bills being debated in committee this morning, because of course we all know that Senator Cormann and those opposite are completely opposed, in the whole, to those assistance packages. They are opposed to the Jobs and Competitiveness Program. They are opposed to the Steel Transformation Plan. They are opposed to the assistance that the government is proposing for the coal sector. They are opposed to our community support package, which will provide assistance for community based organisations to over time reduce their emissions intensity and improve their energy efficiency. And of course, importantly, they are opposed to the assistance package for households and the increases to pensions, which are an important part of the government's program. They are opposed to the payments to families. They are opposed to the additional payments that will be available for job seekers and students.

All of these assistance measures are very important parts of the government's clean
energy package because they provide the basis on which our economy will transform itself and move from an industrial based economy based on heavy carbon pollution to a clean energy future based on a transition to renewable fuels, and they make the transition much easier, particularly for households and those on low to middle incomes. That is the aim of the scheme: to target the assistance; to target the use of half of that revenue to where it is required the most—that is, to low- and middle-income earners. The assistance is not a one-off proposal. The increases to pensions and to family payments will grow in line with the increases in the carbon price. So I find it highly amusing that Senator Cormann and opposition senators are seeking to gain points by asking a series of questions associated with the assistance, particularly the assistance that is there for businesses.

That is symbolic of the fact that Senator Cormann and those opposite do not understand the way the scheme will work and the fact that it is a market based mechanism. Those in the Liberal Party say they are all for the efficiency of markets and government getting out of the way when it comes to the running of our economy, but they are opposed to this market based mechanism. They are opposed to an emissions trading scheme, which of course our scheme will move to after the first three years. Senator Cormann has raised the issue of those who are doing the right thing, companies that are reducing their emissions, and the assistance that will be available to them; but he fails to comprehend the fact that through an emissions trading scheme there is a natural advantage for those companies who do the right thing and over time reduce their emissions. The advantage becomes the fact that they are able to generate permits, buy credits and sell those credits both domestically and in the international market as well as reduce the costs associated with their emissions. That is the whole basis of the scheme. That is the way the scheme will work. Under Labor's plan, a market based mechanism, companies have the opportunity to make their own decisions about the way that they reduce their emissions and therefore reduce their costs. We are not going to force outcomes on them; we are seeking to allow them to do what companies do best—to make their own decisions about how they reduce their emissions intensity and therefore their costs. That is what will occur under our scheme over time. It is opposed by those opposite, because they do not understand the fundamental nature of the way that this scheme works. It is very difficult for them to grasp the nature of this scheme and how it will work.

That became evident when they developed their direct action policy. Through their policy they are saying that they are opposed to the sale of permits, particularly in an international context. Senator Cormann has raised issues in the committee stage today about the opportunities for high polluters to make a transition into the clean energy future and to reduce their costs. One of the ways that they will have the opportunity to do that is to install new technology, make changes to their production methods, and, to offset some of that cost, generate permits and be able to sell those permits on the international market. Under the opposition's plan, that opportunity will not be there for many of these companies. That will mean that their costs will be pushed up.

That was borne out in the evidence given to Senator Cormann's committee, the Scrutiny of New Taxes Committee, when they conducted an inquiry into the carbon pricing mechanism. I particularly draw the committee's attention to the fact that, whilst that committee was taking evidence, they heard from a number of big players in the domestic electricity sector—most notably,
Loy Yang Power, one of the biggest producers and generators of electricity on the eastern seaboard. When they were giving their evidence to the committee, they were asked what it would mean for them, a big producer of electricity and a big emitter, if they were not able to purchase abatement permits on the international market. Their answer was very succinct and very simple. Their answer was that their costs would be pushed up; that their costs would be greater than they otherwise would if they had the opportunity to purchase permits on the international market.

That is quite symbolic of the fact that those opposite do not understand the way this market based mechanism will work. Companies will be able to make their own decisions about how they reduce their emissions and over time reduce their costs. Indeed, wider than that, across the whole economy, households, businesses, small businesses, larger companies and farmers will make their own decisions about how they reduce their emissions over time. So it is nonsensical and quite amusing that those opposite seek to come into this debate at this point in time and criticise the government about the way the scheme will work.

The opposition's direct action scheme is anything but a market based mechanism. It is a scheme that will be based upon the premise of subsidising the biggest polluters in our country—providing government assistance to those who are the biggest polluters—and for the rest of the economy, those who do not receive assistance, there is no incentive for the reduction of emissions over time. So those who are doing the right thing will be penalised under the opposition's scheme if they are not able to access that assistance.

Some of the premise on which the opposition's scheme is based is highly dubious. The claim that 85 million tonnes of abatement will be achieve through soil carbon is something that many experts in this field say is a dubious claim—most notably, the Farmers Federation. The Farmers Federation have said that they do not believe that that level of abatement will be able to be achieved under the opposition's scheme.

Of course, there is also the issue of ongoing uncertainty, particularly in the National Electricity Market, associated with the opposition's scheme. If the coalition roll back the carbon pricing mechanism, the fact that we would not have a domestic carbon price and would not be contributing in terms of an international carbon market would add to the uncertainty that would be ongoing in one of the most important industries and sectors in our economy.

But it is not for me to make these claims; these claims have been made by serious players in this industry and by their associations. The Energy Supply Association of Australia have said that Mr Abbott's warning not to purchase permits will put pressure on electricity prices and consumers. Again, that is a fact that came through in the evidence of Loy Yang Power. It will push up costs, because those opposite are opposing the notion of trading permits. The National Generators Forum have said that Mr Abbott's approach would increase the risk for electricity generation contracts, which would fuel higher prices. A number of banking organisations that work in the industry have said the same thing. So what we would see if the coalition's plan were implemented would be ongoing uncertainty and increases in prices—not only on the wholesale market but also for consumers ongoing—and we would not achieve the levels of abatement that we need to achieve as an economy and as a society to ensure that we are rolling back our emissions intensity over time compared to baseline objectives.
So, once again, I find it highly amusing that Senator Cormann and others are seeking to criticise the government's package when it comes to a move to a clean energy future and important assistance that will ensure that companies, small businesses, households and consumers can make that transition to a clean energy future—because they are fundamental to that transition. Once again it demonstrates that those opposite fail to understand and grasp the notion of a market based mechanism. They are seeking to reward those that are the highest polluters in our economy whilst providing no incentive other than for those they are seeking to subsidise through their Direct Action Plan, which of course will not provide the impetus for an economy-wide approach to reducing emissions and trading both domestically and in an international market. It is unfortunate that they seek to waste the committee's time. I hope that we get some more sensible debate in the remainder of the time allocated to these issues.

Senator WONG (South Australia—Minister for Finance and Deregulation) (12:15): I will respond briefly to Senator Cormann in relation to Western Australia. I am advised that modelling undertaken for the government in the context of the Treasury modelling did look at Western Australia as well as the NEM. I am advised it did not suggest that Western Australia would be disproportionately affected relative to black coal generators in other states and that there was no reason to discriminate in Western Australian generators' favour on energy security grounds.

If the senator is concerned about energy security, the government is very focused on that, which is why the assistance has been structured in the way it has. It is true that the $5½ billion under the Energy Security Fund does target the most emissions-intensive electricity generators. I have gone through the policy rationale for that. It is important to note that the two other components of assistance under this package—the loans to emissions intensive generators who are unable to secure finance, which is the working capital point, and any other assistance recommended by the Energy Security Council, which might extend to loans or other matters—are not limited to a particular emissions intensity. Whilst the emissions intensity point is relevant in relation to the $5.5 billion, those two other components have a differential policy basis—I will just correct that: I understand that the refinancing loans do have an emissions intensity limit but not the assistance recommended by the Energy Security Council.

Senator CORMANN (Western Australia) (12:17): Your answer misses the whole point as far as the impact on power generators in Western Australia is concerned. To compare the impact on black coal fired power generators in Western Australia to the impact on black coal fired power generators in other parts of Australia who are part of the NEM is completely irrelevant. The Western Australian energy market is its own distinct market. In the National Electricity Market you are going to get substitution from one electricity supplier to the other, which you will not be able to get in Western Australia. What matters is the relative impact within the market, not the relative impact in the Western Australian market compared to the relative impact in another market. That might be too complicated for you to grasp this morning, Minister. You have now confirmed that $5.5 billion in assistance and the assistance with any financing arrangements through the transition as a result of the impact of the carbon tax will go to the highest emission intensity electricity generators. The reason why electricity generators like Macquarie...
Generation, Verve Energy and so on are not getting any transitional assistance—zero, not one cent, not one dime, zilch—is that they are too environmentally efficient. That is why they get no transitional assistance at all.

Senator Thistlethwaite was making a point about things that Loy Yang Power said. I draw his attention to the evidence given by Loy Yang Power to the Senate Select Committee on the Scrutiny of New Taxes inquiry on the carbon tax. Loy Yang Power said that the government's carbon tax would:

... place pressure on our cash flows, make our refinancing of existing debt more difficult, may cause compliance problems with financial services licences and may lower the creditworthiness of the company.

... Loy Yang Power suffers a significant deterioration in business value, which may impact on the operations of the business in the medium to long term.

Even Loy Yang Power, who are getting some assistance through this package, are complaining about the fact that it will not adequately compensate them for the impact the government's carbon tax and will not prevent an impact on electricity consumers. Minister, if you are going to have a carbon tax that is going to hit the lowest emissions intensity electricity generators the hardest, which means that they will want to pass these costs on to electricity consumers and so on, can you give us a list of those electricity generators that are going to get the $5.5 billion worth of transitional assistance under your package?

Senator WONG (South Australia—Minister for Finance and Deregulation) (12:20): I refer to my previous answer.

Senator CORMANN (Western Australia) (12:21): Minister, I have not asked you the question before as to who is going to get the $5.5 billion in transitional assistance. I have asked you before whether Macquarie Generation is getting any and you were not prepared to say no. Reading between the lines, what you were saying was, 'No, they are not getting any.' Verve Energy is not getting any. The question is: who is getting the $5.5 billion worth of transitional assistance under your carbon tax package? Is any electricity generator outside the state of Victoria going to get any assistance under the $5.5 billion transitional assistance package?

Senator WONG (South Australia—Minister for Finance and Deregulation) (12:22): Senator Cormann is not a stupid man, so he would recall that on a number of occasions he has asked me about generator X or generator Y and I have said that it would not be appropriate for a minister, in relation to a policy area where there is a package before the Senate, to get into details of individual recipients of assistance. What is appropriate is for me to outline, as I have done, the basis on which assistance is provided, the basis on which assistance is disbursed between different players in the sector and the policy rationale for that. I have done so and I will continue to do that. But, as I explained to him when he asked the first question, I do not think it is sensible, helpful or appropriate, frankly, for ministers to say company X will get this amount of money.

We have before the chamber a package which includes three components of assistance in relation to energy security. I have gone through those. I have explained to you why $5.5 billion is allocated on the emissions intensity basis and other bases and the reason for that, which is energy security. I have explained to you the additional assistance in terms of the provision of loans. That is referenced at paragraph 6.193. I am happy to read that onto the record for him if he would like, but it is in the explanatory memorandum. I have explained that in
addition there is a backstop mechanism whereby the Energy Security Council can recommend additional measures if required for energy security. I reference my previous answers, because I have gone through the policy rationale for why emissions intensity has been used as the basis on which the $5.5 billion is to be disbursed amongst—

Senator Cormann: Why? You've said it was based on expert advice.

Senator Wong: Because we believe it is the most sensible way to ensure energy security and the most reasonable—

Senator Cormann: Why?

Senator Wong: Senator, that is the advice to government. That is the policy proposition. What I am not going to do here is to go through individual companies and say precisely how much any company will get under an arrangement that is not yet in place. The EM goes through a lot of detail about how this is to be allocated between generators, up to the amount of $5.5 billion.

Senator Cormann (Western Australia) (12:25): With respect, the minister has said that they have done it this way because that is their advice. The minister has not gone through the policy rationale. I would like the minister to explain why it is that 100 per cent of the transitional assistance goes to the most emissions-intensive coal fired power generators when the less emissions-intensive coal fired power generators get nothing. What is the policy rationale? I am not looking for a glib reference that 'that is the expert advice'; I want an explanation on the record as to why in the government's judgment that is the appropriate policy.

Senator Wong (South Australia—Minister for Finance and Deregulation) (12:27): I refer to my previous answer in relation to the Western Australian electricity market.

Senator Cormann (Western Australia) (12:27): The minister is clearly not prepared to explain the policy rationale, and so I might leave that there. But let me just make this observation. Macquarie Generation is at the top of the government's carbon tax hit list, not because it is more polluting than anybody else, not because it has a higher emissions intensity than anybody else but because of the volume of electricity that it generates. It is generating electricity in a
way that is more environmentally efficient than a number of other electricity generators. It is generating that electricity in a less emissions-intensive way, and yet this government is going to hit this company with a $540 million tax in year one, going up year after year after year, for its efforts.

If you want to do well under this government, you have to make sure that you are more polluting, not less. If you want get the handouts from this government under the merry-go-round of the carbon tax, you have to be a more emissions-intensive electricity generator. If you are an electricity generator that has lower emissions intensity, you will be punished. The reason you will be punished is that you are so successful in providing a large volume of electricity, even though you are providing that large volume of electricity at a lower emissions intensity than other providers in the market. That is just ridiculous. When we asked the minister to give us an explanation as to why that is the case and why the government thinks that is a good way to go about things, all she said was, 'Well, that is our advice.' Okay. But why? The minister's answer is: That is our advice; we're not going to give you an explanation as to why we think that we should hit Macquarie Generation with a $540 million tax without transitional assistance whatsoever. You're just the Australian parliament; you're just the Senate. Who cares about giving any explanation to the Senate as to why that is a good idea? Who cares about the impact that's going to have on consumers in New South Wales?'

Here we have Senator Thistlethwaite sitting in the chamber saying that this is a great idea. And this government is about to whack—

Senator Thistlethwaite: It is.

Senator CORMANN: At least you are consistent, Senator Thistlethwaite. Many of your colleagues on the Labor side are not. Many of them understand that this is completely ridiculous.

Senator Thistlethwaite: At least I have not changed my view on an emissions trading scheme.

Senator CORMANN: You have not. Here we go: a $540 million tax with zero transitional assistance. And why? Because their emissions intensity is too low. So, because their emissions intensity is too low, they will not be getting any transitional assistance. And, despite their emissions intensity being too low, they are still top of the list. They are still top of the carbon tax chart. They are still the number one 'polluter'—that is how the Prime Minister talks about them. The Prime Minister talks about 500 polluters. The number one polluter—in the language of the Prime Minister—is Macquarie Generation. They are the top of the charts. They are going to be number one on Labor's carbon tax hit list, paying $540 million of tax with zero transitional assistance. Now we are told that the reason they are getting zero transitional assistance is that they are too environmentally efficient. If they were less environmentally efficient—if their carbon intensity were higher—we are told that the Gillard Labor government would be providing them with assistance. Instead, they are going to face the full brunt. And electricity consumers in New South Wales will face the full brunt of this, Senator Thistlethwaite, either as consumers or as taxpayers in the state of New South Wales.

When we ask the government to provide an explanation as to why that is sensible policy, they cannot tell us that. All the minister glibly says is, 'I refer to my previous answer.' And the previous answer was a nonanswer; the previous answer was a description of what is in the legislation, not
an explanation as to why. Then we had the glib comment that that is the expert advice. Minister, you should be prepared to tell us in your own words—in the government's own words—as to why you think it appropriate for zero transitional assistance to go to a power generator that is responsible for 40 per cent of the energy supply of New South Wales and that is going to be hit with a $540 million tax. I am not holding my breath. I suspect that you have not got an answer to that.

Quite frankly, Minister, this is just another example that demonstrates the absolutely ludicrous nature of this carbon tax, which will push up the cost of everything, make Australia less competitive internationally, make more polluting businesses in other parts of the world more competitive and help more polluting businesses in places like China take market share away from businesses in Australia. That in turn will shift emissions from Australia to other parts of the world, which will cost jobs in Australia and result in lower real wages. Prices will go up. That will result in Australia having a smaller economy than we otherwise would have had. And all of that without doing anything to reduce global greenhouse gas emissions. We are imposing all of this cost and sacrifice on all Australians, including electricity consumers in New South Wales, for no purpose whatsoever. And you are not even prepared to provide a proper explanation in the chamber of the rationale for it.

**Senator Wong**: They still have not moved it. They still do not want to vote on it. And they are still giving the same speeches—except that they are not quite the same speeches. If anybody thinks that Senator Cormann has had a consistent position—

**Senator McEwen**: On super?

**Senator Wong**: On super, to be fair to him, he has had a consistent position. It is just that he got rolled. In August 2007, he said, 'The government's recent announcement of a national emissions trading scheme is a positive and sensible approach to addressing global warming.' So in August 2007, Senator Cormann—when Prime Minister Howard was in power—supported an emissions trading scheme and supported the price on carbon that he now says is a tax on everything. And he also supported the part of the policy of the then Prime Minister that the emissions trading scheme would be introduced ahead of other nations. Let us keep things in perspective when we hear the continual diatribe from Senator Cormann.

In relation to a number of the issues raised, if the senator cared about giving an incentive for cleaner energy generation and investment in cleaner energy generation he would support a price on carbon, because what a price on carbon does is give people an incentive to abate—that is, to reduce pollution. It also gives investors an incentive to invest in clean energy. If the senator cared about incentives for clean energy generation, he would not worry about the argument over who is getting handouts; rather, he would support a price on carbon to give people an incentive to pollute less and investors an incentive to invest in clean energy. The fact that he does not demonstrates that he is not being principled in his approach to this.

The second point that I would make on handouts is this: one of the most bizarre
things in this whole debate is that the Labor Party is arguing for a price signal and a market mechanism and the Liberal Party are asking for taxpayer handouts. It is fantastic, isn’t it? The Liberal Party, who are supposed to be the rational economists in this place—but they certainly have not demonstrated that under Tony Abbott at any point—are arguing for taxpayer funded handouts for polluters. If Senator Cormann is worried about handouts he ought to go into his party room and argue against their direct action policy, which is the government taxing Australian households to give money to polluters on a wing and a prayer and a hope that they might reduce their pollution. With respect, Senator—and I know there is a lot of rhetoric in this place—I have outlined very clearly that the rationale behind the fund is the mitigation of energy security risks as Australia transitions from highly emissions-intensive sources of generation to more renewable and low-intensity sources. That is why we have the Energy Security Fund and the measures I have outlined. I have also explained to you that that is the rationale behind the emissions-intensity basis of the allocation of one component of the assistance, which is the $5½ billion.

In terms of the impact on households, we have been completely transparent about that. We have not only done the Treasury modelling previously; we have done it subsequently—and what that shows is that you are looking at a CPI impact of around 0.7 per cent in 2012-13. On average that is $3.30 per week, about 10 per cent on electricity prices. We recognise that, and that is why we are providing a reduction in people’s income tax arrangements. We are increasing the tax-free threshold. That is why we are providing an increase in the pension payment—in the age pension, in the disability support pension—and also assistance through the family tax system. So we have not hidden the price impact, Senator; we have accounted for it and we are providing assistance which is particularly focused on low-income Australians.

I invite the opposition to move their amendment. I certainly invite Senator Xenophon, who has come back at this stage, to get to his amendments, because he has quite a number and as yet we have not dealt with any of them. I appreciate he has asked some questions about one amendment which he is considering his position on. I understand he flagged that, but I would certainly invite him to consider moving his amendments.

Senator CORMANN (Western Australia) (12:39): I have a few brief remarks. Just to make the point again: what the government is introducing is a massive new tax, a massive new bureaucracy and, of course, a merry-go-round of money. For the government to try and tell us that a massive new tax, a massive new bureaucracy and a merry-go-round of money is somehow a market based mechanism beggars belief.

The minister tries again to perpetuate this myth that somehow there has been an inconsistency in approach. Let me just again place on record, very succinctly, that the world and Australia’s national interest since August 2007—when it comes to action on climate change and when it comes to Australia’s contribution to help reduce global greenhouse gas emissions—have changed.

Senator Singh: The science hasn’t changed!

Senator CORMANN: Well, the scientific challenge—

Senator Singh: The science hasn’t changed, Senator Cormann!

Senator CORMANN: Could I finish. The challenge of climate change is still there to be addressed, but we actually have to
make a judgment on whether what is on the table is going to make a positive difference or whether it is going to make things worse.

Here is the crux of the argument: in 2007 there was a general expectation that countries like the US and others would introduce cap-and-trade emissions-trading schemes. There was a general expectation that there would be an appropriately comprehensive global framework around pricing emissions agreed to in Copenhagen—and, of course, Copenhagen was a complete failure. And you need not go any further than the assessment of then Prime Minister Kevin Rudd as to what his views were about the success or failure of the Copenhagen conference.

All throughout 2008, 2009 and 2010 we had the Garnaut review report; we had the government's green paper and white paper; we had a number of parliamentary inquiries; and we have a clear public understanding, and the understanding in this parliament, of what a price on carbon in Australia would do in the absence of an improvement in an appropriately comprehensive global agreement to price emissions. All throughout 2008, 2009 and 2010, in the context of a lot of public debate, in the context of a lot of discussion, Senate inquiries and House of Representatives inquiries and policy debates within the various parties, there clearly was an increased and improved understanding of what a price on carbon in Australia in the absence of a price on carbon imposed by most of our trade competitors would (1) do to Australia's national interests, in terms of the impact on our economy, on jobs, on costs of living, and (2) have on the impact on global emissions. Of course, the conclusion after those processes all throughout 2007, 2008, 2009 and 2010 was that, in the absence of an appropriately comprehensive global agreement to price emissions, that in the absence of countries like the US and others deciding to price emissions in their countries through an emissions trading scheme or carbon tax, it was not in Australia's national interest to impose a price on carbon outside of such a framework.

If you look at all of the comments on the public record, whether from me or others, all throughout 2008, all throughout 2009, all throughout 2010, you will find that our position in 2008-09 was that we should not make a judgment on Australia's decision on a carbon pricing regime before Copenhagen. Indeed, the position when Malcolm Turnbull was our leader was 'not before Copenhagen'. Our position was that, if the government was going to put this legislation to a vote before Copenhagen, we would vote against it—and indeed we did. We voted against the government's legislation—together with the Greens, I might add. The Greens were sitting there right next to us voting against the Carbon Pollution Reduction Scheme, initially in the House of Representatives in late June 2009 and then in the Senate on 13 August 2009. I remember the day well! We voted against the Carbon Pollution Reduction scheme—that is, the coalition, Senator Xenophon, Senator Fielding and the Greens. We all voted against it because we all shared the view that what the government put on the table was not effective action on climate change. It was a scheme which, in the coalition's judgment, was just going to push up the cost of everything, cost jobs and put Australia under pressure without doing anything to help reduce global greenhouse gas emissions. And of course, the Australian people are entitled to believe that after a lot of backwards and forwards, after a lot of toing and froing, our Prime Minister, Julia Gillard, came to the same conclusion—because not only did Prime Minister Gillard tell then Prime Minister Rudd to kill the CPRS, not only did she tell him not to go ahead with the Carbon Pollution Reduction
Scheme; she also, of course, went to the last election with the most emphatic promise of them all, with the most emphatic promise any Prime Minister could ever make, when, looking the Australian people straight in the eye, through the barrel of a camera, in that memorable Channel 10 moment, in the morning, five days out from the election, she said to the Australian people:
There will be no carbon tax under the government I lead.

The reason she said that is that no doubt at that point in time Prime Minister Gillard, like the rest of us, realised that it was not in our national interest to impose a carbon tax in Australia when our trade competitors in other parts of the world were not doing the same. All we are doing is making higher-emitting businesses in other parts of the world more competitive than even the most environmentally efficient equivalent businesses in Australia. That is what the debate is all about.

So, Minister Wong, you can come in here and quote from my first speech as much as you like, but you know very well that the world has changed over the past four years. You know very well that the debate on Australia's national interests, in the context of carbon pricing, has changed.

Senator Thistlethwaite: The climate has not changed.

Senator CORMANN: I will take that interjection because this is at the core of the Labor-Greens lie. You want people to believe that your tax is going to do something to improve the environment. It will not. You are painting this picture of how we have disastrous prospects of rising sea levels, floods, droughts and this and that. But your tax is not going to do a thing to stop a single flood, a single drought or to stop sea levels from rising. In fact, arguably, your tax will make it worse to the extent that it will make environmentally efficient businesses in Australia less competitive than more-polluting businesses in places like China and encourage the shifting of economic activity from Australia to other parts of the world. You have reduced economic activity in Australia—and your Treasury modelling assumes that economic activity in Australia will be lower than it would be without a carbon tax—but you will have shifted it to other parts in the world where the same level of economic activity will result in higher emissions. So, the world is no better off. That is what this is all about.

Your government, Senator Thistlethwaite, wants to make Australian businesses less competitive so that higher-emitting businesses in other parts of the world can take market share away from them. Your carbon tax aims to reduce emissions—no, it will not reduce emissions; they will continue to go up—compared to what they would have been without a carbon tax in a way that increases emissions, arguably by more, in other parts of the world. What is the sense of that? There is no sense in it.

The reason this is a legitimate thing for us to assess is that we are not alone in this world. Look at what is happening in other parts of the world. Canada has just said that there is no way they are going to go down this path. The US has made it very clear that there is no way they are going to have a carbon tax or an emissions trading scheme. And I do not believe that Barack Obama would go back on his word in the same way that Prime Minister Gillard has. I am prepared to give you a guarantee that Barack Obama is not going to put emissions trading scheme legislation forward.

Let me address another Labor-Greens lie. The minister keeps coming in here and saying: 'Well, China is making all these efforts. China is doing so much better than
anybody thinks they are.' That is just not true. It is a complete fabrication. You do not need to look any further than the government's own modelling.

Senator Wong: I rise on a point of order concerning relevance. I do understand that we have a wide-ranging debate, but how is this germane to what is before the chamber? We have had a second reading debate and we have amendments yet to be moved. Does the opposition not want to move their one amendment and have a debate about that?

The TEMPORARY CHAIRMAN (Senator Boyce): There is no point of order. Senator Cormann, ensure that your remarks are germane to the legislation before us, please.

Senator Cormann: Of course there is no point of order. There is a minister who is touchy about the fundamental and inherent flaws in this carbon tax. I understand why the minister is touchy. She is very embarrassed by the fact that she has to push through a carbon tax that the government knows will do nothing to help reduce global greenhouse gas emissions.

I will conclude on the point I was making before the minister rudely interrupted me. The minister wants us to believe that somehow China is making huge efforts to reduce emissions. Back in 2008, only three years ago, the government thought that by 2020 emissions of CO$_2$ in China would go up to 16.1 billion tonnes. Do you know what figure the government now thinks CO$_2$ emissions will go to in China in 2020? It will be 17.9 billion tonnes of CO$_2$. So, over the past three years there has been a deterioration to the tune of 1.8 billion tonnes of CO$_2$ in the government's expectation of what will happen in China with CO$_2$ emissions. That figure is three times the total volume of CO$_2$ emissions in Australia, which puts into perspective what we are talking about here.

This government is all spin. There is no honest policy and there is no honest factual information; it is all spin. The government comes in here and says that China is making all these efforts, when over the past three years its expectation of what will happen in China by 2020 has deteriorated—it has gone backwards. The government's expectation of what will happen with CO$_2$ emissions in China is now worse than it was three years ago, whereas Australia continues to meet its commitments under the Kyoto protocol—whether it was the Howard government or the current government. We are doing our bit. We are doing what we committed to do. So don't give us all of this false rhetoric, Minister. Give us some facts.

Senator Wong (South Australia—Minister for Finance and Deregulation) (12:51): That was a speech like many we have heard from Senator Cormann simply railing against pricing carbon, not really dealing with the bill before the chamber. But I want to make a couple of points because the exhortation is to deal with facts. The facts are that it will cost us more as an economy and as a community to act later rather than earlier on climate change. The facts are that the government's policy will cost the economy, households and business less than the opposition's policy. The facts are that the science in the last few years has got worse. If you read the updates to the settled science—and I invite those opposite to read the work of Professor Steffen and publications earlier this year—what they tell us is that the window of opportunity is even narrower than it was when we first presented the CPRS. The facts are that those opposite like to talk about other countries in an attempt to say to people in this chamber and elsewhere, 'Don't worry about the risk to the next generation, don't worry about the fact that it might be a good thing to shift from being a very highly polluting economy, let's
just say no.' Those are the facts that Senator Cormann and his colleagues do not wish to face. I again suggest, Madam Temporary Chair, that it would be a good thing if we could deal with some of the amendments before the chair.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (12:53): Just a few questions, and I will not take much time of the chamber. One of my concerns is abattoirs. In one of our hearings for the Senate Select Committee on Scrutiny of New Taxes at Tamworth, Bindaree Beef, an abattoir in Inverell, the town I live in, estimates the cost to be $1.74 billion in the first year. Just a couple of points here. The Clean Technology Food and Foundries Investment Program provides a total of $150 million over six years. Minister, I am sure you are aware of that. This is just $25 million per year, but Bindaree Beef's budget to introduce systems will cost about $30 million. Refrigeration is the largest energy user on any meat processing plant and contributes around 65 per cent of electricity use at Bindaree Beef. They anticipate an annual increase of electricity costs to around $4.8 million from $3.2 million by 2012-13.

This is the concern I have: this whole program compensates houses and pensioners, but it also affects our business sector. The minister was just saying, in response to Senator Cormann, what the rest of the world is doing. These costs are not going on abattoirs in America which businesses such as Bindaree Beef have to compete against. They do not have those costs. What can be done about helping these industries that are vital to regional Australia and rural Australia, and people in the cities also eat meat? What are you going to do? The $150 million package over six years, just $25 million a year for the whole abattoir industry, is simply not enough. It will not achieve the change.

JBS, commonly known as Swift, has an abattoir near Ipswich—$3.3 million a year is their cost with emissions and the cost of electricity. Minister, could you inform me: what you are going to do to help these businesses survive? The $150 million you have proposed over the six years simply will not do anything and the criteria for the industry mentions:

- establishing a new production facility, green-field production site, or a facility for a new product which does not replace an existing site.

So a lot of your so-called compensation package does not relate to abattoirs; they will not be able to receive any of that package. Minister, what are you going to do to see that these jobs remain in our abattoirs? Just two weeks ago we had the abattoir at Grafton close and some 120 jobs have gone. What are you going to do to see that these abattoirs survive with this extra cost on their production?

Senator WONG (South Australia—Minister for Finance and Deregulation) (12:57): Perhaps I missed it, because I had to have a brief discussion with Senator Xenophon, but what you were quoting from? We might want to come back to that.

I am advised that the Treasury modelling shows that under a carbon price meat product manufacturing is in fact estimated to grow by 12 per cent to 2020 and by some 137 per cent to 2050. I am also advised that most meat processing facilities are likely to fall below the coverage thresholds of the scheme and hence not be directly liable. It is the case that there is dedicated support of some $150 million for the food and beverage processing industry available under the Clean Technology Food and Foundries Investment Program. This sets aside dedicated funds to support the industry to invest in technology or processes to reduce their emissions. The government will also establish a $40 million
energy efficiency information guidance program which will help industry peak bodies, including those that support the meat industry, prepare and disseminate information for their members on how to improve their energy efficiency.

As the senator would know, households are also provided with assistance to cover any increase in cost of consumer goods in the form of the household assistance package to which I have referred previously. To keep this in perspective, the additional Treasury modelling released in September 2011 estimates the carbon price will have an impact of about 0.4 per cent on the consumer price of beef, equating to about 10c a week. I certainly heard your comment about Bindaree Beef. I am advised that officials from DCCEE, the Department of Climate Change and Energy Efficiency, have also visited a number of sites, including to Bindaree Beef, to explain the program and either are presenting or have presented at a meat industry workshop in recent times or shortly. My briefing says shortly, but I understand that has already been done.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (12:59): This requires a simple yes or no answer. You would be aware, Minister, that in New South Wales, Queensland and Western Australia the coal-fired generators are still state-owned, they are properties of the state. Do you agree with that?

Senator WONG (South Australia—Minister for Finance and Deregulation) (13:01): We have just had a changing of the guard of advisers, to move to the constitutional law person. I am happy to come back to this after I just get some advice. I do not know if another senator has a short contribution. I will just get some advice and come back to the senator.

Senator WILLIAMS (New South Wales—Nationals Whip in the Senate) (13:01): My third and final question to the minister is: what compensation will there be for local government? During our Senate inquiry, we heard that Tamworth Regional Council would pay an extra $300,000 for electricity alone. The reports are that there will be a five per cent increase in the cost of road building. In New South Wales we have rate pegging. Last year the rates were pegged at 2.8 per cent. That does not include water, sewerage and other charges. In Inverell Shire Council, for example, their rates went up around $250,000 in income this year, brought about by rate pegging of 2.8 per
cent, controlled by the state government, and their wage bill has gone up some $450,000. Now they face an increase in electricity and in road building. With their rubbish dumps, what are their rubbish emissions? Do they come under the 25,000 tonnes when they group together the emissions out of all their rubbish dumps? What is the compensation to local government? That is my third and final question.

But I take you back to that constitutional item. How does the government wangle its way around the Constitution, which is above this parliament? The minister agrees that in Western Australia, Queensland and New South Wales those coal fired generators are properties of the state. That is who they belong to. They might be in the name of Macquarie Generation or various other names, but they are properties of the state, and the Constitution clearly says you cannot impose any tax on property of any kind belonging to a state. So those are my two questions. Firstly, how do you get around the Constitution under this proposed carbon tax? I think it is against the Constitution. I think it is in breach of the Constitution. Secondly, what is going to happen to local government? These are the last two questions I will be asking, Chair, because I know time is of the essence and Senator Birmingham has a quick question before we get into amendments from Senator Xenophon, I think.

The whole problem with this tax is that you are going to strangle the business sector. One day, over that side of parliament, you will realise where our nation's wealth is derived from. It is the business sector that employs people, pays tax and gives money to governments, which you then use to give out pensions and provide services and hospitals and aged-care facilities. You are going to compensate low-income families and pensioners, but you are doing nothing for abattoirs competing in the world market. We know what it is going to do the cement industry. We have already had two factories close in the last 12 months. The first was in Rockhampton. Now they have announced the closure of the factory in Kandos, where I think 96 people are directly employed plus all the businesses and the truckies and those that hang off and rely on that industry. This is where you have got it so wrong. You are strangling business, the very sector that drives our nation's wealth. You strangle our business sector, you strangle our economy and you strangle our nation financially. You might be able to compensate people, and that might shore up your votes if the compensation is 20c a week more than the cost is going to be, but here is the problem: you are going to put the costs onto local government and our industries competing overseas, and I question whether this is simply in breach of the Australian Constitution.

**Senator Wong (South Australia—Minister for Finance and Deregulation) (13:05):** First, in relation to the business sector. Let us come back to some economics. Most businesses will pass on the price. That is why there is assistance being provided to households—to reflect the 0.7 per cent CPI increase, which I must say is significantly less than the price impact of the GST when it was introduced. There are businesses who cannot pass on the price.

**Senator Williams:** Abattoirs can't do that!

**Senator Wong:** Senator, let me go through this. I listened to you in silence. Most businesses will pass on the price, and that is why there is assistance being provided to households—to reflect the 0.7 per cent CPI increase, which I must say is significantly less than the price impact of the GST when it was introduced. There are businesses who cannot pass on the price. Businesses in what I used to call the emissions-intensive trade exposed sector—I do not know if we still use that term—are provided with a very substantial amount of
assistance. I think it is $9.2 billion over the forward estimates under the Jobs and Competitiveness Program directly to deal with those issues. If the senator cared about business costs, he would care about two things: he would care about the fact that he is imposing a higher cost to achieve the same environmental outcomes through his policy—

Senator Williams: That is absolutely wrong!

Senator Wong: I will take the interjection that that is wrong. He is basically telling the Treasury and the Department of Climate Change and Energy Efficiency—apolitical public servants—that their advice is wrong and that he, Senator Williams, the National Party senator for New South Wales, is right. You are imposing higher costs on businesses through your policy, including your refusal to allow international trading. You would not do that if you did care about costs on businesses.

The second point on that I make is that you would support the MRRT because that actually will provide a tax cut to companies and small business. The Liberal Party is opposed in a multispeed economy to miners paying more tax and other companies, including the agricultural sector, paying less tax. You want to come in here and lecture us about business costs? Have a look at your own policy position.

Senator Williams: I asked you questions.

Senator Wong: I am going to come to those questions. I am just responding to the point on the business sector. In relation to section 114, the government's advice is that the provisions do not contravene that provision of the Constitution.

In relation to local government, as I said, the impact, which includes the impact on council rates, is 0.7 per cent of CPI. You might recall that the GST introduction was a 2.5 per cent CPI increase. The government provides ongoing financial support to local government through the financial assistance grants. That is a pool of funding indexed to the CPI, so obviously that indexation of itself captures the carbon price impact.

A question on landfill was raised with me. Landfill operators who take action to reduce pollution from waste before 2012 can secure carbon credits under the Carbon Farming Initiative. If landfill operators use methane from landfill to generate electricity, they may be eligible for renewable energy certificates under the Renewable Energy Target. I am advised that legacy waste emissions are excluded from any liability and, therefore, it is expected that carbon farming credits from landfill waste will in fact exceed liability on landfills in the period to 2020.

The government also made some changes in the other place to landfill liability to further ease the burden on local councils. There will no longer be a liability on landfills that emit between 10,000 and 25,000 tonnes. Landfill operators will be able to meet 100 per cent of their obligations using carbon farming credits. Regrettably, Senator, I think your party opposed those amendments. The Australian Local Government Association welcomed the outcome of this and the introduction of a market based approach to carbon pricing. They said:

The amended legislation addresses local government's concerns about the impact of a carbon price on small landfills, many of which are owned by councils.

Senator Birmingham (South Australia) (13:09): I have a very quick question for the minister before we bowl into the amendments. I want clarification from the minister or an extension to an answer that she gave me earlier today. The clarification relates to the issues we were exploring about the budget impact. I think in response to a
question of Senator Cormann the minister made a statement regarding when the budget accounts for permits for a future vintage year that are purchased in advance. She said that they are accounted for in the year in which they are acquitted. I am assuming she is meaning the year in which the permit is acquitted, in the vintage year of the permit. Minister, could you clarify for me, so we are absolutely clear in terms of the fiscal impact and the underlying cash balance impact, where that money is treated within the budget tables.

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (13:11): The answer I gave was in relation to the fiscal impact—that is, the accrual accounting impact—and that is correct. The tables that reflect both the underlying cash balance and the fiscal balance, the latter which is of course accrual accounting, are in the EM.

**Senator BIRMINGHAM** (South Australia) (13:11): Thank you, Minister, for that clarification. So we and anyone who chooses to look at the tables and the impact can have a crystal clear understanding: permits with a vintage date of 2015-16 that are purchased in 2013-14 do not appear in the government revenue for the fiscal impact tables but are of course taken into account in 2013-14 for the cash balance impact; is that correct?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (13:12): That is correct.

**Senator BIRMINGHAM** (South Australia) (13:12): I thank the minister for her clarification. It is my intention to now move the amendment.

### The TEMPORARY CHAIRMAN (Senator Marshall):
Before you do that, Senator, I know Senator Xenophon has been seeking the call on this matter.

**Senator XENOPHON** (South Australia) (13:13): I know that the minister is very keen for the amendments to be moved—I appreciate that—so we can get on with this. It is worth noting that the debating time for this bill in the committee stage has been truncated as a result of a procedural motion last week, which I do not think is desirable.

I have a question I would like to ask before Senator Birmingham moves an amendment that is identical to the amendment that I have tabled relating to the issue of when this legislation will come into effect. I am happy for Senator Birmingham to do that, but there is one preliminary issue before we deal with that amendment. It is a seminal issue that I think was touched on last Thursday night. Under the CPRS, under the legislation introduced by the Rudd government, there was a clear target of five per cent reduction in greenhouse gases based on 2000 levels. Whilst this legislation does not have any specified target, can the government confirm that it is the intention of this bill to achieve the same outcome of a five per cent reduction on 2000 levels, or will a greater amount or a lesser amount be achieved? This is not a trick question. It is a genuine question to establish whether what we are going for is the same target as that in the CPRS.

**Senator MILNE** (Tasmania—Deputy Leader of the Australian Greens) (13:14): There are a couple of remarks I would like to make before we get to the coalition's amendment. One is in relation to the deferred payments issue that we have been debating here this morning. I am now really confused about where the coalition stands in relation to this matter. I understand that what Senator Xenophon was talking about was a concern about the working capital burden that a carbon price imposes on the energy sector in terms of buying the permits upfront and having that investment. Generators are
saying they will need to hold $4 billion worth of permits in any one current year and a further $6 billion worth of units to support forward contracting. They were asking for deferred settlement arrangements.

We have talked about the fact that they do have a three-year certainty and so on, so the matter has been dealt with. We will have to wait until we see the practice to see whether these concerns are exaggerated. I have taken those up with the government. But clearly what the Energy Supply Association has said is that if they cannot afford a contract then the market, in their belief, would be more volatile, the electricity market would be more expensive and prices would be higher for consumers. So what we have, as I understand it, is the coalition saying that they will not honour any forward permits. They have come out and said that. In fact, the Leader of the Opposition, Mr Abbott, has come out and said that electricity generators ought not buy any forward permits because the coalition will not honour them.

By the same logic and argument, therefore, the coalition is saying that they want more volatility in the electricity supply market. They want to have greater expenses for the electricity market and they want to have much higher electricity prices for consumers because they want to deny generators the capacity to purchase into the forward market. That is as I understand it at the moment, so I find it interesting that Senator Birmingham is standing here trying to suggest he has some concerns about the provisions of the legislation relating to the settlement arrangements under the auction provisions when it is the coalition's policy to actually prevent any banking of permits and any projection into the forward market. In fact, AGL came out in the joint committee and said that the coalition's position represented a billion-dollar dead weight on the Australian economy because it drives up the cost of capital in the next few years because of the level of risk the coalition is driving into the scheme.

I thought it was important to clarify here with the coalition attempting to show some concern about the energy supply sector's supposed concerns about their ability to forward contract. If any group of people is undermining a forward contract market and driving up electricity prices and volatility in the market, it is the coalition. It is another reason why I believe we are going to see yet another retreat from the coalition. We will see them back off and not repeal these bills—in the event that they ever did come into government—because business will not tolerate it. Business wants certainty. Business wants the ability to forward contract, to hedge against risk, to even out its supply over time and its working capital arrangements. It wants those certainties, and the coalition is intent on taking those certainties away.

So business is going to start to wind up, as we saw them do when the International Monetary Fund came up for discussion last week, when even the Business Council of Australia came out. Even the Business Council, which has supported the coalition to the hilt up until now, came out last week saying that the Leader of the Opposition, Mr Abbott, was completely wrong on this and that it would be a breach of Australia's global responsibility and reputation to behave in the way that the coalition was suggesting.

As for the idea that what the coalition says in here stands, at the very time we had the coalition in here talking about why ARENA and CFEC were such bad ideas—"such a honey pot for the white-shoe brigade", to quote Mr Robb—in the lower house we had Mr Macfarlane saying that, not only would the coalition not oppose ARENA, contrary to the blood oath, in fact they would not repeal
it either. They are not even opposing it, let alone repealing it. So in relation to the emissions trading part of this scheme we will see the coalition not repeal these bills if ever they get the chance.

Now we are going to find business winding up very strongly on the coalition on economic credentials. We saw it over the weekend with the embarrassing situation for Senator Cormann where nobody told him the coalition was going to make a massive retreat on superannuation. He was busy up here with the superannuation industry, telling them there was absolutely no way they were going to honour the nine to 12 per cent. There was every certainty they would be repealing that, and then when you turn round twice there is a phone link-up based on what the politics demand and Senator Cormann is left hung out to dry. So already we have had the coalition in the Senate hung out to dry by expedience from coalition members in the lower house.

So I thought it was important to get some clarity around the issue of working capital arrangements for generators, future contracting and cash flows. I want to put on the record that the Greens did take this seriously through the joint house committee. We have looked at the submission from the Energy Supply Association. We have recognised that ACIL Tasman did that modelling for them. We have seen how ACIL Tasman can be very various according to whomever has asked for the modelling. I noted that in particular in relation to other aspects of this carbon price. I want to look very carefully at what does happen on the forward contracting, but I am of the view now, as is the government, that the three-year period gives people a clear indication of where things are going on pricing and will give them a clear collar, if you like, once flexible pricing starts. I think it is important in this context to have that on the record.

Senator BIRMINGHAM (South Australia) (13:22): Isn't it remarkable that, just as I get to utter the words 'I move' and then yield to Senator Xenophon, who asks a sensible question, Senator Milne—who has come into this debate at various intervals and said, 'Why aren't the coalition moving amendments?' and 'Why aren't there sensible questions being asked?'—comes in and goes off on a tangential rant! Is it any wonder then, Senator Milne, that I am going to respond? I am going to respond because you came in here and asked us to respond and talk about a whole range of other issues which were not the subjects of the debate.

I can see that Senator Milne is frustrated by this debate, as are the Greens. It is evident that, whenever Senator Milne sits down in her chair, she wants to bounce up and answer the questions instead of allowing the minister to do so. She is desperate to be the minister responding to questions about this package because, of course, she was so integral to its development. Senator Milne was sitting around the multi-party committee table designing and developing the package. Whilst Senator Wong, admirably, knows much of the detail of this package and handles it with aplomb much of the time in the chamber, Senator Milne is nonetheless the frustrated author of this package, and she wants to get to her feet herself and make sure that she has her say.

Senator Milne has the gall to attack the opposition for a lack of amendments, even though our position on this legislation has been crystal clear: we oppose it. My question for Senator Milne is: where are the Greens amendments? If you want to question where the opposition amendments are, I ask you: where are the amendments from the Australian Greens? There is not a single one.

Senator Milne, do you contend that this package is perfect? Do you contend that it
meets all of the designs that the Australian Greens would have liked to have had in it? Does it achieve everything that you chest-thumped over during the CPRS debates—all the things which Senator Wong well knows the Australian Greens needed to have in the CPRS but which you do not have in this package? You did not have the courage then to talk to Senator Wong, and you were not willing to negotiate with Senator Wong at all when she was the minister on the CPRS package, so, now that you have negotiated something, it does not achieve half of the things you talked about during those CPRS debates. It does not go anywhere close to achieving the things that you wanted at that time.

So, even though you love to come in here and attack me, attack changes in opposition positions and attack a lack of opposition amendments, the Greens are just as guilty as any other political party in this place for the way that the politics of this matter have been handled over many years. You come in here and talk about the electricity generation industry and how they are treated and say, 'The Greens took this matter seriously during the joint select committee, and we looked at closely.' But I have here in my hand the Greens contribution to the joint select committee's report. It is a sole paragraph which does not mention the electricity generation sector once! That is the Greens consideration of the matter, so do not come in here moralising, hectoring and lecturing all of us. We have heard plenty of that from the Greens time and time again.

I appreciate the frustration of the Greens. It is sometimes hard to tell, looking across the chamber, who is the biggest captive of whom. The Greens have had to sell out a lot of the things they demanded in order to be able to sign up to this package, and in doing so they have not even said to the government, 'We reserve the right to move a few amendments of the things that we didn't get during a multi-party committee stage.' You could have done that, Senator Milne. You could have said, 'We'll support this, but, at least in the chamber debate, we'll move some of the amendments of the things that we have said are important.' But, no—you backed down on all of that and did a fully fixed deal with the government. Senator Xenophon could move the most worthy and most sensible amendment in the world, and the Greens would not consider supporting it. It could be an amendment that most aligned with the things that the Greens used to talk about during the CPRS debates, and still they would not support it.

Do not come in here, Senator Milne, and lecture everybody else about things, because frankly the position the Greens have taken on this debate sells out many of the things that you used to talk about in the debates on the CPRS. You know it and Senator Wong knows it, because she had to sit through all of those debates and hear you speaking about them time and time again. Whilst often on this side we talk about the government's having to yield to the Greens to put this package up and so back down on Prime Minister Gillard's promise at the last election that there would be no carbon tax, it is equally true that the government have managed to persuade the Greens into supporting a package which was not previously in line with Greens policy and does not go towards achieving it.

We have been having a sensible discussion in this chamber at times this morning about the impacts on and the concerns of the electricity generation industry. Senator Xenophon has been asking some questions on that, I have been asking some questions on that and other senators have touched on different aspects of that. You have not been in here asking any of those questions, Senator Milne, so do not
come in and lecture us now. I note that there was a question from Senator Xenophon before you spoke, Senator Milne. It went to the issue of what the target is, and I think the minister was about to get to her feet to answer when you, Senator Milne, interrupted the chain of the debate. I invite the minister, if she remembers Senator Xenophon's question, to answer it. If she does not remember it, I am sure Senator Xenophon will happily ask it again before we proceed the amendments.

Senator WONG (South Australia—Minister for Finance and Deregulation) (13:29): Thank you for the reminder, Senator Birmingham, because I had actually forgotten, but I have now recalled it—I think I have recalled it; let me have a go and we will see. If I do not do well enough I am sure you will come back at me. I think the question was whether the government remains committed to the five per cent target—the relation between that and the bill, essentially. The government's unconditional commitment—and the opposition's, as I understand it—remains the five per cent, and the fixed-price period and the default caps in the legislation are consistent with that unconditional target.

Senator XENOPHON (South Australia) (13:29): I will follow on from that, but can I first say this. Senator Milne and I have our disagreements but I think we have a pretty constructive working relationship. We might have fundamental policy disagreements. I do not think it is fair to criticise Senator Milne for a lack of participation in the debate, which I do not think is quite right anyway when she participated very fully in the committee—a committee that I could not get on because of the way the numbers were. I do not think anyone in this chamber, whatever side of the debate they are on, could ever accuse Senator Milne of not participating fully and very vigorously in this debate. That is a fair thing to say which I think is a pretty apolitical statement.

Given the minister's answer, what I am trying to work out is this: five per cent was the target under the CPRS—a five per cent reduction of greenhouse gases by 2020 based on 2000 levels. The minister has said, as I understand it, that this bill does not resile from the government's position of a five per cent reduction in greenhouse gases based on the 2000 levels. Does it mean that this bill, in its form, in the scheme design that has been presented to us, could lead to a greater reduction than five per cent on 2000 levels by 2020? I am just trying to see whether this bill is an improvement on the CPRS in terms of its scheme design.

Senator WONG (South Australia—Minister for Finance and Deregulation) (13:31): Yes, the target by 2020 can be altered, and I think the government has previously set out some policy parameters which would be relevant to that. The bill also sets up the Climate Change Authority, which would provide advice on that. My recollection is that any revision to caps would be by way of disallowable instrument, so obviously there is also parliamentary oversight of the executive's decision, which would be taken subject to the advice of the authority.

Can I just indicate as a matter of courtesy to the chamber: at some point before question time I will not be in the chamber and Senator Lundy will be handling the bill for a short period. So, if there are specific questions of me, perhaps we should deal with them and then it might be sensible for Senator Birmingham to move his amendment, which would enable at least that discussion to occur in my absence which might be fairer on Senator Lundy and the chamber.
Senator XENOPHON (South Australia) (13:32): I thank the minister for indicating that she may have to go elsewhere briefly before question time. In relation to the structure of the scheme, it means that the target of five per cent is flexible. It is a disallowable instrument. I am not taking issue with that in itself, but what I am trying to understand is this: if that is what the government is saying, that you could vary the target—presumably upwards not downwards, I take it; you cannot vary the target downwards by disallowable instrument, can you?

Senator WONG (South Australia—Minister for Finance and Deregulation) (13:32): It is bad to use 'up' and 'down' when you are talking about reductions, but the unconditional five per cent is the position. I think you mean: could it become less ambitious than that?

Senator Xenophon: Yes.

Senator WONG: The government's position is: that is the unconditional target. And the default position and the fixed price are consistent with that.

Senator XENOPHON (South Australia) (13:33): I just want to finalise this particular issue. I know that is the government's position, but does it mean that another government with a different position could simply say, by disallowable instrument, 'We will reduce the target to one per cent,' or 'to zero per cent'? It is not a cute question; it is not a trick question. I just want to establish that. Assuming that the answer to that is no, the other issue in terms of increasing the target is: if the government says that one of the reasons we need to have this scheme in place is to give certainty, won't there be a degree of uncertainty if the target can be moved by way of a disallowable instrument? That is the flipside of that question.

Senator WONG: By disallowable instrument.

Senator WONG: yes, it could. This is assuming that there is no other amendment to the legislation. Obviously, if there is an amendment to the legislation we are in a different world—correct? Sorry?

The TEMPORARY CHAIRMAN (Senator Marshall): There is some discussion going on across the chamber without people having the call, so if people want things actually recorded in Hansard they need to seek the call and have it on the record.

Senator WONG: I will try. As I understand it, Senator Xenophon is asking whether any future government, were this legislation able to be passed, could alter the five per cent target to be less ambitious—to make it a three per cent target, for example. My response to that is: assuming no other change to the legislation—because obviously a subsequent parliament can change legislation—yes it could, but that would also be a disallowable instrument.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (13:35): I want to talk to this issue of targets for a couple of moments because it is a critical component of this legislation and one of the key differences in the design of this scheme compared with the Carbon Pollution Reduction Scheme. What has been set up here, which goes to Senator Xenophon's question about what a future government
might do, is a climate change authority which is independent and which, if you look at the requirements in the legislation for what the climate authority has to do, has to take into account the latest science. It has to take into account how effectively the current legislation, whatever it might be at that time, is working, in terms of reducing greenhouse gas emissions. And it has to set out a trajectory to meet the scientific imperative. It has to have regard to the government's target, and the target that has been set down by this government is an 80 per cent reduction by 2050. The Climate Change Authority, having regard to the latest science and the government's 80 per cent trajectory, will set down, for the first five years of the scheme, emissions reductions per year that are consistent with that objective. In my view, a climate change authority that is taking into account the latest science will be setting down a trajectory that is much more ambitious than would constitute a five per cent reduction. In fact, we would hope that this climate authority, taking into account the latest science and what needs to happen by 2050, will be setting a quite substantial trajectory in those five years.

How it will then work is the Climate Change Authority will provide its report to the government of the day about what that trajectory will be and what those emission reductions will be per year. Having taken that into account, the government of the day will then make a recommendation to the parliament by way of a regulation—and that regulation will be disallowable. In the event that the parliament of the day determines that it does not support whatever the recommendation of the government it will disallow that instrument. Obviously, what Australians would not want to see is a situation where there was no reduction target in place in such a circumstance—and not only people concerned about climate change; all those businesses that have established on the basis of ongoing reductions and have a business plan associated with that want to have some certainty. So the default position in the event that a parliament disallowed is for a five per cent equivalent reduction target expressed in tonnage. So whatever the Climate Change Authority recommends goes to government and the government then puts to the parliament a regulation and the regulation can be disallowed.

There is also the scenario—which I think is the one Senator Xenophon may have been referring to—where a climate change authority may make a recommendation to a government and a government may decide that it is not prepared to give effect to that climate authority recommendation. The recommendation will become public and it will be up to the government of the day to justify to the community and to the parliament why it is making a recommendation that is contrary to what the Climate Change Authority may have recommended. It will be up to the government of the day to make that case.

There is no way that you could see a professional climate change authority, based on its mandate to take account of the latest science, would be recommending a trajectory on a yearly basis that would take us back to a lesser target than the ones that it had recommended previously, because the ones it had recommended previously go to that trajectory. So it would only be in a situation where a Climate Change Authority's recommendation to a government was rejected by that government and that government decided to put in a regulation that gave effect to a much lesser ambition in terms of greenhouse gas reduction. It would then depend on the parliament and the make-up of the parliament as to whether that instrument was disallowed. In the event that it was disallowed, because it absolutely undermined
the emission reduction effort, the five per cent would kick in.

Unless a particular party which was a climate denier and did not support emissions reduction had control of both houses of parliament, it is difficult to see a scenario where such a low ambition represented in a regulation would actually be accepted by a parliament and not disallowed. So I think Senator Xenophon's concern about the reduction is not something that we could see expressed—certainly for the foreseeable future, because of the make-up of the parliament.

But in terms of the question as to whether the trajectory can be higher than the five per cent, it absolutely can be higher than the five per cent, because that climate authority is tasked with recognising the climate change impact, and we would certainly be expecting that the trajectory of emission reduction in the first five years and then annually thereafter would be consistent with the kind of reduction you need to get to, at least 80 per cent by 2050. Of course, the Greens would be hoping that it would get to net carbon zero by 2050 but, nevertheless, you could expect that trajectory to become steeper.

Having said that, giving the climate authority that independent power is critically important. That is why the Greens are saying that we need to put in place the Climate Change Authority and let the Climate Change Authority understand its mandate, as presented in the legislation, to take into account the latest science and to have regard to all of the other matters in its mandate and then set the trajectories. That is why we do not want meddling with the independence of the climate authority. In the same way, we have said the ARENA and the Clean Energy Finance Corporation need to be independent of the politics, they need to be overseen, they need to have the decisions implemented by people who have expertise and who are there for their expertise, and they need to deliver on their mandate, rather than to respond to which electorate may need investment at a certain time on the basis of what polling results might show.

I think the real strengths of this package is the establishment of a climate change authority to take this into account; the connection with the Productivity Commission in terms of the Productivity Commission working with the climate authority to assess over time whether the compensation to industry is such that it compromises our ability to meet the targets; and that we have an independent authority set up, with ARENA, and an independent authority, with the Clean Energy Finance Corporation. These are the real strengths of this particular package, because for the first time you get expertise-based leadership—based on science, economics or investment and finance expertise.

Senator Xenophon, I understand where you are coming from, and I can assure you that the Greens thought very carefully about the extent to which a future government might be able to try to undermine what is the strength of this package—and that is upward flexibility in terms of ambition—and I am satisfied that the checks and balances are there.

Senator BIRMINGHAM (South Australia) (13:44): I thank Senator Milne and note the comprehensive answer that she just gave. It probably does go at least partly to the point I was making before that Senator Milne is desperate to be the minister in this debate. In this instance she gave a good and detailed answer about how the Climate Change Authority will work and about how the targets may be set. I note that she confirmed, in response to Senator Xenophon,
the possibility, and it may well be a remote possibility, that the Climate Change Authority could recommend a target below the five per cent target that has been agreed to by all sides. It is an interesting revelation. It is quite possibly a revelation that is not likely to ever come into play, but it is an interesting revelation nonetheless.

I particularly note the comments that Senator Milne made at the end of her contribution, when she said that the Greens gave great consideration to the capacity of a future government to change the targets and whether that was a risk within the establishment of the Climate Change Authority, and that they were confident that the way the legislation was structured and the way the authority was structured minimised that risk. That is an area that should be of some concern to individuals. It is all very well to have expert authorities, but we all know that expert authorities do not always get it right. We know there are often circumstances where people expect the government of the day to act. It does seem as if the Greens have deliberately gone about setting up a structure, and have elicited the support of the Labor Party in setting up a structure, that does its best to remove the capacity of the parliament to chart the nation's own destiny, or certainly the capacity of the government. The parliament in the end obviously has the capacity to amend legislation if the support is there in both chambers, but for governments of the day it is noteworthy that the Greens sound like they take it as a source of pride that they have managed to get the Labor Party to structure this in a way that removes the capacity of future governments to make decisions that they think are necessary without significant change to this legislation.

I have a question that relates to this area of targets that we have been examining, which Senator Xenophon put us on. I will ask it and, if the advisors are able to give the parliamentary secretary a clear answer, that is fine. If they are not, I am happy for it to be taken on notice pending the debate resuming later in the day and Senator Wong's return. It relates to clause 17(2). There was a discussion with Senator Joyce late last week about clause 18(2), which is the annual reduction of 12 million units that occurs if there is not agreement to the regulations that are tabled in the parliament. The minister's response then was that the 12 million unit reduction was to achieve a steady reduction towards the five per cent target. In clause 17(2) the default mechanism formula for the initial year is described as total emission numbers for the eligible financial year beginning on 1 July 2012 minus 38 million units. My question is about how that 38 million unit figure is derived. I note that it is not evenly divisible by the 12 million units, so it is not simply a figure that maintains the flat trajectory that the 12 million units per annum does. How did the government come up with the 38 million units and why is that figure seemingly unrelated to the annual step down beyond the fixed price period of 12 million units?

Senator LUNDY (Australian Capital Territory—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Immigration and Multicultural Affairs) (13:49): Senator Birmingham, I think you already know where this is but I refer you to chapter 2 in the explanatory memorandum, which runs through the detail of the pollution caps. With respect to the question you just asked, the 38 million reflects the reduction between year 1 and year 4 of the carbon emissions to reach the target. Hopefully that answers your question.

Senator BIRMINGHAM (South Australia) (13:50): Perhaps the advisors can arm Senator Wong with the detailed answer later on. I understand the 12 million is a per
annum figure that gives an even trajectory towards the five per cent target. That was the argument Senator Wong put in Thursday's debate. Given that 38 million units obviously is not three lots of 12 million or two lots of 12 million, is it a higher target that has to be met in the initial fixed-price years of the scheme compared with what will be required in the non-fixed-price years of the scheme? If they are able to provide a clear answer there, that would be appreciated.

Whilst I am on my feet I will move, on behalf of the opposition and Senator Xenophon, the amendment on sheet 7168:

(1) Clause 2, page 1 (line 16) to page 5 (line 3), omit the clause, substitute:

2 Commencement

(1) The provisions of this Act commence on a date to be fixed by Proclamation.

(2) A Proclamation for the purposes of subsection (1) must not be made until after elections have been held for the 44th Parliament and the Parliament has met.

This is a very simple amendment. It is an amendment the opposition moved in the other place. It is an amendment that both Senator Xenophon and the opposition have circulated in relation to this debate. It is simple because what it seeks to achieve is simply to defer the proclamation of this legislation until the meeting of the next parliament. It seeks to ensure that the Australian people have a say on whether this package of bills comes into law or not. This amendment is put forward mindful of the fact that the Australian public were so willingly, deliberately and clearly misled at the last election. We have heard the words time and time again but, as I said in my speech in the second reading debate, just because the reminder of the Prime Minister's commitment at the last election that there would be no carbon tax under a government she led has been repeated time and time again in this place, in the other place and in public debate does not make the Prime Minister's breach of faith, her total backflip on that promise, any less significant.

Senator Chris Evans: Put your heart into it!

Senator BIRMINGHAM: Senator Evans wants me to put my heart into it. Senator Evans, you and every other senator on that side of the chamber and every Labor member of the House of Representatives went to the last election backing the Prime Minister and her promise. It is possible that Mr Rudd was not backing the Prime Minister as enthusiastically as everybody else, but the rest of you went to the election backing the Prime Minister, who stared down the lens of the camera and uttered those words: 'There will be no carbon tax under a government I lead.' That is the promise she made. She went to the election on it and she managed to cobble together a government in the weeks after the election, having only just limped over the line.

Those opposite all know that if she had not made that promise, if she had not betrayed the Australian people, if she had not told what has turned out to be a mistruth during the election campaign, they probably would never have limped across the line. They would never have got those votes together. But they cobbled together a government. They did a deal with the Greens and the Prime Minister came out and said, 'Lo and behold, circumstances have changed.' The only circumstances that changed were her desire to occupy the Lodge and the threat that she may not be able to do so unless she did a deal with the Australian Greens. So in the one month we heard the Prime Minister on the one hand saying that we would not have a carbon tax, selling that to the Australian people, and then on the other hand signing a deal with the Australian Greens to say we will have a carbon tax.
This amendment seeks to right that wrong. This amendment seeks to give the Australian people a chance, a choice and an opportunity to have a say on this policy. We can go to an election and give the Labor Party the chance stand for their principles and fight for what they are now attempting to legislate. This is an invitation to the government and an opportunity to go to an election and say, 'We believe in this, we are genuine about this and we will stake our position in government on this.' That, after all, is what the Howard government did in regard to the GST package. Former Prime Minister John Howard went to an election in 1998 and gave the Australian people a choice before bringing fundamental reform into this parliament. Your government has done the exact opposite. You went to the election promising one thing and then did the exact opposite afterwards, giving the Australian people absolutely no choice whatsoever.

The lack of consistency between those two examples is seen right through every stage of the debate. I have highlighted that in this place before in relation to the committee examination of this legislation. It is like chalk and cheese. For the GST we had multiple committees undertaking multiple examinations of the legislation over a period of five months. Here we had one hastily convened committee controlled by the government and the Greens that only had a couple of weeks to examine the matter. In this chamber today we see a vastly different situation occurring. When the GST was debated in this chamber the committee stage lasted for 51 hours and 32 minutes. How much time do you think we have for the committee stage this time around? We will be lucky to have 30 hours. We will be lucky to have half the amount of time.

The government proclaims the carbon tax is a bigger reform than the new tax system was. They claim this is even bigger. They certainly acknowledge it has economy-wide implications, and yet they will not provide the same amount of time for its debate in this place. At every opportunity they run away from debate. They run away from the opportunity for the Australian people to have their say. This amendment is their opportunity to have a say, the government's opportunity to put it to the Australian people and to have the courage of their convictions, to let their government rise or fall on this matter.

Senator XENOPHON (South Australia) (13:57): As a co-mover of this amendment, I come to this from a different perspective. I do not believe that the Prime Minister lied to Australians when she said just before the last election that there would not be a carbon tax under a government that she led, but I believe that she changed her mind. She changed her position because of the exigencies of minority government. There is a fundamental principle here: if you tell the people on such a key issue, an issue that could have been an election changer, that you are not going to do a particular thing but then change your mind after the election for whatever reason, I believe it is incumbent on you to go back to the Australian people on that issue. I supported a plebiscite. I do not support the view that there was some deliberate lying or misleading of the electorate. But it was a fundamental mistake for the government to say one thing before the election and then after the election, because of different circumstances, say, 'We will plough ahead with this regardless.' That is dangerous. That is fundamentally wrong. It is an issue that can only be resolved if this package of legislation is passed subject to the safety valve of it not being given effect until after the next election.

My position is consistent. Thirteen years ago in the South Australian parliament I voted against the then Olsen Liberal government's moves to privatisate electricity
assets. They went to the people at the 1997 state election in South Australia saying they would not privatisate the assets. They changed their mind a few months later, and my position is the same. It is entirely consistent with the view I have had for virtually all of the time I have been involved in parliaments. Do not promise not to do something and then change your mind without going back to the people first. That is why there is such deep cynicism about politicians and the political process—because they change their minds without going back to the people to get the necessary mandate in order to deal with an issue that will be fundamental to this economy. It is a fundamental issue of democracy. We should not proceed further with this bill unless we have this amendment in place.

Progress reported.

MINISTERIAL ARRANGEMENTS

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:00): by leave—I inform the Senate that Senator Arbib, the Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness, will be absent from question time today through to Wednesday.

Senator Ian Macdonald: I thought that you were being replaced.

Senator CHRIS EVANS: I will be getting more responsibilities, actually. During Senator Arbib's absence, I will take questions relating to the Indigenous Employment and Economic Development portfolio and to the Housing and Homelessness portfolio. Senator Conroy will take questions relating to the Human Services portfolio and the Arts portfolio.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to modelling undertaken by the Centre for International Economics showing that, under the Gillard government's carbon tax, by 2020 Australia's GDP will fall by $180 billion, real wages will fall by 1.9 per cent, average household earnings will fall by $11,340, productivity will fall by 1.9 per cent per worker and electricity prices will rise by nearly 30 per cent. Given those facts, how then can the Gillard government stand by its claim that the world's biggest carbon tax will be good for Australia?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:01): In relation to the CIE modelling, it was commissioned and released by the Minerals Council of Australia, an organisation that has a very clear view about the carbon price and has a well-known position in opposition to it. It is entitled to hold that position, but it is important to recall the context of this. In the government's view, the report released by MCA on the impact of carbon pricing on the Australian economy significantly overstates the costs of carbon pricing. The modelling is driven by unrealistic restrictive assumptions on international carbon trading. This is why the carbon price projected by the modelling is higher than Treasury projections. For example, the analysis projects that the carbon price will be significantly higher in 2020 than the Treasury modelling, $36.10—and this is in 2010 dollars—in 2016, growing to

The MCA assumed that international action is restricted by lower demand for carbon permits due to lower international ambition. The assumption is also made that sources of relatively cheap supply are disallowed from international carbon trading. This contradicts reality, as relatively cheap internationally tradeable abatement is already being generated through the Clean Development Mechanism and this is set to expand. To assume that this abatement is no longer available, as the modelling does, simply ignores reality and therefore creates modelling that significantly overstates the impact of a carbon price.

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:03): Mr President, I ask a supplementary question. Isn't it the case that the government's heroic assumptions about its carbon tax rest on there being a global carbon price and international emissions trading in place by 2016? Given that the congress of the United States recently voted against participating in Europe's trading scheme, Canada's foreign minister has said that his nation would never, ever introduce an ETS and the Japanese government has dismissed calls for a new global deal by 2015, why is the government irresponsibly rushing ahead without any meaningful international support?

Senator BRANDIS (Queensland—Deputy Leader of the Opposition in the Senate) (14:05): Mr President, I ask a further supplementary question. Given that the authors of the report, the Centre for International Economics, are yet another of the long list of experts to reject the Gillard government's wildly optimistic assumptions about global action on climate change, how can the minister justify imposing on the people of Australia a carbon tax with an impact, reach and scope far more severe than the carbon tax of any other country in the world?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:06): I am certainly happy to stack up the experts on our side of the debate against the experts on your side of the debate, Senator Brandis. We have the best scientists in Australia, the people at the CSIRO and the Bureau of Meteorology. We have the best economists in Australia, those in the Australian Treasury. We have the best advice on this issue—the same advice that was given to Mr Howard—which is that if you delay action it will cost you more. The science is clearly demonstrating the imperative for action, and in fact the situation is getting worse. That is why no credible economist supports the opposition's plan, which imposes more costs on the Australian economy, more costs on Australian business and more costs on
Australian households to achieve what they say is the same environmental target. The reality is that there is no credible policy on that side of the chamber on this. Mr Turnbull knows that and Mr Hewson knows that. *(Time expired)*

**Afghanistan**

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (14:07): My question is to Senator Evans, the Minister representing the Minister for Defence and the Minister representing the Prime Minister. Is the minister aware of the Morgan poll on Friday showing that 72 per cent of Australians think that now is the time for Australia's troops to be withdrawn from Afghanistan, with a very big majority of support regardless of the political persuasion of Australians? Can the minister say exactly what the government's timetable for the return to Australia of our troops serving in Afghanistan is?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:08): I thank Senator Brown for the question. Senator Brown and the rest of the Senate would be aware that the Prime Minister has made a visit to Afghanistan in the last day or so, as a sign of our ongoing commitment to democracy in Afghanistan, but also in order to reinforce to the Australian troops deployed in Afghanistan the support of the Australian government, and I think the support of all Australian people, for their mission there and appreciation of their efforts.

I am not aware of the particular poll Senator Brown refers to, but that certainly is not going to influence the government's thinking on this matter. He would be aware the Minister for Defence provided an update on Afghanistan to the parliament on 13 October, and in particular the importance of ensuring the Afghanistan-Pakistan border area did not become a safe haven for terrorists. The government has made it clear it will not be in Afghanistan forever and that we are on-track to transition to Afghanistan-led responsibility for security arrangements in Oruzgan province in 2014. In July this year Afghanistan and the international community welcomed the formal start of that transition process, in the first tranche of provinces and districts across Afghanistan. This marked an important step towards meeting President Karzai's objective that Afghan authorities assume lead security responsibilities across Afghanistan by the end of 2014. President Karzai is expected to announce the second tranche of districts and provinces for transition later this month. We remain committed to doing our best in Afghanistan—*(Time expired)*

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (14:10): Mr President, I ask a supplementary question. In view of President Obama's visit to Canberra in the coming weeks, will the Prime Minister be raising the issue of Afghanistan, the current withdrawal of over 30,000 troops from Afghanistan by the US and some concomitant withdrawal of troops from Afghanistan by Australia?

**Senator CHRIS EVANS** (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:10): Senator Brown would be aware that we have very close defence links with the United States of America, and I am sure, without being privy to the planned agenda for talks between Prime Minister Gillard and President Obama, there will no doubt be a focus on those defence links in any conversations held. Clearly, I think Afghanistan would be one of those issues discussed. As you know, both the defence
minister and the foreign affairs minister work closely with our American counterparts on issues of joint interest, and clearly our mission in Afghanistan is one of those. The USA remains committed to the same objectives as we do in Afghanistan, and that is particularly, as I say, focused on making sure Afghanistan does not again become a base for terrorists to recruit and train and to launch attacks against our—(Time expired)

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (14:12): Mr President, I ask a further supplementary question. Following the Prime Minister's commitment last year that there would be an annual debate by this parliament on our troop commitment to Afghanistan, I ask: when will that debate be held in each house and what duration is it expected the debate will have this year?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:12): Senator Brown, I am aware of the agreement to have that debate, and I understand Minister Smith made a statement to the House of Representatives, which I think was also tabled in this place. But I do not know the exact answer to your question, so I will take it on notice and get back to the Senate as to the scheduling of that debate.

Economy

Senator SINGH (Tasmania) (14:13): My question is to the Minister representing the Prime Minister, Senator Evans. Can the minister advise the Senate how international economic conditions are impacting on the government's plan to return the budget to surplus in 2012-13?

Honourable senators interjecting—

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

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:13): I thank Senator Singh for her question. Thanks to the Labor government's leadership, Australia has a very strong budget position—and this, of course, is a great strength during a time of global turbulence. But the government has made it very clear for some time that global instability will inevitably have an impact on our economy and on our budget. On Friday the Reserve Bank showed the weakness in the global economy was affecting our economy, with downgrades to its growth forecasts. Today, a report from Deloitte Access Economics shows how the budget revenues have taken a hit as a result of global pressures. The global instability is also impacting on confidence in the economy. It is making consumers more cautious and businesses more hesitant to hire, and all of that of course has an impact on our budget. But, despite the instability, the government remains determined to return to surplus in 2011-13 as planned. We understand that there is work to be done to ensure we meet this target, and the revenue downgrades caused by the global turbulence will make the job of returning us to surplus in 2012-13 more difficult. But we are determined to get there. This means we need to make further budget savings. The government is working towards putting together the mid-year budget update, which it will release before the end of the year.

Now more than ever a disciplined fiscal approach is absolutely critical. We have seen how the markets punished countries that do
not have the same level of fiscal discipline as Australia. This government is delivering the fastest fiscal consolidation on record and through this we are providing more room for the RBA to cut rates if the global situation deteriorates further. The IMF, the RBA and global rating agencies continue to back the strength of our budget position and our strategy to return the budget to surplus in 2012-13, well ahead of our international competitors.

Senator SINGH (Tasmania) (14:15): Mr President, I ask a supplementary question. Can the minister advise what role the minerals resource rent tax will play in ensuring the benefits of economic growth flow to all Australians?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:15): In addition to our continuing fiscal discipline, the government is committed to ensuring that the minerals boom can deliver a proper dividend to all Australians. We understand that there are many Australians who do not feel they are sharing in the direct benefits of the mining boom. We also remember how many people from the resource rich states felt they had been left with little long-lasting benefit from the last boom.

The government's minerals resource rent tax is a historic economic reform that will spread the benefits of the mining boom to all Australians, no matter where they live and work. The benefits will include a $1 billion tax break for Australia's 2.7 million small-business operators and a boost in the super guarantee from nine per cent to 12 per cent for around 8.4 million workers—I understand that this became bipartisan today, so that is a good thing. Also, there will be $1 billion of investment in new roads, bridges and other critical infrastructure. Australians know how important the mining industry is, but they also know that they are our resources and we should share in the profits. (Time expired)

Senator SINGH (Tasmania) (14:17): Mr President, I ask a further supplementary question. Is the minister aware of any risks to maintaining a strong economy and a secure future for all working Australians?

Senator CHRIS EVANS (Western Australia—Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate) (14:17): The working men and women of Australia care about their jobs, their job security and the jobs of others. They know that this government is creating and supporting jobs and providing Australians with the skills and training they need to access the high-skilled, high-paid jobs of the future.

Labor understands how to keep our economy strong. But time and time again those opposite have shown that they are simply not up to the job. They are not able to understand the importance of keeping the economy strong. There is nothing more revealing of this than the opposition's failure to get their maths right; they are now planning to cut $70 billion of services—of education and health—from the budget. Australians will want to know why that is occurring. Australians will also want to know how they are going to fund the reversal of their position on super. We now know it is going to cost them $80-plus billion of cuts in services—(Time expired)

Carbon Pricing

Senator RYAN (Victoria) (14:18): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to a report in today's Herald Sun
that Coogee Chemicals, which operates Australia's only methanol factory, which is in the Prime Minister's electorate of Lalor in western Melbourne, is planning to shelve its proposed $1 billion world-class expansion due to the direct impost of the Gillard government's carbon tax, potentially costing 150 jobs and exports worth $14 billion. Hasn't the Prime Minister now not only betrayed Australian voters, but also her own constituents, by going back on her word that there would be no carbon tax under the government she leads?

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:19): I will take the question, anyway, because I am very happy to answer it, but this is about the bill that is already before the chamber. If the senator had taken the time to rock up to the committee stage today I actually answered that question specifically on a number of occasions.

How pathetic from the opposition. All they can do on this important economic and environmental reform is rock up with the Australian and ask questions from it. You should be able to do better than that. I answered the question in detail and I am happy to read the same answer. It is also in the statement that Minister Combet put out earlier today. It said:

The fact is that a highly-efficient methanol producer like Coogee Chemicals is likely to end up with no net carbon price liability under [the government's] industry assistance arrangements, so they will not be at any disadvantage compared to their international competitors.

On the basis of information provided by the company, due to the expected efficiency of the proposed new facility, Coogee Chemicals would be entitled to more than 100 per cent of its carbon price liability in the form of free … permits.

Let us get the facts on the table, as opposed to this scare campaign.

But I remind those opposite, because there is this continuing misinformation in their campaign.

Opposition senators interjecting—

Senator Wong: There are many. Let everyone recall that when they supported Prime Minister Howard taking an emissions trading scheme to the 2007 election it was explicitly their policy that they would not wait for a global agreement. They would not wait for a carbon price to be introduced globally. It was specifically part of the policy that Mr Howard and the Liberal Party would move ahead of the rest of the world. They have changed their position now, haven't they?

Honourable senators interjecting—

The President: Order! I remind senators that the appropriate time to debate these issues is after question time.

Senator Ryan (Victoria) (14:21): Mr President, I ask a supplementary question. I would point out to the minister that that question is being asked now because of a lack of an answer earlier. Also, no part of the answer provided in the committee stage addresses the point raised by the company about increasing future costs. Given that Coogee Chemicals has spent 16 years developing the best technologies and have the lowest carbon dioxide emissions per tonne of any methanol plant in the world, isn't the threat of increasing costs in the future just another example of how the government's carbon tax is driving up emissions and not reducing them?

Senator Wong (South Australia—Minister for Finance and Deregulation) (14:22): The answer is no, for the reasons I outlined in response to the first question. If the company is in fact significantly more efficient than the industry average on which the permits are allocated, on the basis of the information provided to the government the
company is likely to be entitled to more than 100 per cent of its carbon liability in the form of free carbon permits. I do not know how many times I can give the same answer to that question. It is an obvious proposition. What we know is that the coalition will not allow the facts to get in the way of any aspect of the scare campaign, which I notice is petering out a bit. It has been interesting, hasn't it? It was a blood oath and now we see a bit of moving around in the coalition's position—(Time expired)

Senator RYAN (Victoria) (14:23): Mr President, I ask a further supplementary question. Given that the government is so intent on introducing its toxic carbon tax that we now know will cost Australia a billion-dollar project, threaten local jobs in the Prime Minister's own electorate as well as a potential 150 future jobs and lead to increased carbon dioxide emissions through the importation of methanol from less clean countries, why in every way is Labor deserting working Australians who want jobs and a cleaner environment? If the minister knows so much about this company, why are they withdrawing their investment?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:24): Senator Ryan is asking us about working families and low-income Australians. Let us remember: we are the government that got rid of WorkChoices; we are the government that put in place the first paid parental leave provisions in Australia's history; we are the government that has delivered an increase in the pension; we are the government that has increased the childcare rebate, increased funding to schools and increased funding to hospitals—none of which was done under the coalition. In fact, under Tony Abbott there was $1 billion taken out of public hospital funding.

Senator Ryan: Mr President, I raise a point of order. If the minister cares to range back to the topic, I could point out that she is also in the government that has seen electricity prices rise by nearly one-third—

The PRESIDENT: That is a debating point, not a point of order.

Senator WONG: If the senator cares about jobs for working people, why does he want mining companies to pay less tax and manufacturers and small business to pay more tax? Explain that. Go and explain to workers employed in manufacturing that your policy is that you want miners to pay less tax and manufacturers to pay more. Go to the small businesses in your electorate and explain to them that you want them to pay more tax but you want BHP to pay less. (Time expired)

Environment

Senator WATERS (Queensland) (14:25): My question is to the Minister representing the Minister for Sustainability, Environment, Water, Population and Communities, Senator Conroy. Tonight's Four Corners looks at the threats to the Great Barrier Reef from coal and coal seam gas ports, including those in Gladstone harbour. The Gladstone environmental disaster has seen vast numbers of turtles, dugongs and fish die and a three-week suspension of fishing in the harbour—all after two million cubic metres of dredging has occurred of the 46 million that has been approved by the minister. The Great Barrier Reef Marine Park Authority has expressed extreme concerns about the dredging and has said that it would have an unacceptable impact on marine life and the World Heritage area. The minister's response was to impose water quality conditions, but dredging has had to be suspended three times already when turbidity has gone off the charts in breach of those conditions. Last Friday levels of heavy metals also breached
federal water quality guidelines. When will the federal government suspend its approval for this largest ever dredging in the World Heritage area and act to protect the Great Barrier Reef?

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) (14:27): I thank the senator for her question on this topic. As she has noted, a three-week temporary fishing ban was imposed in Gladstone harbour and it was lifted on 6 October. The ban was imposed by Fisheries Queensland while tests were conducted to assess reports of an infection outbreak in barramundi and other fish species. Water quality analysis and fish testing have confirmed that fish in Gladstone harbour are not a food safety or human health issue. Health issues reported by commercial fishermen have been investigated. No links were found to the fish disease or to water quality. Water quality testing has shown little change other than seasonal variation in water quality since dredging began.

The Department of Sustainability, Environment, Water, Population and Communities is continuing to ensure that the dredging is undertaken in accordance with the stringent conditions of approval and the approved environment management plans. Contingency measures under the approved plans may include suspension or variation of dredging operations. The latest test results on further marine life samples taken from Gladstone have confirmed a parasitic flatworm as the cause of cloudy eyes in barramundi and found no parasitic, bacterial or fungal pathogens on either species tested so far.

Opposition senators interjecting—

The PRESIDENT: Order! Senator Waters is entitled to hear the answer.

Senator CONROY: Fisheries Queensland is continuing to conduct further fish sampling in the Gladstone area and Biosecurity Queensland will continue to test samples submitted. In addition, toxicology testing on current samples to examine fish tissue residues of heavy metals, agrichemicals and hydrocarbons is in progress, with the results expected by late November this year. The state government has established a scientific panel to oversee the investigation to provide independent scientific and health advice to the government. (Time expired)

Senator WATERS (Queensland) (14:29): Mr President, I ask a supplementary question. Thank you for that half answer, Minister. In June, UNESCO’s World Heritage Committee also expressed extreme concern about the impacts of the LNG export facilities in Gladstone and said that they may be jeopardising the World Heritage status of the reef. They called for a strategic assessment of all coastal development. The federal government says that this will not happen for another two years and that it will take about three years to complete, but nothing—no approval or application—will be suspended in that time. Minister, what will be left to assess in five years time when there are already at least six major port developments planned or underway?

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) (14:30): The independent scientific and health advice will be provided by a panel that is chaired by Dr Ian Poiner, CEO of the Australian Institute of Marine Science. The panel will include independent experts in the areas of water health, seafood safety, fish pathology and ecotoxins. Red skin discolouration and abrasions are being found in other species, including sharks, in
the harbour but these discolourations are thought to be due to parasites.

**Senator Waters:** Mr President I rise on a point of order. My question related to what would be left for the minister to assess once the strategic assessment concludes in five years time—I am across the water quality data.

**The President:** The minister is answering the question. The minister has 26 seconds remaining.

**Senator CONROY:** The discolouration of the sharks is thought to be due to parasites, and samples have been taken by Fisheries Queensland and sent away for confirmation. When the turbidity trigger values associated with dredging have been exceeded, action has been taken in accordance with the approved water quality management plan. Throughout the Queensland east coast, a closed season applies to barramundi from midday 11 November to midday 1 February.

**Senator WATERS** (Queensland) (14:31): Mr President, I will persist with another supplementary question. UNESCO's World Heritage Committee rebuked the federal government for failing to notify it of the approvals for those LNG projects in Gladstone Harbour in advance. But it is not just Gladstone Harbour; there is a litany of new coal ports proposed up and down the reef which will entail millions and millions of cubic metres of dredging. Has the federal government notified UNESCO of the cumulative figures of dredging and offshore dumping up and down the coast in the World Heritage area, and if not why not?

**Opposition senators interjecting—**

**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) (14:32): I thought Cory was part of the coalition frontbench, but apparently not. I have no details on those particular issues. I will seek some information from Minister Burke and see if there is anything you would like to respond to.

**Superannuation**

**Senator URQUHART** (Tasmania) (14:32): My question is to the Minister representing the Assistant Treasurer and Minister for Financial Services and Superannuation, Senator Sherry. Can the minister inform the Senate how the Gillard government is planning to fund its forward-looking reforms to ensure Australians receive a better retirement income through a higher superannuation guarantee? Can the minister give an assurance that the government's plan is transparent and fully costed?

**Senator SHERRY** (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism) (14:33): Successive Labor governments over a 20-year period have long recognised that compulsory superannuation was very necessary to strengthen our economy and to boost private retirement savings. We held a view that nine per cent was not enough, and we have announced an increase in the superannuation guarantee from nine to 12 per cent, which is to be phased in gradually over six years. The government have always been very clear about how this would be funded: at least part of the funds from the minerals resource rent tax would pay for this and other very important superannuation reforms. I might point out that a 30-year-old will be able to retire with an extra $108,000 in superannuation.

Until about a week ago, the Liberal-National Party was strongly opposed to compulsory superannuation and increasing it.
We heard from Senator Cormann and others that compulsory superannuation would wreck the Australian economy, it would decrease real wages and it would harm small business—very similar to arguments they have advanced with respect to the carbon tax. However, they have now changed their minds. As of Friday, the Liberal Party has changed its mind. Increasing compulsory superannuation is no longer going to wreck the Australian economy, it is no longer going to decrease real wages and it is no longer going to ruin small business. They have decided to support Labor's policy to increase compulsory superannuation. However, the Liberal Party have one major problem: they have no way of paying for it, because it is to be paid for by the minerals resource rent tax.

Senator Heffernan: Mr President, I rise on a point of order. Minister, do you have to shout?

The President: Senator Heffernan, that is not a point of order.

Senator Sherry: Having agreed to support Labor's policy of increasing the superannuation guarantee, the Liberal Party have no way to pay for it because it will cost $12.6 billion. (Time expired)

Senator Urquhart (Tasmania): Mr President, I ask a supplementary question. Can the minister please outline what the industry position has been on the government's plan to boost the retirement incomes of Australians?

Senator Sherry (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism): As I have outlined, the industry has been consistent over a long, long period of time—for most of the last 20 years—in supporting compulsory superannuation. Apparently this was what convinced a somewhat divided leadership group, according to numerous press reports today. We heard that Mr Robb, the shadow finance minister, has vowed to fight on and is livid that he was not consulted.

Opposition senators interjecting—

Senator CONROY: Well may you laugh, but you still have to find that $70 billion.

Honourable senators interjecting—

The President: Order on both sides! I need to hear Senator Sherry.

Senator Sherry: Senator Cormann—who is very quiet today, I notice—who was so keen on rolling the shadow Treasurer, Mr Hockey, and taking his job, was himself rolled last week. But of course Mr Robb, who was not consulted, is not a very happy man. He is livid. How can you trust the Liberal Party when their shadow finance minister is determined to reverse this decision. But there is still a risk. It is not just the superannuation—(Time expired)

Senator Urquhart (Tasmania): Mr President, I ask a further supplementary question. Can the minister inform the Senate whether the Gillard government has considered any alternative policies to its historic tax and superannuation reforms?

Senator Sherry (Tasmania—Minister Assisting on Deregulation and Public Sector Superannuation, Minister for Small Business and Minister Assisting the Minister for Tourism): There are other measures the Liberal Party will have to consider. We are cutting the tax on 3.2 million Australians' superannuation contribution—the contributions tax. We are cutting tax for small business. All of this is going to be funded, like the increase in the superannuation guarantee, from the mining tax, which the Liberal Party still say no to. What we have
today is a Liberal Party 'no' to the mining tax, but they have changed their mind on the super guarantee.

**Senator Conroy:** 'Yes' to super.

**Senator SHERRY:** Yes, we got a 'yes' at last. But we got a 'maybe' on the contributions tax cut on superannuation—maybe they will roll over on that one as well. And 'perhaps' the small business tax cuts, which are also paid for by the mining tax, will be the next one—that is a 'perhaps'. So we have got a no, we have got a yes, we have got a maybe and we have got a perhaps. I would like particularly to welcome Senator Sinodinos to the Senate. You have come in at a particularly good time. *(Time expired)*

### Carbon Pricing

**Senator BIRMINGHAM** (South Australia) (14:39): My question is to the Minister for Finance and Deregulation and Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. What in dollar terms will be the impact of the Gillard Labor government's carbon tax on the budget balance over the forward estimates? Mr President, to assist the minister in being directly relevant in her answer, I highlight that I am only seeking from the minister a dollar figure.

**Senator Wong** (South Australia—Minister for Finance and Deregulation) (14:40): I do not have the fiscal tables, which are in the EM, in front of me, but those fiscal tables, which were distributed in the revised explanatory memorandum, set out both the impact in terms of the fiscal balance and the underlying cash balance as well as the impact on revenue and receipts. If the senator is going to an issue which he raised with me previously, which is the impact on—

**Senator Abetz:** No, he's not.

**Senator Wong:** Senator, if you would let me respond. Do you want to ask the question, Senator Abetz?

**The President:** Senator Wong, ignore interjections. They are completely disorderly. If people wish to debate the issue, the time is at the end of question time.

**Senator Ian Macdonald:** Mr President, a point of order on the grounds of relevance: Senator Birmingham clearly said all he wanted was a figure. The minister has said she has not got the figure, so she should be sat down; she cannot answer the question.

**The President:** There is no point of order. Senator Wong, you have one minute and 29 seconds remaining.

**Senator Wong:** As I said, the budget impact is set out in the fiscal tables associated with the EM. You will see in those, Senator, and I think we were discussing them in the chamber, both the impact on the UCB and the fiscal balance. I am happy to read them all out if you want. This is inclusive of government measures, because we of course have separately costed those which were the MPCCC measures. The fiscal impact, which is table 3, is 4,424 over the forwards—that is, 2,940, 1,061, 1,607 and 938 over the forward estimate period. The UCB impact—is this the MPCCC plus government measures—is 2,907, 558, 701 and then a positive 32, which is a total impact of 4,134. They are in table 3 and table 4 of the fiscal tables in the EM.

**Senator BIRMINGHAM** (South Australia) (14:42): I thank the minister for providing the answer and I ask the minister a supplementary question. In what year beyond the forward estimates will Labor's carbon tax package stop running at a deficit to the budget? Will it be 2015-16, or 2016-17, or will Australians have to wait even longer for Labor's new tax to stop adding to the size of Labor's budget deficit?
It is true there is an upfront cost to this plan. It is true also that, once it is up and running, the scheme is broadly budget neutral and is consistent with the government's fiscal strategy and fiscal reporting frameworks. The government does not intend—as was the case under Mr Costello—to release information beyond the forward estimates for policies, for the same reasons, I am sure, that Mr Sinodinos could explain to Senator Birmingham, should he desire.

Obviously, there will be a midyear budget update, which will update figures in the usual way, and then the budget next year in which a further year will be added to the forward estimates.

Mr President, on a point of order: the minister was asked very specifically when this tax package would cease to run at a budget deficit. That is the clear point of the question. If the minister is not going to answer it, that is fine; she can say so and sit down. Otherwise, she is clearly not being directly relevant to keep talking, having indicated that she simply will not say when this tax package will stop running and adding to the budget deficit.

The PRESIDENT: The minister is answering the question and the minister has 12 seconds remaining to answer the question.

I have directly responded to the question. I said we will not be releasing figures on this or any policy beyond the forward estimates, which is the same as Mr Costello's position. I have also said that, once it is up and running, this is a broadly budget neutral package consistent with the fiscal strategy. (Time expired)

Mr President, I ask a further supplementary question. If Labor is unable to bring in a new $9 billion a year tax without actually increasing the budget deficit over the forward estimates by more than $4 billion and is equally unable to say when in the future it may cease to run a deficit, why should Australians believe that Labor has any hope of recording a budget surplus anytime soon?

Unlike the opposition, we have a fiscal strategy with fiscal rules and we have put forward our costings. Unlike the opposition, we did not have an $11 billion black hole in our election policies. Unlike the opposition, we do not have to cut $70 billion worth of services in health and education to make our policies add up.

Under Mr Abbott, that economic team over there, of which Senator Cormann is a part, have never once got the costings right—never once. Whether it was in the election campaign, on the floods package or now on the super package they have never been able to show where they will get the money from. Australians will know that, as they always do, they will have to hack into health, education and other services to pay for their costing errors.

My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. Given that the minister attended the recent Primary Industries Ministerial Council meeting, can he please update the Senate on any discussions at that meeting in relation to land use planning and how the Commonwealth is responding to this issue? In particular, can the minister inform the Senate on the issue of coal seam gas?

My question is to the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig. Given that the minister attended the recent Primary Industries Ministerial Council meeting, can he please update the Senate on any discussions at that meeting in relation to land use planning and how the Commonwealth is responding to this issue? In particular, can the minister inform the Senate on the issue of coal seam gas?
in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:47): I thank Senator Moore for her question. I have had good discussions with my state counterparts in relation to land use planning, particularly on what the Commonwealth is doing to facilitate consistency in relation to coal seam gas developments. Everyone in this place knows that coal seam gas regulation is largely a state responsibility. The Minister for Resources and Energy, Mr Martin Ferguson, is seeking to facilitate an agreement-best practice approach to regulating the industry across all states and territories. This is a significant policy issue which must be considered carefully and the Gillard government continues to put all energy into this process. With the Commonwealth facilitating the states and territories, they have agreed to work cooperatively covering the following areas: (1) coexistence between agriculture and mining, (2) developing a national regulatory best practice framework focusing on well integrity, including hydraulic fracturing and chemical use and (3) water management and monitoring. These discussions will be progressed at the Energy and Resources Ministers' Meeting in early December this year. It is time for the states and territories to adopt a harmonised framework as a more robust means of ensuring protection of the environment, water and land use. This would provide a consistent set of rules for the future development of the industry.

I acknowledge the level of community concern surrounding coal seam gas, particularly raised by the member for New England, Mr Windsor, along with my fellow Labor member of parliament. That is why the Gillard government is helping to facilitate discussions with the states and territories.

Senator Joyce: 'Fellow Labor member'—that is dead right.

Senator Ludwig: Your turn will come, Senator Joyce. This is important work which needs to be completed. The National Farmers Federation welcomed the Gillard government's call for harmonisation. The NFF president, Jock Laurie, said the regulation—(Time expired)

Senator Moore (Queensland) (14:49): Mr President, I ask a supplementary question. Given that there is significant research being conducted, particularly in relation to water resources, coal seam gas and agriculture, can the minister update the Senate on what Commonwealth government actions have occurred in relation to water resources?

Senator Ludwig (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:49): I thank Senator Moore for her supplementary question. There is significant research being conducted into the interaction between mining, coal seam gas extraction and water resources. This is particularly important work which will inform the development of the industry. There are a number of ongoing research projects relating to CSG.

The coal seam gas industry is strictly regulated by the Australian government where matters protected under national environmental law are likely to be significantly affected, such as the three coal seam gas projects in Queensland. These projects are subject to around 300 federal conditions relating to water, stipulating that the companies must test and monitor every relevant aquifer to verify whether or not they are hydraulically connected. The environment minister, in granting the approval with
conditions, has demanded that companies have to test and monitor every aquifer for connectivity. It is also why the minister has set up an expert scientific panel to assess the company’s plan— (Time expired)

Senator MOORE (Queensland) (14:50): Mr President, I ask a further supplementary question. Is the minister aware of any risk to the implementation of these reforms or of any alternative policy positions on this issue?

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (14:50): Yesterday, we heard that the federal leader of the National Party, Mr Warren Truss, released a blueprint for coal seam gas development. I wonder if he checked with his coalition partners whether or not Mr Abbott supports the plant. What about Mr Robb? We have seen how Mr Robb has dealt with Senator Cormann. The Nationals' record of getting their policies over the line with their Liberal partners so far has been abysmal.

Mr President, do you remember the Nationals’ plan to overturn Australia’s biosecurity system because of apple imports? What happened to that bill? It got pulled because the Nationals got rolled. I am sure everybody remembers the backflipping we saw in relation to the carbon farming initiative. One minute they supported it and the next minute they opposed it. They were rolled again. I expect this National Party's CSG thought bubble will die the same death. We have seen it on apples. (Time expired)

Carbon Pricing

Senator BOSWELL (Queensland) (14:51): My question is to the Minister representing the Minister for Climate Change and Energy Efficiency, Senator Wong. I refer the minister to modelling released today by the Centre for International Economics which shows that, if Australia acts ahead of the world in introducing a carbon tax and the world does not follow, it will have a vastly bigger impact on productivity, wages and the cost of living. When will the government release the modelling of the scenario which would appear to be the most realistic, the situation in which the rest of the world does not match the government's zeal in seeking a tax on carbon dioxide?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:52): I do not wish to be rude to the senator but that was actually the question I answered previously.

Honourable senators interjecting—

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

Senator WONG: I am happy to briefly reprise some of the answer but it is the same question as Senator Brandis asked me.

Senator Brandis: Mr President, on a point of order on direct relevance: it is not the opposition's fault if the minister does not understand the question. Senator Boswell's question was specifically directed to modelling.

The PRESIDENT: There is no point of order. There still remains one minute and 45 seconds in which the minister can address the question.

Senator WONG: In the government's view the report released by the MCA on the impact of the carbon price on the Australian economy significantly overstates the costs to the economy of carbon pricing. I have gone through the reasons, in my answer to Senator Brandis, why that is the case, which include the assumptions around international trade and the assumptions around the carbon price that proceed from those. So I am not really
sure—through you, Mr President—how much more assistance I can provide. I could read out precisely the same details that I read out on the previous occasion if the senator really wants, but I think the key issue is that the government does not agree, for the reasons I have outlined previously, with the findings of the modelling commissioned by the Minerals Council. The government stands by the Treasury modelling, which confirms that Australia will continue to enjoy strong economic growth under a carbon price.

Senator Brandis: Mr President, on a point of order: before the minister sits down, the point of order is this. Senator Boswell asked when the government would release its modelling. You know, Mr President, that the minister did not touch on that issue in her answer. She has 44 seconds. She seems to have been bringing her answer to completion. You ought to direct her to address the question she was asked.

The PRESIDENT: I understand the minister has completed her answer to the question. It is very difficult to take a point of order after the minister has sat down.

Senator BOSWELL (Queensland) (14:55): Mr President, I ask my supplementary question. If the minister disagrees with the Centre for International Economics modelling, why doesn't she release the assumptions and data for its MMRF and GTEM models, which would allow others to run like-for-like modelling scenarios and subject the government's claim to public scrutiny? What have you got to hide?

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:55): As I have previously discussed with Senator Boswell on many occasions, the government has released an enormous amount of detail associated with this modelling—

Senator Brandis: But you have not released the assumptions behind—

Senator WONG: I will take that interjection. That is not correct. The assertion from Senator Brandis is that we have not released assumptions. There have been assumptions released. The government has put out some 200, I think, pages of modelling results, including 100 charts, and 350 pages of consultants' reports. The report provides a detailed explanation of assumptions used in the modelling and is, if I may say, much more significant than the modelling which was not done, for example, under the Howard government in relation to water policy. We have been very transparent about the modelling which has been released. I accept that the opposition simply cannot accept the Treasury findings, which are that the economy continues to grow, wages continue to grow, jobs continue to grow and emissions fall against what they would otherwise be—(Time expired)

Senator BOSWELL (Queensland) (14:56): I thank the minister for her answer and have a further supplementary question. Minister, I refer to the estimates committee where Mr Glyde said it was impossible to model because there was not sufficient information for a third party to do the modelling. Another part of that was that Ms Quinn said the modelling had not been released before 2007. In view of that fact, there is no chance that anyone has the modelling. Will you come clean and give us—(Time expired)

Senator WONG (South Australia—Minister for Finance and Deregulation) (14:57): I will do my best with the question. I think it goes to the transparency of the modelling, and what I would refute is that there has been a lack of transparency.

Senator Abetz: Release it!
Senator WONG: Well, we have released two sets of modelling. The largest modelling exercise ever undertaken in the country's history was released and then it was updated, and we have released reports and charts and the consultants' reports and a whole range of the assumptions which underpin it. The truth is, Mr President, they want to talk about these issues because they do not want to talk about the fact that the Australian Treasury are advising the same thing that they advised Mr Howard when those opposite were in government: that you can introduce a carbon price and still grow your economy, grow your incomes and grow jobs.

Broadband

Senator THISTLETHWAITE (New South Wales) (14:58): My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Can the minister provide an update to the Senate on the community response to the 12-month rollout of the National Broadband Network announced by the Prime Minister in the Illawarra on 18 October?

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) (14:58): I thank the senator for his question. When the Prime Minister attended the University of Wollongong to announce the 12-month construction rollout for the NBN, it was an important day for all of the sites announced but particularly so for the Illawarra region. We saw a major expansion of construction across two sites, in Dapto and Wollongong, which will see nearly 11,000 premises gain access to the NBN fibre services. This is of course in addition to the 5,200 premises where construction is underway in the Kiama township and the Jamberoo area and the 2,500 premises that are now ready for service in the Kiama Downs-Minnamurra region.

What was the local reaction? In an editorial the next day, the Illawarra Mercury said:

… it was a good day for Wollongong.

They went on to say:

… we believe the generations ahead will look back and see the roll-out as an example of enlightened thinking.

And, in the Illawarra, we are finally seeing in some tangible ways how our "old economy" can be transformed to the benefit of everyone.

More recently, the Illawarra Mercury quoted a local Mangerton boy, Mr Nabil Naghdy, who now works for Google as a technology strategist, who suggested Wollongong would be transformed into our version of Silicon Valley. He said:

The rollout of the NBN is kind of like the platform for Wollongong. It's no longer a mining town - it could turn into Silicon Valley Australia …

(Time expired)

Senator THISTLETHWAITE (New South Wales) (15:01): Mr President, I ask a supplementary question. Can the minister please inform the Senate of any other statements of support for the 12-month rollout schedule in areas that are due to see construction?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (15:01): Coffs Harbour is one area that understands the benefits of the NBN. With construction underway for the 5,800 premises and an additional 13,200 premises announced, along with the 8,000 premises at Sawtell, the combined tally for the local area stands at just under 28,000 premises. In the Coffs Coast Advocate on 1
November, local councillor Jenny Bonfield said: 'One of the most exciting things to happen in Coffs Harbour is the imminent rollout of the high-speed broadband.' Councillor Bonfield also recognised that the council had a responsibility in harnessing the NBN's potential, saying: 'Success for our region relies on building our digital awareness and capacity. High-speed broadband is a catalyst that will transform how we'—  

(Time expired)

Senator THISTLETHWAITE (New South Wales) (15:02): Mr President, I ask a further supplementary question. Can the minister further advise the Senate of any additional views on the NBN?

Senator CONROY (Victoria—Minister for Broadband, Communications and the Digital Economy, Deputy Leader of the Government in the Senate and Minister Assisting the Prime Minister on Digital Productivity) (15:02): Mr President, it saddens me that those in the far corner in the National Party have sold the doormats, have sold out and have sold the souls of their rural and regional constituents in opposing world-class technology being deployed in their local areas, all while supporting Malcolm Turnbull's position—

The PRESIDENT: You need to refer to people by their—

Senator CONROY: sorry, Mr Turnbull's position—to abolish uniform wholesale pricing and suggest that people in the country can have a voucher. That is your alternative. Back on 7 April 2009, Senator Joyce, of all people, lauded the NBN, claiming it as his own. Here is Senator Joyce's quote:

How could we disagree with something that is quite evidently our idea …

Senator Nash even joined in, and she said: The plan then was to roll out fibre optic cable which the government would lease to service providers—  

(Time expired)

Senator Chris Evans: Mr President, I ask that further questions be placed on the Notice Paper. In doing so, I pass on the government senators' congratulations to Senator Fifield on the birth of his son.

SHADOW MINISTERIAL ARRANGEMENTS

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (15:04): by leave—Very briefly, Mr President, I indicate to the Senate something I should have indicated at the beginning of question time—namely that, in the absence of the shadow minister for disabilities, carers and the voluntary sector and Manager of Opposition Business in the Senate, Senator Cory Bernardi will be taking on those responsibilities. And of course we congratulate Senator Fifield and his partner Mari on the birth of their son Harry Luka, who, I suggest, may be the last parliamentary baby born in a carbon-tax-free Australia.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Indigenous Affairs

Senator LUDWIG (Queensland—Minister for Agriculture, Fisheries and Forestry, Manager of Government Business in the Senate and Minister Assisting the Attorney-General on Queensland Floods Recovery) (15:05): I seek leave to have the answer to Senator Wright's question of 3 November 2011 to the Attorney-General incorporated in Hansard.

Leave granted.

The answer read as follows—
ANSWER

The Attorney-General has provided the following answer to the Honourable Senator's questions taken on notice on 3 November in relation to:

- funding for organisations assisting Indigenous Australians in prison;
- the case management approach required for the provision of prisoner through care services; and
- the recommendation of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, in the Doing Time — Time for Doing report, that the Commonwealth Government endorse justice targets for inclusion in COAG's Closing the Gap strategy.

ANSWER — FUNDING

- The Government provides funding for Indigenous prisoner through care projects through the Indigenous Justice Program administered by the Attorney-General's Department. The Indigenous Justice Program totals $11.4 million in 2011-12 and funds projects designed to improve Indigenous community safety across Australia by addressing offending, victimisation and incarceration. This funding complements the efforts of State and Territory governments, which have primary responsibility in this area.
- In line with this Government's strong commitment to improve justice outcomes for Indigenous Australians, the Attorney-General's Department actually increased funding for prisoner through care projects in 2011-12. The amount invested in these projects increased to $3.5 million, up from $2.9 million in 2010-11.
- There were a number of projects that did not demonstrate strong results in 2010-11 and as a result, were not funded in 2011-12 or had their funding reduced. The Department's decision to decline or reduce funding was based on a thorough assessment of the project's likelihood of achieving outcomes to successfully rehabilitate prisoners and reduce their likelihood of reoffending. The Department took into account factors including the merits of each applicant's funding submission, past performance and external reviews (where relevant) and competition amongst the applications received.
- Transitional funding of between three to six months has been offered to all projects that had been funded previously but declined in 2011-12, in order to assist them to transition services for clients and meet staff obligations.

ANSWER — THROUGH CARE - CASE MANAGEMENT REQUIREMENTS

- The prisoner through care projects funded by the Attorney-General's Department are intended to achieve successful reintegration of prisoners back into their community and to reduce or prevent further offending. A case management approach is needed to support prisoners from the pre-release stage through to post release so that there is a continuum of service across all critical elements in their rehabilitation. Complementary services, such as financial counselling and holistic community support programs, may be provided as part of an individual's case plan.

ANSWER — JUSTICE CLOSING THE GAP TARGET

- The Government expects to respond to the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs' report Doing Time — Time for Doing Report by the end of 2011.
- At the July 2011 meeting the Standing Committee of Attorneys-General, Ministers discussed the unacceptable rates of incarceration of Indigenous Australians and the Doing Time — Time for Doing Report and agreed:
  
  (a) to significantly reduce the gap in Indigenous offending and victimisation and to accurately track and review progress with a view to reviewing the level of effort required to achieve outcomes, and
  
  (b) to ask First Ministers to refer to COAG the possible adoption of justice specific Indigenous closing the gap targets, acknowledging that in many instances their relative occurrence are due to variable factors outside the justice system.
• Following this decision, on 25 October 2011 the
Honourable John Rau MP, as the current Chair
of the Standing Committee of Attorneys-General,
write to the Prime Minister requesting that
justice-specific Closing the Gap targets be
included for consideration on the COAG agenda.

QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS

Carbon Pricing

Senator JOHNSTON (Western
Australia) (15:05): I move:

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

I have listened to the minister both in the
committee stage and during question time
today. The government is determined to have
Australians believe that a carbon tax is,
firstly, the best thing for our economy. It is
also determined to tell us that a carbon tax is
in the national interest, that a carbon tax is
good for small business, that a carbon tax is
great for households, that taking billions of
dollars out of the Australian economy will
help it grow and that giving billions of
dollars to overseas countries for carbon
credits is a good thing for our economy. This
government has but one talent, but one
capacity, and that is to say precisely the
opposite of what in fact is the truth. All of
those things are untrue.

The lack of honesty and integrity in this
carbon tax flows from the very words by
which it has had its genesis: 'There will be no
carbon tax under a government I lead.' This
is the most notorious and dishonest statement
ever heard in Australian politics. It sits right
alongside 'We will have a regional
processing centre in East Timor' and 'We
will have a regional processing centre in
Manus Island.' Economic forecast after
economic forecast from this government has
been completely and utterly false. Another is
'There will be a budget surplus in 2012-13.'
Already the Treasurer, after having
committed to it, is back-pedalling on this.
This government has not delivered a surplus
budget, and Labor governments have not
delivered a surplus budget for more than 20
years. The minister has just fobbed off every
single question—and I heard some very good
questions today, including during question
time—about particular industries. The
minister stood and said, 'The government's
modelling shows the Australian economy
will continue to grow.' This is not about the
individual industries that are devastated by
this tax. This glib global statement is one that
the minister has stuck to through thick and
through thin. The meat industry question
from Senator Willi
amson was very, very
good. That industry is going to be
devastated, and the minister just said, 'Oh,
the government's modelling shows that this
economy will continue to grow.' This is the
fraud. This is the deception. This is the lack
of honesty.

Of course, the minister will fight to the
last breath not to disclose the assumptions
upon which this crazy modelling has
determined that the economy will continue to
grow. Confronted with Minerals Council
modelling, she said with an almost disdainful
tone in her voice, 'Oh, that's Minerals
Council modelling,' as if to say that
they are all deniers and heretics and they
should be crucified shortly. This minister is seeking to
put through something that she knows is not
good for the economy and is a huge fraud on
the Australian public. One need go no further
than her immortal words in 2009, when she
said:
The introduction of a carbon price ahead of
effective international action can lead to perverse
incentives for such industries to relocate or source
production offshore ...

These are her words. She continues:
... there is no point in imposing a carbon price domestically which results in emissions and production transferring internationally for no environmental gain.

This is the minister speaking. Yet she comes in here today with a completely flip-flop perspective. Her credibility is less than zero. She stands over there telling us homily after homily after homily, lecturing us until the cows come home that this is good for us.

She herself has said that this is a shocking tax, that a price on carbon is going to kill jobs and kill our economy, and that it will just send all our manufacturing industries overseas—where they do not have such a crazy government with such a crazy policy. She said that, and she believed it at the time. What has happened? What has happened is that she has got into bed, as her government has, with the crazies at the end of this chamber—the Greens. That is what happened.

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (15:10): It does come as a bit of a surprise that Senator Johnston would be talking about credibility after the backflip by his party last week on the issue of superannuation. We had Senator Cormann assuring Phillip Coorey only last Friday that there was no way that the Liberals would not be reversing superannuation. We saw last week in Europe, that other countries recognise the fact that Australia is leading in respect of dealing with the issue of pollution. But the reality is that a whole host of other countries accept, as this government does, that we must act on climate pollution.

The DEPUTY PRESIDENT: Order on my left!

Senator FARRELL: Thank you, Mr Deputy President. I appreciate that protection from Senator Cash. What was senator Wong talking about today? She was talking about the importance of this government’s policies with respect to pricing pollution. One of the great misconceptions, particularly as outlined by Senator Johnston, is that other countries are not going down the track of pricing pollution. The reality is that 90 countries representing over 80 per cent of global emissions and over 90 per cent of the global economy have made pledges to tackle climate change. It is true, as we saw last week in Europe, that other countries recognise the fact that Australia is leading in respect of dealing with the issue of pollution. But the reality is that a whole host of other countries accept, as this government does, that we must act on climate pollution.

The European Union has had an emissions trading scheme for six years and it will be expanding this scheme from the year 2013.

Senator Bernardi: They are going broke.

Senator FARRELL: Senator Bernardi, you talk about going broke. We cannot afford to ignore the price of pollution in our own country or in the rest of the world. This government is taking on the challenge that John Howard—your great hero, Senator...
Bernardi—went to the 2007 election on. He said that this was a problem and that he was going to do something about it. What happened to that?

Senator Ian Macdonald: They voted him out.

Senator Farrell: Yes, that is true. They voted him out. They voted him out for lots of reasons.

Senator Bernardi interjecting—

Senator Farrell: They voted him out for lots of reasons. If only Senator Bernardi’s other great hero, Senator Minchin, had got his way and you had got rid of Mr Howard, then things might have been different—

Senator Ian Macdonald: We’d probably still be in power!

Senator Farrell: That is right; you might have been. But that was not to be, Senator Macdonald. The reality was that both political parties went to that election with a proposition to deal with carbon emissions. But the difference between your party and our party is we are delivering. The difference—

Senator Bernardi interjecting—

Senator Farrell: You had a leader, Senator Bernardi—

Senator Cash: So did you!

Senator Farrell: Temporarily, you had a leader—

The DEPUTY PRESIDENT: Order! Senator Farrell, two matters: firstly, direct your comments to the chair, not across the chamber; and, secondly, I think it would assist listeners and certainly the people in the sound booth if you did not hit the desk with your fist. It does cause problems with the sound. Thank you. Senator Farrell, you have the call.

Senator Farrell: Thank you for those two observations, Mr Deputy President. I will calm down my behaviour. But I cannot resist making the point, with or without a fist, that what this government is doing is what we went to the 2000 election to deal with— (Time expired)

Senator McKenzie (Victoria) (15:16): I rise to also take note of answers given by Senator Wong at question time today to questions asked by coalition senators, regarding the carbon tax. Just how typical it is of the Labor Party that, when they are asked for comments regarding job losses—in my own home state of Victoria, in the western suburbs, a particular region of socioeconomic disadvantage—they go straight to criticising Work Choices instead of dealing with the reality of the legislation in front of us this week that will lead to job losses. Where will the 150 workers who were mentioned during question time go so that they can pay their mortgages today, this week, this year? Where are the green jobs, not in five years time but today? Where are the training programs that will reskill these workers who are losing their jobs now, as a result of the uncertainty brought about by this clean energy legislation?

Speaking of job losses, I would like to mention an industry in our nation that is a significant employer: the dairy industry—40,000 jobs nationwide in the dairy industry, an industry that is particularly energy intensive and will be significantly impacted by the imposition of a carbon tax and the subsequent increase in electricity prices. This is despite agriculture not being directly taxed, as said in one of the many documents I have here as a result of our work this week, Securing a clean energy future. The modelling that is publicly available, including the assumptions used for calculations by the dairy industry, has indicated that individual dairy farmers will see an increase of $6,000 per annum in their electricity costs. That is not to mention the
flow-on effects for milk processors, transport after 2014 and even fridges, because that milk eventually goes down the supply chain and ends up in people's fridges, adding to the costs that householders will be subjected to.

Talking about the fridges holding the milk that will be subject to increased electricity prices, if we go to figure 8.2 on page 84 of Securing a clean energy future, we can see that the data on household emissions is based on household emissions in 2007. As the note below the figure says of the data:

… based on 2007 household emissions (the latest year for which the necessary detailed data are available).

So we are modelling all of this on data from 2007, which is the most recent data available—that is, four years ago. There are decisions being made on data that is so old. My comment would be: how are we going to monitor the success of this legislation in reducing emissions of CO$_2$ and in changing households' behaviour so that we can move forward to real action, in the long term, on climate change if we do not know how to collect the data, if we do not have the mechanisms in place to understand how much electricity households use day in, day out? How can we model it if we cannot get our hands on the data? This government answers questions by providing assumptions based on modelling of data that we cannot use.

I want to refer to a comment Senator Farrell made earlier. He said that 90 countries, representing over 80 per cent of global emissions and over 90 per cent of the global economy, have made a pledge to reduce those emissions. But none of them are taking the type of drastic action on climate change that this government is. None of those 90 countries has decided to impose a tax that will significantly damage their nation's economy—and why would they, in the current fiscal climate at the global level? Why would you damage your competitive advantage, particularly when you are a resource-intensive economy like Australia? Why would you risk losing your jobs and your exports for no environmental gain? I think that those 90 countries that Senator Farrell mentioned have not done so because they know how ridiculous this carbon tax is as a policy response to climate change. As we have said time and again, no matter how much paper has been used, no matter how many trees have been felled, in order to produce the legislation that we are considering this week, nothing will make this a good tax or a good response to climate change.

Senator SINGH (Tasmania) (15:21):
Senator Penny Wong has provided a huge number of responses—I cannot recall how many—to questions on this issue, whether it be in the numerous question times we have had on this issue or in the time in committee recently on the package of clean energy bills. As ongoing as this has become, it is clear that every time the opposition do not hear the answer they want to hear—that is, an answer that fits into their negative agenda on climate change—they choose to pretend that it is just not the right answer, that it is not an answer that equates with or fits their agenda. This is the farcical situation we find ourselves in.

Senator Wong, the Minister representing the Minister for Climate Change and Energy Efficiency, has provided detailed answers that are evidence based. She has referred, for example, to Professor Will Steffen, one of the climate commissioners who have provided a lot of detail on the science and why we are acting on this issue. The director of the ANU Climate Change Institute, he is peer reviewed and highly respected in the science community and has provided a lot of detail to the government and the multi-party committee that has brought us to the position of having the clean energy package before
us. I met with him on 15 December here in Parliament House about the Holocene, which we live in, and the one trillion tonnes of carbon dioxide that is of human origin in the atmosphere today—the one trillion tonnes that Australia is going to play its part in ensuring we do not continue to produce.

Why are we doing that? Why are we here today debating the fact that we need to act on climate change? We are not necessarily doing it for ourselves. We are doing it for our children, for the next generation. We are doing it to ensure that we leave this planet with a much better make-up than it currently has and to ensure that the next generation live in a climate that is not going to be volatile and to the detriment of their lives and the environment in which they live.

The opposition can continue to ask the questions to which they do not get the answers which suit them: the negative answers they are looking for so that they can go out and bag something that is really good. And this is really good; it is not only providing a lot of support to transition ourselves to a clean energy future with a clean energy economy but also providing tax relief to Australians. Of course they do not want to go into that part of it and have to say, when and if they repeal it, whether they would repeal the tax-free threshold of $18,000 that has been offered to Australians. We know their backflip position now on superannuation.

We have an opposition here who continued to oppose everything, to run scare campaigns, to backflip on policy, and to come into this place and try to pinpoint Senator Penny Wong for answering numerous questions on climate change. And all the while we know that there are those in the opposition who do not even believe in climate change and those who have backflipped so many times like Senator Cormann, who thought in 2007 that it was a positive and sensible approach to have an emissions trading scheme and yet today has backflipped on that principled position. (Time expired)

Senator BUSHBY (Tasmania—Deputy Opposition Whip in the Senate) (15:26): I greatly enjoyed some of the contributions this afternoon but less so some of the others. The coalition senators made thoughtful, considered contributions, where they actually examined and considered the issues related to the questions that were asked during question time of Minister Wong, the Minister representing the Minister for Climate Change and Energy Efficiency. However, as usual, the government senators reverted to their typical approach of obfuscation and diversion from the facts and the real issues, which are the failings of the government's plan to introduce a carbon tax and the fact that it simply will not work in delivering the environmental outcomes that they say it will.

Senator Farrell also noted that there were 90 countries taking action, although he seemed a bit confused at the time—it might have been 90 per cent of emissions or 90
countries. The fact is that none of those 90 countries are taking any action in terms of putting a price on carbon that goes anywhere near being as broad or as deep as what we are doing in this country. No nationwide carbon tax or carbon-pricing schemes have been introduced in any of the 90 countries. I recall that Minister Wong used the term 'a shadow price' on carbon for what she was talking about. The reality is that the vast majority of those countries taking action on carbon are doing the very sorts of things the coalition is proposing to do in its direct action plan: taking action that puts what Senator Wong herself called a shadow price on carbon by using measures that are not a blatant and overt tax on carbon or an emissions trading scheme. So I think the government argument in pointing out these 90 countries is a little disingenuous because all it does is prove that alternatives like what the coalition is proposing in its direct action plan are actually being employed elsewhere and are actually acknowledged by the government as being a legitimate way of addressing the issue.

Senator Singh mentioned that Senator Wong had provided numerous responses to questions. I think she carefully used the word 'responses' because, quite clearly, Senator Wong does not actually provide answers to questions and 'responses' is a very clever way of saying that. Of course Senator Singh has a lot to hide when it comes to this issue because she is a classic example of someone who would not be in this place were it not for the carbon tax promise followed by the backflip later on which proved it to have been a mistruth. Speaking as a senator from Tasmania, as is Senator Singh, I can say there is no way that the Labor Party would have won that third Senate spot in Tasmania—

Senator Abetz: Senator Singh's spot?

Senator BUSHBY: Exactly—had the Prime Minister not gone to the people of Tasmania and said, hand on heart, two or three days before the election, 'There will be no carbon tax under the government I lead.' If she had not said that in the lead-up to the election, Tasmanians would have voted with their feet, the Labor Party would not have received the votes needed to get that third Senate spot and Senator Singh would still be the failed minister, the dumped Labor member for Denison, that she was in Tasmania following the last state election, in which she could not even hold onto her seat. We have also heard today, in response to questions, about Coogee Chemicals, which is a Victorian company that was looking to make a $1 billion investment in methanol production in Australia. That has now been cancelled for the specific reason that the carbon tax is going to make them uncompetitive and they cannot do it. This comes at a loss of $14 billion of predicted exports and 150 jobs, but that is not the worst of it. Obviously it is a terrible thing that 150 people are not going to have jobs that they otherwise would have had and there will be $14 billion worth of exports that will not happen. But the fact is that Coogee Chemicals is the most efficient manufacturer of methanol in the world in terms of the emissions that it produces per output of production. So every single unit of methanol that is not produced by Coogee Chemicals and is produced by someone else—and remember that this is the only methanol producer in Australia, so all other methanol will be produced outside Australia—will be at higher emissions per unit of output than it would have been if it had been produced in Australia. So not only are we exporting the jobs of manufacturing that methanol, not only are we losing the export opportunities in respect of that methanol, but by putting in place this tax we are contributing towards a
The minister says that Coogee Chemicals will be fully compensated and so they are not right in making the decision not to proceed. On what basis? We heard from the answers that the assumptions that the Treasury modelling is based on have not been released. Therefore, the cost of— (Time expired)

Question agreed to.

PETITIONS

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

**Halal Islamic Food**

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

This petition of certain citizens of Australia draws the attention of the Senate to the dramatic expansion of Halal Islamic food in Australia and the lack of choice for those citizens who do not wish to eat Halal certified food that has been dedicated to the Islamic deity "Allah" and certified by an Islamic Authority who charge a fee.

We therefore humbly request the Senate to ensure that Halal Islamic food does not become the norm in Australian shopping centres, schools or defence bases etc and to ensure all Halal Islamic food is clearly labelled with a legible description and that Australian customers always have the choice of Halal Islamic food or non-Halal Islamic food, as we oppose any imposition of Sharia Law on Australia.

And your petitioners, as in duty bound, will ever pray.

by Senator Williams (from 4 citizens).

**Global Greens**

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

The petition of the undersigned Australian people shows and acknowledges:

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

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

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

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

by Senator Williams (from 25 citizens).

NOTICES

Presentation

Senator BOB BROWN: Senator WATERS: To move:

That the Senate—

(a) notes the unique biodiversity and natural heritage of the Coral Sea that is home to the critically endangered hawksbill sea turtle and endangered green turtle;

(b) recognises that 2012 will be the 70th anniversary of the historically important Battle of the Coral Sea in 1942 that changed the face of World War II; and

(c) calls on the Government to declare the Coral Sea the world's largest protected marine reserve.

Senator MADIGAN: To move:

That, in light of the fact that the Australian Parliament, on behalf of the Australian people,
has rightly recognised the cultural heritage of the Indigenous members of our community and identified the importance of their historic connection to the land on which we all live, the Senate recognises that there are other Australian communities which also have a cultural heritage which comes from their connection, over generations, to the district and environment which they have inhabited and from which they have created an identity which is passed on to future generations of those communities.

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

(a) recognises:

(i) the success of the Youth in Communities (YIC) measure which has lead to improved school attendance, reduced substance misuse and reduced involvement in the criminal justice system amongst other positive outcomes for youth in central Australia, as recently identified by Courage Partners in their report on YIC service provider survey findings, and

(ii) the value of youth development services and the high risk status of remote Indigenous youth; and

(b) encourages the Government to:

(i) commit to youth services being classed as essential services and funded accordingly,

(ii) urgently commit to continuing the community based aspects of the YIC measure beyond its current expiry date of June 2012, so that services can retain community based staff rather than losing them in the lead up to the cessation of funding in June, and

(iii) carry out a gap analysis to assist program expansion, with a view to extending appropriate youth services to youth in all Northern Territory communities who currently miss out on youth services.

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

(a) welcomes the Productivity Commission's final report into disability care and support, released on 10 August 2011;

(b) notes the assessment of the Productivity Commission that the current system of disability care and support is unsustainable, underfunded, unfair and does not deliver appropriate levels of care and support to Australians with disability;

(c) supports the vision set out by the Productivity Commission for a national disability insurance scheme which delivers individualised care and support for Australians with significant disability over the course of their lives and provides universal insurance for care and support for Australians in the event of significant disability;

(d) commends the Government's commitment to fundamental reform of disability services and the start of work to prepare for a scheme consistent with the recommendations of the Productivity Commission;

(e) recognises the work of the Government to increase funding and put reform to services for Australians with disabilities on the national agenda, including improving access to early intervention services for children with disabilities, record increases to pensions for people with disabilities and their carers and doubling funding to the states and territories to deliver disability services; and

(f) welcomes the agreement of the Council of Australian Governments to immediate action to deliver foundation reforms necessary for a national disability insurance scheme.

**Senator MARSHALL:** To move:
That the time for the presentation of the report of the Education, Employment and Workplace Relations Legislation Committee on the provisions of the Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011 and two related bills be extended to 27 February 2012.

**Senator BOYCE:** To move:
That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Monday, 21 November 2011, from 10 am.
Senator POLLEY: To move:

That the time for the presentation of the report of the Finance and Public Administration Legislation Committee on the performance of the Department of Parliamentary Services be extended to 28 June 2012.

Senator MARK BISHOP: To move:

That the time for the presentation of the report of the Economics Legislation Committee on the provisions of the Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011 be extended to 30 November 2011.

Senator LUDLAM: To move:

That the Senate—

(a) notes:

(i) that the International Atomic Energy Agency will report on 8 November 2011 on the Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran, and

(ii) recent statements regarding potential military strikes on Iran; and

(b) calls on the Government to intensify diplomatic efforts through the Australian delegations in Vienna, Geneva and New York aimed towards a peaceful solution to this situation.

Senator SIEWERT: To move:

That the time for the presentation of the report of the Community Affairs References Committee on the regulatory standards for the approval of medical devices be extended to 22 November 2011.

BUSINESS

Leave of Absence

Senator McEWEN: by leave—I move:

That leave of absence be granted to the following senators:

(a) Senator Feeney for 7 November and 8 November 2011, on account of parliamentary business; and

(b) Senator Arbib from 7 November to 9 November 2011, on account of parliamentary business.

Question agreed to.

Senator KROGER: by leave—I move:

That leave of absence be granted to the following senators:

(a) Senator Back from 7 November to 11 November 2011, for personal reasons;

(b) Senator Fifield from 7 November to 11 November 2011, for personal reasons; and

(c) Senator Fawcett for 7 November and 8 November 2011, for personal reasons.

Question agreed to.

COMMITTEES

Corporations and Financial Services Committee

Meeting

Senator KROGER: by leave—I move:

That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Tuesday, 8 November 2011, from 3 pm.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

General business notice of motion no. 508 standing in the name of Senator Madigan for today, relating to the Latrobe Valley, postponed till 10 November 2011.

General business notice of motion no. 509 standing in the name of Senator Madigan for today, relating to the Latrobe Valley and a clean energy industry, postponed till 10 November 2011.
COMMITTEES
Education, Employment and Workplace Relations References Committee
Reference
Senator KROGER (Victoria—Chief Opposition Whip in the Senate) (15:34): At the request of Senator Back, I move:

That the following matter be referred to the Education, Employment and Workplace Relations References Committee for inquiry and report by 30 June 2012:

The nexus between the demand for infrastructure delivery and the shortage of appropriate engineering and related employment skills in Australia, with particular reference to:

(a) the implications of the shortage for infrastructure delivery in terms of economic development, cost, efficiency, safety and disputation;

(b) the impact of the long-term outsourcing of engineering activities by government on skills development and retention in both the private and public sectors;

(c) options to address the skill shortage for engineers and related trades, and the effectiveness and efficiency of relevant policies, both past and present;

(d) options for infrastructure delivery using alternative procurement models which aim to foster collaboration and achieve effective community outcomes, including skills development and retention;

(e) effective strategies to develop and retain engineering talent in the private and public sectors through industry training and development, at enterprise, project and whole-of-sector levels;

(f) opportunities to provide incentives to the private sector through the procurement process to undertake skills development;

(g) consequences of skills shortage in the construction sector to the public sector's capacity to effectively procure and manage infrastructure projects;

(h) the impact of delayed and stalled infrastructure projects on economic development, workplace productivity and employment; and

(i) other related matters.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE
Gillard Government

The DEPUTY PRESIDENT: A letter has been received from Senator Bernardi:

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

The Gillard Government's broken pre-election promise not to introduce a carbon tax and their wholesale adoption of the policy agenda of their alliance partners, the Australian Greens.

Is the proposal supported?

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

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

Senator ABETZ (Tasmania—Leader of the Opposition in the Senate) (15:35): The Gillard government's wilful betrayal of the ALP's solemn promise of no carbon tax is a matter worthy of discussion, as suggested by the acting Manager of Opposition Business, Senator Bernardi. This gross breach, in lock step with the Australian Greens, is something that one would never have suspected of the once proud ALP—a once proud ALP that has now become a light green shadow of its former self. Along the way it has betrayed its base of manufacturing workers, miners, forestry workers, agricultural workers and those on low incomes.
We in the coalition say, and the Australian people are now understanding, that the Australian Labor Party have sold themselves out to the Australian Greens agenda, extreme as it is. That is why their fundamental promise of no carbon tax was breached by the Prime Minister and the Australian Labor Party. Why? It was because the Australian Greens demanded it of them and the ALP followed suit. That is why Labor in this place were willing to move the gag in relation to the carbon tax debate. Indeed, the fact that we are having the motions put as of 11 o'clock tomorrow was not something that the Leader of the Government in the Senate told the opposition as a matter of courtesy. It was some something that we read on the Greens website.

The Greens having determined what should occur, the Labor Leader of the House then rang the coalition to advise what the Labor Party would be doing.

What about the chair of the Senate Legal and Constitutional Affairs References Committee? The Greens say they want another chair, in breach of all of the agreements and understandings in this place. What does the Labor Party do? They say, 'You betcha; we'll support you,' and the Greens are given another chair on a committee in this Senate.

What about the media inquiry? That was something that was never on the Australian Labor Party's agenda, but after Senator Bob Brown got needled a bit—after he was questioned a bit—in relation to his ongoing duplicity and double standards, all of a sudden there was a need for a media inquiry. And the hapless Australian Labor Party, in breach of all its previous understandings and promises in this area, just went meekly along.

What about the intergovernmental agreement on forestry in our home state of Tasmania, where, at a public rally that I was able to address with Senator Richard Colbeck, we also had trade union officials of the Australian Workers Union and the AMWU standing side by side with the coalition condemning the Australian Labor Party's stance in this area? Why has the Australian Labor Party sold out the forestry industry in Tasmania and, I might add, elsewhere? Because the Greens are setting the agenda for them.

Why were MPs in the other place asked to survey their electorates about the issue of gay marriage? The Greens said so, so the Labor Party voted for it and agreed to survey their electorates on this burning issue of gay marriage! On the question of carbon tax, the government said, 'Do not ask the electorate about that.' Who should form government, the coalition or Labor? The government said, 'Do not ask your electorates about that, because we are scared of what the answers might be.' But because the Australian Greens have a particular policy position in relation to gay marriage the Labor Party meekly went along with that question.

Why have we seen the unravelling of the border protection policies that worked so well? That is because of the Green agenda, which the Australian Labor Party has adopted. Albeit now they are trying to product-differentiate themselves, I simply say it is a bit too little too late in that regard.

Why did this parliament submit to a week-long debate on Afghanistan? The Australian Greens demanded it so the Labor Party went along with it. Why were live exports from Australia banned? Because the Greens demanded it. Cabinet determined their position without the Department of Agriculture, Fisheries and Forestry putting a submission to the cabinet and without the Department of Foreign Affairs and Trade putting a submission to the cabinet. It was just at the behest of the Australian Greens.
So those who used to be the loyal supporters of the Australian Labor Party are asking themselves some fundamental questions. Where is the Labor Party that used to represent their interests on issues like keeping the cost of living down, job security, border protection and the freedom of the press—the sorts of things that people genuinely care about? On the issue of the cost of living, the people are going to get a carbon tax which Labor faithfully promised would not be imposed—a carbon tax which will increase everybody's energy bills, by 10 per cent for power and nine per cent in relation to gas.

On the issue of job security and jobs for the future, today we have heard that Coogee Chemicals, who were willing to invest $1 billion in Australia, in the cleanest methanol plant to be built anywhere in the world, creating 150 jobs and providing $14 billion of export revenue—a great opportunity for the workers of this country—have now shelved the project because of Labor's tax. That facility is now going to be built in China, where the carbon footprint will be four times worse than it was going to be in Australia. So that is bad environmentally, bad economically and bad for jobs.

And Labor's heartland is asking the question: why is this so? Why is our cost of living being increased? Why are job security and new jobs being thrown out the window? The simple answer is that the Australian Labor Party—once a proud party—has sold its soul. The Australian Labor Party has sold everything over to the Australian Greens for them to determine and to dictate.

I dare say the carbon tax is the worst example because it will have the greatest impact. And the Labor Party cannot shy away from it, because it was Adam Bandt, the member for Melbourne, who said, when he walked into Ms Gillard's office, 'If you want our vote in the parliament, we want a price on carbon; we want a carbon tax.' As a result, Ms Gillard broke that solemn promise. And everybody accepts and acknowledges that she would not be Prime Minister of this great country today if she had told the Australian people that she would have a carbon tax.

Indeed, if this carbon tax is such a great idea, as all those opposite keep telling us, why didn't they go to the last election promising a carbon tax? Surely it would have been a great winner for them! Surely it would have given them a majority beyond all expectations! They knew the Australian people did not want a carbon tax. That is why they promised no carbon tax. That is why, when challenged about whether they were serious about no carbon tax, they said that those asserting otherwise were being 'hysterical'. That was the word used by the Deputy Leader of the Labor Party. So the faithful within the Labor Party voted Labor in at the last election under a false premise, under a dishonest assertion, and it is something which many of them now regret.

And here we have the Australian Labor Party thinking about changing its leader, and doing all sorts of weird and wonderful things. But do you know the problem with the Australian Labor Party? It is not their leader. It is their policy. It is their platform. It is the fact that they have sold out to the Australian Greens. They have a formal alliance. By it, they got into government, and I fear they will be thrown from government because of it. (Time expired)

**Senator Faulkner** (New South Wales) (15:44): I think senators should ask themselves this question: why would the opposition propose a matter of public importance on an issue which is currently the subject of a committee stage debate in this chamber? Why take an hour from the
detailed consideration of the Clean Energy Bill 2011 and related bills, particularly as the Senate is debating this package of bills under time constraints agreed to by the Senate last week? Is it unfair to draw the conclusion that the opposition is either unwilling or unable to examine the detail of this exceptionally important legislation in the Committee of the Whole? After all, we are now debating just the first of 37 amendments that have been moved.

I suppose the opposition thinks: why turn up the opportunity for some more negative politics? Why be constructive when you can be destructive? Why talk about the great challenge of climate change to Australia's environment and economy and what we should do about it when you can spend an hour or so bagging your political opponents? Why talk about the actions that responsible governments around the world must take to minimise the impact of global warming when you can take the easier path of just slagging those you do not agree with in the Senate chamber?

Australia has a particular responsibility, in my view, to act on climate change. Australia is heavily dependent on carbon based fuel for the supply of electricity, and, as a result, we are the highest per capita greenhouse-gas-emitting OECD country. In fact, per capita, Australian emissions are nearly twice the OECD average and more than four times the world average. We even beat the Americans—which, I have to say, is saying something! So, yes, it is true: the Australian government does support pricing carbon emissions in Australia and the government encourages the development of clean energy. The truth is we need to take action on climate change, and we need to do it now.

According to the World Meteorological Organisation, last year was the warmest on record globally since instruments were first used systematically to make such measures in the 1880s. Nine of the 10 hottest years in history have occurred in the last 13 years. The CSIRO and the Bureau of Meteorology report that the last decade—from 1 January 2000 to 31 December 2009—was the warmest ever in Australia. Not only was the last decade the warmest decade on record but the number of record hot days has been increasing every decade for the past 50 years and the number of record cold days has been decreasing. The science shows that south-eastern Australia is getting less rain and is getting drier. The drying of south-eastern Australia is of great concern because this is, obviously, where most Australians live and, as every senator knows, it is where most of our food comes from.

The warming planet affects not only air and soil temperature but also water temperature. We know that the warming of the oceans is melting polar ice caps, melting glaciers and causing sea levels to rise. An enormous mass of ice, more than four times larger than Lord Howe Island, broke off Greenland last year and slipped into the sea. Sea levels rose by around 10 centimetres from 1920 to 2000, measured by monitoring stations around the Australian coast.

The Intergovernmental Panel on Climate Change's fourth assessment report finds: 'Warming of the climate system is unequivocal.' This is an authoritative study by 3,000 of the very best scientific experts in the world. These are scientists who do not use the word 'unequivocal' lightly. What the reports from the IPCC and those of our own scientists at the CSIRO and Bureau of Meteorology show is that the climate is warming. It will continue to do so as a result of greenhouse gas emissions from human activity. If greenhouse gas emissions continue to grow unabated, the problem will get worse.
The science of climate change, of course, has been endorsed by every national academy of science of every major country on the planet, every major professional scientific society related to the study of global warming, and almost—not quite but almost—every climate scientist. The science is beyond dispute and the facts are clear: sea levels are rising and coastlines are shrinking. The science is telling us that Australia is warming; the science is telling us that the world is warming. Delay is no longer an option. Denial is no longer an acceptable response. Climate change is real and is being caused by human activity.

There is an overwhelming case for sensible precautionary action to limit the impacts of climate change. Precautionary actions that encourage energy efficiency, encourage businesses and households to switch to clean energy, and encourage the development of sustainable energy supplies are all measures the Australian government supports. Only through measures that minimise industry and household use of carbon based fuels will we reduce the impact of climate change.

I say to the opposition: the time has come for that political party to end its opposition just for the sake of opposition. It is too important an issue for that to occur. I strongly believe it is in our national interest to act on climate change, it is in the national interest to act with resolve and it is in our national interest to act now.

Senator BOB BROWN (Tasmania—Leader of the Australian Greens) (15:55): I thank Senator Faulkner for that very clear and incisive presentation to the Senate on the need for action on climate change. I have very rarely heard it put better.

Senator Kroger: Did you write it for him, Bob?

Senator BOB BROWN: The best that any of the three opposition members—this motion has come from the opposition—and now Senator Kroger can put forward is: did I write it for him? Of course I did not. But I guess Senator Kroger, who is so used to having pieces written for her, has the belief that that is what happens with other people.

Senator Faulkner: I'm not noted for having things written for me.

Senator BOB BROWN: No, Senator Faulkner, you are not noted for having things written for you; you are noted for being your own person.

Senator Bernardi interjecting—

Senator BOB BROWN: What I do note here is that this is a matter from Senator Bernardi and, unless the speakers list that we have before us is incorrect, he is not speaking on it.

What I want to say in the few minutes I have—and Senator Milne will be adding to this later—is that it is very easy to get passionate about which party opposes or supports another party in this place, but the thing that is relevant is how well the progress of legislation in the interests of the wider Australian public is going. What we do know is that now well in excess of 120 bills have passed the parliament in a bit over a year that this government has been in place, and that is quite a remarkable record considering the rate of bills that went through the parliament back in even the Howard years.

One of the bills that went through before this parliament came here was the stimulus package, and that kept Australia out of recession; it saved 200,000 Australians' jobs and many small businesses from closure. There was a case of the Greens supporting the Labor initiative—the initiative of Treasurer Swan at the time—after it became clear that this opposition, this Liberal-National Party coalition, was going to
oppose the legislation, with all the terrible consequences for business and for jobs in this country.

Sometimes it turns around and there are some Greens initiatives that are put forward which are taken up by government—although rarely is it that any of these things come out of the blue and do not have support in parties in varying degrees when their time has come. Senator Bernardi gets excited about that, although not to the point of speaking on his own matter.

There are a number of pieces of legislation which we disagree with the government on. I want to point that out. First of all, there is the minerals super profits tax, which was recommended by Treasury, and the Greens supported it. The government, under the influence of the big mining corporations, has come up with an alternative which is going to fail to recoup $60 billion to $100 billion over the next 10 years. That is that much money that will not be available for schools or hospitals or transport—high-speed rail included—or housing. However, the opposition is going to collect nothing at all. Mr Abbott has made it clear that he would not entertain any sort of tax and in fact would rescind the tax if it were passed. That matter is being dealt with in the House of Representatives at the moment.

Senator ADAMS (Western Australia—Deputy Opposition Whip in the Senate) (16:00): I rise to speak on this matter of public importance: the Gillard government’s broken pre-election promise not to introduce a carbon tax and their wholesale adoption of the policy agenda of their alliance partners, the Australian Greens. The Greens held their conference in Perth on the weekend. I was quite surprised to see the headlines in the West Australian and the Australian—'Political payback as Greens go own way' and 'Don't take us for granted, Greens leader tells Labor'. I just wonder if we have a divorce on our hands. This all seems rather strange. What has happened to the alliance?

I was quite surprised, Senator Brown, to see that your conference did not allow the media to be there and actually had them locked out. Senator Brown has always called for open discussion and for the media to be involved in most areas, but in Perth we saw a very brief shot of the Greens sitting there and that was that. This really does surprise me. An article written by Amanda O'Brien for the Australian quotes Senator Brown:

He paid tribute to Julia Gillard for advancing the carbon tax legislation, which is expected to pass the Senate tomorrow, but he reminded the Prime Minister of the role the Greens played.
"Hats off to Julia Gillard and her government — but it’s there because of the Greens," he said.

I think that says it all. What is happening is a bit confusing. The Greens are really mad because the Labor Party are obviously not going to preference them. So now the Greens are going to have, for the House of Representatives, open preferences for their members because it seems that their alliance partners have really done the dirty on them. Senator Brown talks about this open ticket in a quote from an article in the West Australian written by Jane Hammond with the heading 'Political payback as Greens go own way':

"The big parties are going to have to negotiate with people at the local level," Senator Brown said. "Things are going to get a lot more complicated.

In reply to this, political analyst David Black from Western Australia said:

… the implications of the decision would vary from seat to seat and on the order of candidates on the ballot paper but in general Greens preferences tended to flow to Labor.

He said the decision could be seen as an attempt by the Greens to distance themselves publicly from Labor.

Once again we have lots of balls up in the air as to where it is all going to. With an election two years away anything could happen.

I was also very interested to hear Senator Siewert on the radio championing aged care as the Greens' main policy for the next election. I do wonder what is going to happen to the Greens' death duty policy from the last election, which surprisingly enough was removed from their website the week before the election. The Greens say they are going to help those people who are reaching the twilight years of their lives and looking to pass on their properties and houses to family members, but the impost of the death duties would be pushed onto those families. Things are very mixed up in that respect.

The Prime Minister has lost control of our borders, her own party and her own cabinet. Unfortunately it seems to be Senator Brown who is calling the shots and leading the country. Last night we had the 50th boat arrival of 2011, with 60 people on board. I think that the policy for immigration is very sadly lacking. We have Senator Hanson-Young saying that she feels every refugee who arrives on a boat should be given the privilege of coming to Australia and being let out into the community, that it is their right and that they have had a terrible time, are all very hard done by and should not be locked up until they have had their credentials certified. Under that circumstance we would not know who is coming into Australia. That is the Greens—things change all the time.

Prime Minister Gillard has been held to electoral ransom by the Greens. What a disaster, not for her or her government but for the thousands of Australian families that are worse off. Since when did slapping a tax on something make it greener, offer incentives for investment or deliver certainty for business? We started off with a carbon tax aimed at the 1,000 biggest polluters. Then it was 500. Then, according to the Department of Climate Change and Energy Efficiency, it was 400. Now we are back up to 500. Another article that was in the West Australian says real estate agents are attacking the Greens' slug on homeowners. The Real Estate Institute of WA president, Alan Bourke, said the move was 'a token green initiative that would achieve little greenhouse gas reduction but would saddle the housing sector with significant extra costs'. That means that, if you are selling a house or a unit, you have to get an assessor in to look at the green potential of your home. That would add another $1,000 of cost
for those who are selling or renting a home to get an energy assessor to come in and rate it.

The next thing is that the Greens are getting $30 billion for their renewable energy project, mainly wind. I would draw to the attention of the Greens that the local residents’ appeal against AGL’s Hallett 2 wind turbines, which are non-compliant with the EPA noise guidelines, was upheld in the South Australian Supreme Court. South Australia is being used as the basis for guidelines and other states are following its example, but 16 of the 34 turbines were turned off overnight by AGL. So renewable energy is not what it looks like. (Time expired)

Senator THISTLETHWAITE (New South Wales) (16:08): Here we have another round of navel gazing and obstructionism from those opposite—obstructionism at a very important time in this parliamentary cycle, a time when we are attempting to get on with the job of pricing carbon. The Committee of the Whole is seriously looking at eight hours of wasted debating time already when there are amendments to the legislation, but we have this motion put forward by the opposition. This motion fails to comprehend history and fails to comprehend, I might add, their voting record in this place on this issue. It fails to understand economics and fails to abide by their own principles—that great liberal philosophy of markets and efficiency. It fails to predict and plan for the future—a future which, as Senator Faulkner has quite eloquently outlined, is at risk because of climate change.

In this motion there is a veiled implication that there is an alliance between the Labor Party and the Greens on this issue. Some have described it as an unholy alliance. Let me say to the Senate that the only unholy alliance that has occurred in this place in recent times was the alliance in which the Liberal Party, the National Party and the Greens voted together to oppose the Carbon Pollution Reduction Scheme, to oppose the pricing of carbon. If that decision had not been taken by the Greens and those opposite then our economy would have an effective price on carbon. We would be investing in renewable technology. We would be driving jobs growth in the renewables sector. We would be trading permits in a domestic and an international market. So the only unholy alliance that has occurred in this place was on that unfortunate occasion when those opposite and the Greens combined to stop this parliament moving on with pricing carbon in our economy.

If there is any party that has been consistent on this issue, it is the Labor Party. Our plan was developed in 2006 in consultation with members of the community and members of our party. We came up with a plan to price carbon through an emissions trading scheme. We took that to the 2007 election and the proposal was successful. Because we believe in climate change, we have been consistent about taking action on this very important issue. There have been no fewer than 37 inquiries in this parliament, dating back to 1992. All bar one, I believe—and that was the committee that Senator Cormann chaired—have recommended putting a price on carbon.

Even the inquiry commissioned by former Prime Minister John Howard in 2007, the Shergold review, recommended support for an emissions trading scheme, a move to price carbon within our economy—but, then again, so did most of those opposite. If you go back to 2008 or 2009, in the wake of the Shergold inquiry, most of those opposite believed in an emissions trading scheme. I am not going to go into the comments of some of them, but I will go into the comments of the Leader

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CHAMBER
of the Opposition, Mr Abbott, who said on 18 December 2008:
An emissions trading scheme probably is the best way to put a price on carbon …
I could not agree more. Then on 2 October 2009 Mr Abbott said:
We don't want to play games with the planet. So we are taking this issue seriously and we would like to see an ETS …
Again, I could not agree more.

What has changed since then? Those opposite try to make us believe that some fundamental shift occurred in the wake of Copenhagen and the failure to get a binding international agreement in respect of this issue. That fails to comprehend the fact that the policy of the Howard government was quite clear: despite the failure to reach an international agreement, they should push ahead with an ETS because it is the right thing to do and it gives our economy an advantage in that we move into the future on a reasonable basis and we are promoting investment and jobs in the renewables sector. Ninety countries have pledged commitments in international conventions, through the Kyoto protocol and the international climate change commission convention, to reduce emissions compared to a baseline level over time.

In terms of emissions trading schemes, there are 30-odd nations in the European Union that actively participate in an emissions trading scheme. One of our largest trading partners, a smaller economy than Australia that faces much greater difficulty when it comes to the health of its economy, New Zealand, moved to an emissions trading scheme a couple of years ago and it is winning advantages from that scheme in terms of investment in renewables and jobs growth in those sectors. Certain provinces in Canada have moved to an emissions trading scheme. Certain states within the United States have also. And China is trialling an emissions trading scheme in four of its provinces and part of its five-year plan is to move to an economy wide emissions trading scheme by the end of the five-year plan.

What has changed is one thing and one thing alone: the Leader of the Opposition sees an opportunity to win an election—that is it; that is all that has changed. They have no belief, no principle and no consistency in this important policy area anymore. They simply say no and try to wreck the place because they see an opportunity to win an election. I find it highly contradictory and unprincipled for them to adopt this policy stance in the light of Liberal Party philosophy. If you go to their website, you can see this written as one of their principles: they believe in the efficiency of markets in determining economic outcomes within a society and an economy. That might be the case, but not when it comes to this important policy issue, not when it comes to what is probably one of the most serious social and economic challenges of our generation. They put aside Liberal Party philosophy and principle and simply seek to develop a policy that they hope will win them an election. They do not show any leadership on this issue at all. They are the party who claim to be the party of the free market.

At the moment, the only party of the free market in this place is the Australian Labor Party. We have developed the policy of pricing carbon through an emissions trading scheme because all of the advice throughout the world from economists, scientists and the like is that the cheapest and most effective way to reduce emissions within an economy is to use a market based mechanism. The most effective way is to price carbon and to provide incentives for players within the economy to reduce their emissions over time.
The Liberal Party policy and philosophy are completely contrary to that; completely the opposite. They are going to provide subsidies for the biggest polluters within our economy in the hope that one day they might install emissions-friendly technology and reduce their emissions over time. This question needs to be asked: what about all those who are not receiving the subsidies? What about the rest of the economy? What about those small businesses that might not be at the top level in terms of emissions that will not receive a subsidy to reduce their emissions over time? What incentive will there be for those companies to reduce their emissions under such a scheme? Quite simply, there will be no incentive and emissions reductions will not occur within those companies economy wide. That is why the Liberal Party's scheme will not work.

Those opposite want us also to believe that their scheme will not cost the economy, businesses, taxpayers or households. But they again fail to understand that there is not a no-cost option when it comes to reducing emissions in an economy—particularly in a capitalist market based economy. All policies to reduce emissions have costs associated with them. The emissions trading scheme happens to be the cheapest option. A subsidy based scheme will cost taxpayers. And under their scheme there will not be the assistance that the Labor scheme offers to households, businesses, pensioners, students and job seekers. That assistance is important to ensure that the most vulnerable—those on middle to low incomes—can make that transition from a polluting, carbon-based economy to the clean energy future. (Time expired)

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (16:18): I rise today to comment on the matter brought forward by Senator Bernardi and spoken to by the Leader of the Opposition in the Senate, Senator Abetz. I note that neither of them are in the chamber—so much for the urgency of this particular proposal. I am not surprised that Senator Bernardi has brought forward a climate change denying, anti-climate-action proposal to the Senate. I note that he wants to discuss the wholesale adoption of the policy agenda of the Australian Greens. I think that it is much more interesting to look at the wholesale adoption by Senator Bernardi of the policy agenda of the extreme US radical Right and the policies that he brings to the coalition in Australia.

Disgraced Liam Fox was a former minister in the UK who was forced to resign because of his association with a Mr Werritty. Mr Werritty was one member of the American Legislative Exchange Council. It is fascinating to see that the Australian representative of the American Legislative Exchange Council is none other than Senator Bernardi. The American Legislative Exchange Council is backed by big oil, big tobacco, the National Rifle Association, the climate change deniers and the defence hawks in the US.

I note with interest than on 2 June this year the American Legislative Exchange Council wrote to the Department of Health and Ageing opposing plain packaging and making a strong case, on behalf of big tobacco, against plain packaging. Among the people they copied it to was none other Senator Bernardi, their Australian representative. You have to wonder about the extent to which Senator Bernardi has adopted their agenda and, indeed, the agenda of another US right-wing radical organisation, none other than the Heartland Institute. We recall that Senator Fielding went across to the US at the expense of the Heartland Institute and came back and told us that global warming was not real and was to do with solar flares et cetera.
Let us have a look at what Senator Bernardi has been up to that might give me cause for concern. It was reported in the *Age* recently that what appears to be a proliferation of community based anti-government activism sites is not necessarily what it seems. Several sites are part of an orchestrated political campaign by Liberal Senator Cory Bernardi and conservative organisations that he is linked with. Using American Tea Party style tactics, Senator Bernardi has built a network of grassroots political websites that promote limited government, lower taxes, free enterprise and traditional values, as well as campaigns against the government and its policies, most potently against the carbon tax. What we found from this article was that this disgraceful set of websites was linked to the Conservative Leadership Foundation, of which Senator Bernardi is the chair. But it was not until you actually got to donate money that you worked through and found out who the backer was. And where do you find where this domain is registered? Of course, it is in the US. So what we find is this very close link with Senator Bernardi, who is the representative of the American Legislative Exchange Council. They are a council that develop model laws, model legislation, on behalf of major corporates in the US, and they are laws which are undermining wages and legal rights—it is a way that corporations get what they want, and corporations are on every single task force of the American Legislative Exchange Council. Interestingly, Donald Rumsfeld was a chair of one of their business boards in the past.

So, looking at this issue of the policy agenda and adoption of policy agendas, one has to ask the question about the links between the coalition in Australia and the Tea Party in the United States, the US radical Right, through the connection of the now acting Manager of Opposition Business in the Senate. This goes to the heart of Tories in the UK and it now apparently goes to the heart of the coalition in Australia. So let's look at this link between fake websites, very real corporate astroturfing organisations and the connection that Senator Cory Bernardi has with both.

**Senator KROGER** (Victoria—Chief Opposition Whip in the Senate) (16:23): I rise to actually speak to the matter that is before the Senate, which clearly Senator Milne has not been tuning in to, other than to note that it was moved by Senator Bernardi, and that is—and I will repeat it so that Senator Milne, who clearly walked into the chamber well and truly after the debate first started:

The Gillard Government’s broken pre-election promise not to introduce a carbon tax and their wholesale adoption of the policy agenda of their alliance partners, the Australian Greens.

What we have seen since the August 2011 election is an absolute breach of faith by the government with the people of Australia. What we have witnessed is a total lack of regard and honour in the way in which the government has backflipped on its pledge to the Australian people. Why did Prime Minister Gillard go to that election and pledge, with her hand on her heart, six days before the election, that there ‘will be no carbon tax under a government I lead’? We know why she did that: she knew that it was an unelectable position to take, that Australians did not want a carbon tax.

I have to say, when Senator Faulkner gets up and talks about the critical need for the imposition of a carbon tax now, and talks about us on this side of the chamber being oppositionist, I have to sit back and think: who was the person I was watching who, following the night of knives, when they knifed and ousted the then Prime Minister Rudd for the Prime-Minister-to-be, Julia Gillard, entered into the equation the need to
maintain stability and continuity at a leadership level of the Labor Party? It was Senator Faulkner. So what does Senator Faulkner do? He was by her side, literally joined at the hip to Prime Minister Gillard, as she campaigned during that last election. It was Senator Faulkner who was the campaign adviser. It was Senator Faulkner who was the Labor government strategist for the last election. And yet it is Senator Faulkner who was in here today saying that we were the ones who were oppositionist. All I can ask of Senator Faulkner is: if he was the strategist, and he believed in a carbon tax before the election, why did he not advise Prime Minister Gillard to pledge for a carbon tax? Why was the advice to the contrary? You really have to wonder where people's head space is in this.

But the bottom line is that we all know that they knew that they could not be elected with a carbon tax policy, and now they have backed off from that. It is very straightforward. We know why that is the case: it is because the Greens have run the national agenda since they signed a formal alliance with Prime Minister Gillard. It is they who signed the formal alliance and determined that there would be a carbon tax. Why have we had debate after debate on this over the last few weeks? Because it is the Leader of the Greens, Senator Bob Brown, who has said that he wishes to go to Durban with a carbon tax wrapped very neatly under his arm, with Prime Minister Gillard in tow. That is the only reason, I would suggest, we are debating this in the chamber now. It is not for any other reason than the pure ego of the Leader of the Greens, Senator Brown, that he wants to go to Durban with a carbon tax package.

I say to Senator Thistlethwaite: it is not something that every country is rapidly heading towards. Every nation, as we know, is walking away from a carbon tax. We will be the only nation that will be going to the United Nations climate change conference with a carbon tax. That they are saying this is something that is critical for this nation now, when we know it will hurt all Australians, is absolutely gob-smackingly arrogant; it is just extraordinary.

In the last couple of weeks what we have witnessed here is a total abuse of the democratic process not only by the government and the Greens but also of this place. We first of all had a long debate over the variation to the business hours of this place. The coalition voted against it, because we did not believe that this carbon tax could be effectively ventilated. The variation of business hours was supported by the Greens, with the government, so that they could tick off on this before Durban. This week we were meant just to be debating the carbon tax. So, not only are we not debating the carbon tax later in the week, but we are seeing a gag on a gag, a gag on a guillotine motion. So the carbon tax, which we were to have 20 hours of debate on, has now been gagged yet again from midday tomorrow. Why is that? Because the government and the Greens just want to get on the plane to Durban with it under their arms.

The Greens are a real concern for this nation because of the way in which they are running this agenda. I note my colleague Senator Adams' comments on the article about the way in which they conducted their conference on the weekend. The Greens do not like scrutiny. The party holds its national conferences behind locked doors. This is a party that reminds me of a medieval cloister in the way in which it conducts its activities. All Australians—(Time expired)

Senator McEWEN (South Australia—Government Whip in the Senate) (16:31): I too would like to contribute to the debate this afternoon in the short time left to me,
although I do query why we are debating this matter as a matter of public importance today when a similar matter is before the chamber in the form of bills. To hear Senator Kroger talking about the amount of time available for the committee stages of the bill is interesting because, of course, on this MPI we are just chewing up one hour of time that could possibly be used in the committee stage. That is indicative of the fact that the opposition are not really serious about debating the content of the bills. We saw that last week, when we spent a considerable period of time debating whether or not the Liberals should retain the chairmanship of the Legal and Constitutional Affairs References Committee. A good couple of hours went on that debate.

Having said that, I am pleased to say that the government is proud of its record of implementing policies that have been and will be good for the Australian public and for Australia into the future. Our government's commitment to tackling climate change by reducing emissions is longstanding and is supported by the science. Indeed, the commitment to reducing harmful carbon emissions is also supported by the opposition, although you would not know it from hearing some of the contributions from those opposite, who apparently think they know more than the scientists.

The preferred method of the Labor government to reduce harmful emissions is to put a price on carbon, making the biggest polluters pay, and to encourage investment in cleaner renewable energy sources. That method of reducing harmful carbon emissions is supported not just by scientists but also by all credible economists. Even former prime ministers support this method of reducing harmful carbon emissions that contribute to damaging climate change. And I note that it was part of the coalition's 2007 election policy, when, under former Prime Minister John Howard, their policy stated:

A re-elected Coalition government will establish the world's most comprehensive emissions trading scheme in Australia, commencing no later than 2012. The scheme will be the primary mechanism for reducing Australia's emissions at least cost to families and to Australia's economy."

My, how the worm has turned.

I note that there is no credible economic support for the opposition's so-called Direct Action plan, which we know will be ineffective and more expensive for Australian working families. It would in fact cost Australian working families some $1,300 more in taxes if it were to be implemented.

As a Labor government, when we moved to tackle climate change we did it in the usual Labor way, and that is a way that is fair and ensures we deliver opportunities for all Australians. We will compensate businesses and households through various compensatory and other mechanisms that will apply to individuals and businesses that may be affected by the price on carbon. For example, nine in 10 households will get tax cuts or pension or payment rises to help with living costs when the carbon price comes in. I note on this point, and it is a point never made by the opposition but often made by us, that average household costs will rise by the modest amount of $9.90 per week and the compensation that will be offered as part of the government's plan will be $10.10 per week. So, indeed, nine out of 10 Australian households will get tax cuts or pension payment rises to help cost of living increases and will not be out of pocket. But, of course, the opposition leave those facts out of the hysterical tirades that they continue to entertain us with in this chamber. It is part of their fear campaign—the cheap populist politics meant to mislead and deceive Australians. It is far easier for the opposition
to be loose with the truth than to actually address the facts of the matters before the chamber with regard to climate change.

They all over there know that their Direct Action plan is a joke. It will not work and it will be more expensive. Labor has a plan to address climate change—(Time expired)

The ACTING DEPUTY PRESIDENT (Senator Boyce): The time for the discussion is concluded.

MINISTERIAL STATEMENTS Commonwealth Ombudsman

Senator FARRELL (South Australia—Parliamentary Secretary for Sustainability and Urban Water) (16:36): On behalf of the Special Minister of State, Mr Gary Gray, I table a ministerial statement relating to the Commonwealth Ombudsman.

Senator CASH (Western Australia) (16:36): by leave—I move:

That the Senate take note of the document.

The reason for the Special Minister of State's statement in relation to the Ombudsman yet again confirms, when you read the statement, that the Australian Greens party see themselves as an elitist party with absolutely no regard at all for the practices and procedures of this parliament, let alone the Australian Senate. If you read the ministerial statement, at page 5 the Special Minister of State says:

An office such as that of the Ombudsman, a key part of our system of government and Parliamentary accountability, cannot function effectively in that compromised environment.

That is exactly what the Australian Greens did and in particular Senator Sarah Hanson-Young did to the office of the Commonwealth Ombudsman. They completely, totally and utterly compromised the independence of the Ombudsman. But that is what you get when a senator comes to this place and continues to play university politics when that particular person should be representing the Australian people in the Senate, should have an understanding of the practices—

Senator Milne: Madam Acting Deputy President, I raise a point of order. The senator is reflecting on another senator in this place and I would ask her to keep her remarks within the rules of the Senate.

The ACTING DEPUTY PRESIDENT: I have been listening quite closely to this and, Senator Cash, you would appreciate that you are not to bring anyone's character into disrepute.

Senator CASH: Thank you, Madam Acting Deputy President. Nothing should surprise those on this side of the chamber. The Greens demonstrate on what has now become an almost daily basis that they are only interested in observing the rules of the Senate when it suits their own particular political advantage. Yet day after day, and in particular in relation to the current debate that we have before the Senate, they confirm that they see themselves as nothing more and nothing less than an elitist group who believe that they are so important that the rules and regulations of the Senate should not apply to them. That is the reason that the Special Minister of State has had to table a statement in relation to the resignation of the Commonwealth Ombudsman. Again I go to the Special Minister of State's statement, in which he says:

… Mr Asher's actions in dealing with an individual Senator and framing questions as he did, were not on the public record or otherwise apparent to other members of the Parliamentary Committee, and the questions themselves were far from neutral. He offered briefing on legislation that has not been introduced and on other matters that would have been of interest to all Members and Senators.

But not all members and senators were offered that courtesy, because Senator Hanson-Young was having a private meeting
with the Ombudsman in which they developed questions to be raised in the estimates process that ultimately compromised the Ombudsman, the most independent office in the land, and led to his resignation. Again, you would expect nothing less from a member of the Australian Greens.

As each day goes past Australians are now waking up to the fact that the Greens are quite possibly nothing more and nothing less than a party of complete, total and utter contradictions. Who can forget the hours over many years that the Greens have stood in this place and told the rest of us that the guillotining of bills is an abhorrent political practice? Why? Senator Bob Brown is on record as saying this: it prevents minor parties from engaging in proper political debate. Then what do we have? We have the Greens supporting time and time again under this new, unholy Labor-Greens alliance the guillotining of debate in this chamber. The vote that will be taken tomorrow in the chamber is the perfect example of that.

Another example: on one hand the Greens garner votes by pretending to be a cuddly, benign environmental party who are holier than thou. Yet what did we have the other day? Instead of taking over the chair of the environment committee, what committee did they want to take control of and what committee did they indeed take control of? The Legal and Constitutional Affairs Committee. This again confirms that they are not the cuddly, benign environmental party that they want the Australian people—

**Senator Milne:** Madam Acting Deputy President, I raise a point of order on relevance. We are now commenting on the ministerial statement on the Ombudsman. I fail to see the connection between what Senator Cash is now shouting about and the actual ministerial statement.

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

**Senator CASH:** I will take the point of order myself. It was not a point of order from Senator Milne because Senator Milne clearly has not read the ministerial statement. If Senator Milne had, she would have understood that the entire ministerial statement, while it does not use the word, confirms without a doubt the complete, total and utter hypocrisy of the Australian Greens party. That is the point of my speech right now, which I will now elaborate on to ensure that what I am saying does have a direct link to the ministerial statement. Let us talk a little bit more about the complete, total and utter hypocrisy of the Australian Greens. Let us talk about their holier-than-thou approach to political parties other than the Australian Greens seeking financial donations. Their approach to financial donations is they are not okay for the ALP and the coalition. They say if we were to take a political donation there is something wrong with that. But who can forget the donation that the Australian Greens received from Graeme Wood, who gave them $1.6 million?

**Senator Williams:** Oh!

**Senator CASH:** $1.6 million which, Senator Williams, is a record donation for a political party. But they are opposed on principle—the Greens allegedly have some principles—to corporate political donations, unless, of course, that donation is going straight into the pockets of the Australian Greens party. What about this hypocrisy? When a coalition member misses a division, we are all subjected to a missive from the Leader of the Australian Greens, Senator Bob Brown; but, when Senator Bob Brown gets caught out doing the exact same thing, what happens? Nothing. Absolute silence. Deafening silence. That is complete, total and utter hypocrisy.
The Australian Greens protested about the standards of parliamentary behaviour by attacking the sentiments expressed by ‘no carbon tax’ protesters outside Parliament House. But then, during a visit by the President of the United States, they interject whilst he is addressing our parliament. Again, that is rank hypocrisy from the current government’s coalition partner.

The Greens accept hundreds of thousands of dollars from construction unions, and then what do they do? They come into this place and they profess to support the abolition of the ABCC, but then Senator Bob Brown stands up and tells the people of Australia, ‘But the Greens are not influenced in any way at all by political donations.’

Let us talk about the further hypocrisy of the great Australian Greens. The Greens promote themselves as being the great defenders of democracy; but, in every doorstop interview that Senator Brown has done of late, he has had to point out why we need an inquiry into the Australian media—because God forbid that a journalist in this country actually exposes the Greens for what they are. I cannot wait till I have finished because I am quite sure that one member of the party is going to jump up and defend the Australian Greens, because I have said something bad about them and we all know that in this place nobody is allowed to say anything bad about the Australian Greens.

But the Australian people are well and truly waking up to the way the Australian Greens operate. They are waking up to their gross hypocrisy, and it is clearly outlined in the statement by the Special Minister of State to the other place and now tabled in the Senate in relation to why the Commonwealth Ombudsman—the most independent office in this land—had to resign. It is because the Australian Greens colluded with the Commonwealth Ombudsman. Deception, dishonesty and duplicitous behaviour: they are the words that the Australian public are now using to describe the Australian Greens. (Time expired)

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (16:47): Madam Acting Deputy President Boyce, that was a pretty silly submission from Senator Cash, and she knows it, but that is the nature of the opposition in this place.

**Senator Williams interjecting—**

**Senator Cash interjecting—**

**Senator BOB BROWN:** You see? We listened to her submission in silence, but they are right into it now, breaking standing orders, as the conservatives do so frequently because they simply do not want to give a fair and even go, not even in this chamber. ‘Born to rule’ is a dangerous feeling to have in your ranks. The coalition have it. It is infesting them badly, and they are hurting and do not know why. The reason is pretty simple: they are in opposition—because the people put them in opposition.

We in this corner of the Senate have enormous respect for the position of Commonwealth Ombudsman, and that includes Mr Asher, who recently resigned from that position. The story is well known. He approached Senator Sarah Hanson-Young to ask some questions about immigration but not to have his formulating of those questions revealed to a Senate committee. In later papers, Senator Hanson-Young asked some questions and, indeed, I put a couple of questions on defence matters, as we routinely do. Every member of this parliament who is worth their salt in a committee has received information from somebody on which they base the questions that evince information.

**Senator Cash interjecting—**
Senator BOB BROWN: Senator Cash, you really do not do yourself much good.

The ACTING DEPUTY PRESIDENT (Senator Boyce): Just ignore the interjections, Senator Brown.

Senator BOB BROWN: Yes, it is pretty easy to ignore, thank you—

Senator Cash: Well, then why did you take my bait? You are doing it again!

The ACTING DEPUTY PRESIDENT: Senator Cash, it would also be helpful if you would not interject.

Senator Cash: You must be so proud, Senator Faulkner, of your coalition colleagues, destroying Labor—

The ACTING DEPUTY PRESIDENT: Order!

Senator Cash: destroying the Labor Party that you represent.

Senator Faulkner interjecting—

The ACTING DEPUTY PRESIDENT: Order, Senator Cash!

Senator BOB BROWN: Senator Cash is extraordinarily rude, but it is a pattern of behaviour which is consistent here.

The ACTING DEPUTY PRESIDENT: We will proceed when the interjections cease on all sides. Senator Brown, would you like to continue speaking?

Senator BOB BROWN: Yes, thank you, Madam Acting Deputy President Boyce, and I thank you for pulling up Senator Cash. As a consequence of those events, there was an article in the *Canberra Times* by Robin Brown, who is a Canberra consultant in effective governance and market regulation, and John Braithwaite, who is an Australian Research Council Fellow and founder of RegNet at the Australian National University. They wrote:

As the media cycle moves on from the demise of former ombudsman Allan Asher, the Parliament must now repair the institution its members have damaged. Many MPs say Asher had to be pressured until he jumped to preserve the integrity of his office. We take the opposite view.

It is senior politicians and public servants who have now damaged the office by leaving the public asking the question: "Will the next ombudsman be their patsy?" Will persons of integrity want the job? Will whistleblowers lose confidence in baring their souls to the next ombudsman?

Asher's error was to push too hard on defending the rights of those in immigration detention centres. His email of questions to a Greens senator was the pretext for his demise. It was not the reason.

Further on they said:

The problem here was that neither the Government nor the Opposition liked Asher's interpretation of the public interest on immigration detention.

What they are pointing to is that Mr Asher's valiant, intelligent and humane role, given to him by government, was to investigate immigration detention. Thousands of people are held in detention who, the Greens maintain, ought to be much more quickly released into the community, because that is where they, in the main, end up, and some are held to the point of mental breakdown and indeed, far too often, of seeking to commit suicide. But Mr Asher and his office were not given the wherewithal to undertake the extraordinary new load that was put onto his and his staff's shoulders, and he sought to get that information out into the public arena.

In the wake of Mr Asher's very valiant resignation to protect the position that he upheld, the Greens have not simply come to get into a debate with the opposition, or the government for that matter, but instead have drawn up an alternative which will help fix the problem, to ensure that no future Ombudsman is put in the impossible position that the good Mr Allan Asher was placed in.
We are proposing to give a parliamentary committee oversight of the Ombudsman's office and, therefore, give the Ombudsman a parliamentary advocate for review of his funding and work levels. He will not have to go to another member of parliament to get the information out. Our proposal will assist in ensuring the executive remains at arm's length from the Ombudsman but will, simultaneously, give that Ombudsman an assurance that they are able, if they do not get adequate resources, to make that known and to appeal for them.

Under the Australian Greens' proposal, the parliamentary Joint Committee of Public Accounts and Audit will have its duties expanded to be able to examine the receipts and expenditure of the Ombudsman; to examine the Ombudsman's reports that are tabled in parliament; to report to parliament on any matters within those receipts, expenditure or reports that the committee thinks should be drawn to the attention of parliament; and to report to both houses any alteration the committee thinks desirable. The Public Accounts and Audit Committee already performs a similar role for the Auditor-General.

So we are not only defensive of the honour of and the sterling work done by Mr Asher in the office of Ombudsman; we have also moved to respond to an obvious oversight in not providing the Ombudsman—that is, the office of Ombudsman; it did not matter which one was there—with a natural and easy facility to have information brought to the attention of parliament about the running of the Ombudsman's office and its needs. We will be looking to support from both the government and the opposition in having this positive change made.

To go back to the Ombudsman himself: I am hoping to catch up with him in the near future to go over the matters that caused him extraordinary pain. They must have; no human being could go through that without extraordinary pain. I may be wrong about this but I do not think I have ever sat and had a talk with him, so I am looking forward to doing that. I think he has served this country well. He is an experienced officer who has worked in the UK and elsewhere in the world, as well as in Australia and for this nation, and I think he needs to know that that service is being recognised and that there is a hope that he will be able to continue that service without the events of recent times cutting across his ability to do that.

Finally, the question I have asked myself through this episode is: what if he had not gone to Senator Sarah Hanson-Young? What if he had gone to an opposition backbencher, or frontbencher for that matter, or, indeed, to a government backbencher, and they had sought out the questions? He would still be in office. So, when we hear the sort of diatribe we just heard from Senator Cash about the Greens, you see a different way of treating the political connections that arise from time to time. I think the Ombudsman's downfall, if I can call it that, was very highly politically charged, and I think it was a sad day when he left office. However, he has been prepared to do that, and it was a mark of this man that he was prepared to do that, to prevent an ongoing furore over the office, to defend that office which he had served so well. I for one thank him for the service he has given this country.

Senator FAULKNER (New South Wales) (16:57): The ministerial statement that the Senate is debating this afternoon is about the resignation of the Commonwealth Ombudsman, Mr Asher. One could be forgiven for thinking, listening to Senator Cash's speech, that this might have been a ministerial statement about the Greens political party. But this is an important issue. And I think that, frankly, it warranted a more
serious and considered contribution than the intemperate one that we received from Senator Cash on this issue.

First of all, let me, as I have previously in this chamber—and also, of course, I have asked questions at the Senate's Finance and Public Administration Legislation Committee—put on the record that I have absolutely no problem at all with any statutory officer of the Commonwealth, be it the Commonwealth Ombudsman or any other statutory office holder, making their concerns clear and public. There is no problem, in my mind, with a statutory officer questioning or criticising government policy, and there is certainly no problem with any statutory officer making a strong case for increased resources for their office. I have seen suggestions that the government has found the criticisms of the former Commonwealth Ombudsman, Mr Asher, as unacceptable. I hope that is not the case. I have no reason to believe it is the case.

The fact of the matter is that, from time to time, statutory office holders are going to make statements that are critical of governments, that are embarrassing to governments of the day and that give ministers and officials discomfort. That is life. I am one person who, in this chamber, will always defend the right of any Ombudsman or other statutory office holder to report on concerns with frankness and, as I have described before, with unvarnished truth, how ever uncomfortable these concerns might make a government feel. This, of course, does not relate at all to the expectations that each and every one of us should have that a statutory office holder, particularly one holding an office as important as the Ombudsman, must always exhibit the highest standards of behaviour. It is absolutely true that the head of an integrity agency must set the highest example. I certainly asked Mr Asher questions at a Senate estimates committee. It was not a fix by the government, but I did inform both the opposition and the Greens that I intended to ask Mr Asher questions. I asked Mr Asher:

Do you think that an integrity agency such as the Ombudsman should set an example, should have the highest standards in government?

He said in response to my question:

Yes, it should.

I then asked him:

Have you met those highest standards?

He said:

I think this was clearly an error in judgment. It was clearly a mistake.

It is important that the public record here shows that Mr Asher said that he considered his actions in relation to the issue of the provision of questions to a senator to be an error of judgment. He considered his actions to be a mistake. He apologised to a Senate committee for his actions and he made it absolutely clear that it would not happen again.

Of course there is a question about whether this is a resigning offence. I have seen the comments that have been made, including by Senator Brown and Senator Hanson-Young, that the Ombudsman's resignation occurred as a result of a witch-hunt, conducted allegedly because he had caused the government discomfort. I reject that absolutely. Senator Brown has said, and I have quoted this previously in the chamber, that the Ombudsman was a decent man, working in the public interest and that he had been politically assassinated. I agree with all of what Senator Brown said about the decency of Mr Asher—he is a decent man; there is no question about that. He is a good man, but he made a serious mistake. He made a very serious mistake, in my mind, as the head of an integrity agency. The critical thing here is that he has to be able to justify that he is acting in an impartial way. He has
to be able to defend the integrity of the Commonwealth Ombudsman's office. He has to be able to assure all of us, from every political party, and those who do not represent a political party in this parliament and beyond, that he is acting in an apolitical way. Integrity matters. Independence of the office matters. Impartiality matters. That is the problem that we face in this regard.

We are entitled to expect more from the head of an integrity agency than we expect from others. We are entitled to expect that the head of an integrity agency sets the highest of examples for us all to follow. I asked Mr Asher at Senate estimates:

Do you think that an integrity agency such as the Ombudsman should set an example, should have the highest standards in government?

He said:

Yes, it should.

I asked him:

Have you met those highest standards?

He said that he thought this was clearly an error of judgment, clearly a mistake. The issue is not that there is any lack of acknowledgement that an error was made; I suppose that, given the concerns about this affecting the impartiality, independence and integrity of the Ombudsman's office, the issue is: should the Ombudsman have resigned in this circumstance? That is a matter for him. I have made no judgment about that. I certainly did not ask at estimates whether he considered offering his resignation or not, though I have asked that at times of other Commonwealth officials. This is a serious point that all senators, regardless of their political party, ought to take account of. I do not accept what Senator Brown said when he asked, 'What if those questions had gone to an opposition senator?'. I do not care whether they go to an opposition senator, a Greens senator, a government senator or anyone else. I do not think it should have happened, because I personally believe there are more appropriate avenues available to an ombudsman or statutory officer to raise genuinely held—very genuinely held—concerns. You can do it more formally to a Senate committee—by communicating not just to one senator but to the whole committee in an opening statement or in another formal communication—or with ministers, by press release, in an annual report or in a speech. There are plenty of opportunities, and I believe that is what the Ombudsman should have done in this circumstance. (Time expired)

Question agreed to.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Boyce): Pursuant to standing order 166, I present documents listed at item 11 on today's Order of Business, which were presented to the Deputy President and Temporary Chairmen of Committees since the Senate last sat. In accordance with the terms of the standing orders, the publication of the documents was authorised.

The list read as follows—

1. Australian Prudential Regulation Authority (APRA)—Report for 2010-11 (received 4 November 2011)


3. Australian Human Rights Commission—Report no. 46—Yousefi family v Commonwealth of Australia (Department of Immigration and Citizenship) (received 4 November 2011)

4. Wheat Exports Australia—Report for 2010-11 (received 4 November 2011)

5. Defence Housing Australia (DHA)—Report for 2010-11 (received 4 November 2011)

6. Australian Strategic Policy Institute Limited (ASPI)—Report for 2010-11 (received 4 November 2011)
Responses to Senate Resolutions
Tabling

The ACTING DEPUTY PRESIDENT (Senator Boyce): I present the following responses to resolutions of the Senate:

(a) from the Minister for Home Affairs (Mr O'Connor) to a resolution of the Senate of 20 September 2011 concerning people trafficking or slavery;

(b) from the Minister for Sport (Senator Arbib) to a resolution of the Senate of 20 September 2011 concerning Surf Life Saving Australia; and

(c) from the Premier of Queensland (Ms Bligh) to a resolution of the Senate of 22 September 2011 concerning hearing health for Indigenous Australians.

Indigenous Health

Senator SIEWERT (Western Australia—Australian Greens Whip) (17:10): by leave—I move:

That the Senate take note of the document.

I was very pleased to read the response of the Premier of Queensland to the resolution of the Senate of 22 September relating to Aboriginal and Torres Strait Islander hearing health. In that resolution, the Senate noted that a group of experts from the health and education sector, community representatives and business had met here to talk about hearing health. It also noted the importance of hearing health and the occurrence of otitis media and the extraordinary rate at which it is affecting Aboriginal communities. The substantive paragraph was:

(b) calls on state and federal governments to commit to working collaboratively on a holistic, sustained, cross-disciplinary approach to addressing this issue and its effects.

Premier Bligh has written to inform the Senate of the Deadly Ears program that is currently running in 12 communities in remote Queensland. Apparently over 3,000 children have been treated and the program has delivered over 700 surgical procedures.

People from Deadly Ears in fact attended the forum that was held in parliament and talked about the importance of their program—the fact that it is a multidisciplinary service and that the team is dedicated to promoting health, workforce development and staff training in allied health services.

The important thing here is that this is in Queensland; it is not going to all communities. The Premier noted at the end of her letter that the Queensland government would welcome any move to extend this successful program to assist Aboriginal and Torres Strait Islander children elsewhere in Australia. I certainly support the suggestion that this is the type of program that does need to be supported. It is absolutely essential that we target specific programs to address otitis media so that we deal with the problem where it starts.

Having said that, it is absolutely crucial that we have a coordinated, holistic approach, which the motion also went to. Unfortunately, many Aboriginal and Torres Strait Islander children have been affected by otitis media to a point where their hearing has been significantly impacted, and that has impacted their learning processes. A child's brain starts to develop its language skills and to allocate functions from around six months old. We already know that Aboriginal and Torres Strait Islander children can be infected with otitis media from three weeks old and then subsequently reinfected. We have a situation where many children have already suffered significant hearing impairment when they start attending school, and unfortunately the school programs at the moment are not meeting their needs. Children are perhaps being taught in a language that is not their first language, they cannot hear, and there are no sound fields in their classrooms. The unfortunate situation we heard about during the Community Affairs References Committee inquiry,
which we documented in our report *Hear us*, is that sound fields are not universally accessible in classrooms across this country and Australian Hearing is unable to provide funding for sound fields in classrooms.

While I acknowledge that the government has committed further funding to assist students with disabilities in schools and has, as I understand it, indicated that a school could apply for funding for a sound field, it is not a universal program. If we are to address hearing impairment, language development and educational outcomes, we need to address this issue as children start day one of their school life. Not only that but, as the community affairs committee report also recommended, testing programs should be undertaken as students start preschool and school. The newborn screening program picks up only a percentage of hearing loss—that is, genetic hearing loss or hearing loss at birth. As I have just articulated, otitis media infects babies once they are born. So that program does not pick up the hearing loss associated with continual otitis media, or glue ear, as it is commonly known. What we need, therefore, is a program which screens every child as they begin school.

The Senate Standing Committee on Community Affairs recommended that such a program should be universal and should start particularly with schools which have a large Aboriginal and Torres Strait Islander population. We know very clearly from the research that those children are disproportionately affected by otitis media, by glue ear, and therefore have subsequent hearing loss. I very strongly commend the fact that this program is running in Queensland. I have in fact met on several occasions people working in this program. I understand it is having a positive impact and needs to be rolled out further across the country as part of a holistic plan to address hearing health in Aboriginal and Torres Strait Islander communities.

The Senate Standing Committee on Community Affairs documented that the impact it can have is that students are alienated from school and the educating system, have poor educational outcomes, experience social isolation and increased contact with juvenile justice and the justice system. From recent research, we know that 90 per cent of the Aboriginal prisoners in the Darwin Correctional Centre have some form of hearing impairment. You do not have to be Einstein to work out that there is an issue here. We constantly talk in this place about addressing Aboriginal and Torres Strait Islander interaction with the justice system, poor educational outcomes and the need to develop better employment outcomes. We need to be joining the dots and making sure that we have a comprehensive and holistic plan which addresses hearing health. We will start addressing some of the very poor statistics and poor educational and employment outcomes for Aboriginal and Torres Strait Islanders.

Question agreed to.

**DELEGATION REPORTS**

*Australian Parliamentary Delegation to the 57th Commonwealth Parliamentary Conference, London*

The ACTING DEPUTY PRESIDENT (Senator Boyce) (17:17): I present the report of the Australian parliamentary delegation to the 57th Commonwealth Parliamentary Conference, which took place in London from 21 to 27 July 2011.

**AUDITOR-GENERAL’S REPORTS**

Report Nos 10 and 11 of 2011-12

The ACTING DEPUTY PRESIDENT (Senator Boyce) (17:17): In accordance with the provisions of the Auditor-General Act 1997, I present the following reports of the Auditor-General:

sadp
Committees

Community Affairs Legislation Committee

Law Enforcement Committee

National Capital and External Territories Committee

Government Response to Report

Senator McLUCAS (Queensland—Parliamentary Secretary for Disabilities and Carers) (17:18): I present three government responses to committee reports. In accordance with the usual practice, I seek leave to have the documents incorporated in Hansard.

Leave granted.

The documents read as follows—

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

GOVERNMENT RESPONSE - NATIONAL REGISTRATION AND ACCREDITATION SCHEME FOR HEALTH PROFESSIONS, AND ITS REPORT, NATIONAL REGISTRATION AND ACCREDITATION SCHEME FOR DOCTORS AND OTHER HEALTH WORKERS

Senator Claire Moore
Committee Chair

Senate Standing Committee on Community Affairs
PO Box 6100 Parliament House
CANBERRA ACT 2600

Dear Senator Moore

I am writing in regard to the 2009 Senate Community Affairs Committee’s Inquiry into the design of the then proposed National Registration and Accreditation Scheme (NRAS) for health professions, and its Report, National Registration and accreditation scheme for doctors and other health workers.

In particular, I wish to provide you with information on key activities which have been announced and progressed since the tabling of the Committee’s Report on 6 August 2009 and which address in whole or in part the Report’s recommendations, to finalise the Australian Government’s consideration of the Committee’s work.

I wish to acknowledge the significant and welcome interest of the Committee in examining the impact of NRAS on the training, accreditation and qualification of health workforce professionals, and in ensuring the continued delivery of quality healthcare for all Australians. The Report provided an important resource that assisted the Government’s deliberations and contribution to decisions, through the Australian Health Workforce Ministerial Council (Ministerial Council), in respect of NRAS and its implementation.

The delay in the Australian Government’s response to the Committee’s Report is a result of a number of ongoing developments up until recently, in relation to NRAS, in particular the passage of legislation through state Parliaments and the commencement of the NRAS on 1 July 2010. National registration is now in force for practitioners in ten health professions. The professions currently regulated under NRAS are chiropractic, dental practice, medicine, nursing and midwifery, optometry, osteopathy, pharmacy, physiotherapy, podiatry and psychology. More than 529,000 health practitioners across these ten different health professions are now registered under the National Scheme. A further four professions are scheduled to enter NRAS on 1 July 2012, namely Aboriginal and Torres Strait Islander health
practice, Chinese medicine practice, medical radiation practice and occupational therapy.

On 26 March 2008, the Council of Australian Governments signed an Intergovernmental Agreement (IGA) to implement NRAS by 1 July 2010 to align the previously disparate state and territory registration schemes for health practitioners. The intended benefits of NRAS include mobility for health practitioners, consistent standards for registration and professional conduct across Australia, administrative efficiency, and transparency through a national public register of health practitioners.

The legislative framework for NRAS is an applied laws model, with Queensland as the lead state. On 25 November 2008, Queensland introduced the Health Practitioner Regulation (Administrative Arrangements) National Law Act 2008, which established the structure and functions of the NRAS, and received Royal Assent in Queensland. On 12 June 2009, the Ministerial Council released the exposure draft of the second stage of legislation for the Scheme, the Health Practitioner Regulation National Law Bill 2009 (Bill B) for a five week public consultation period, to 17 July 2009.

On 29 October 2009, Bill B was passed in the Queensland Parliament. On 3 November 2009, the Health Practitioner Regulation National Law Act 2009, known as the National Law, received Royal Assent in Queensland. Under the applied laws model, each jurisdiction enacted separate pieces of legislation (commonly referred to as Bill C) adopting the National Law, and thereby achieving the Scheme’s objectives. All states and territories, with the exception of Western Australia, passed legislation to adopt and apply the National Law as a law from 1 July 2010. Western Australia passed its corresponding legislation on 18 August 2010 and subsequently joined NRAS on 18 October 2010.

All matters raised by the Committee were considered in the context of the passage of the Queensland legislation and during the development of the Commonwealth’s Bill. However, the Commonwealth was not required to move legislation to introduce the National Scheme because under the Australian Constitution the power to regulate health practitioners resides with the states and territories, not with the Commonwealth. The Commonwealth introduced a Bill on 24 February 2010 (Bill C) to make consequential and transitional amendments to the Health Insurance Act 1973 to streamline Medicare processes and align the Commonwealth legislation with the National Law.

The Commonwealth’s Health Practitioner Regulation (Consequential Amendments) Act 2010 received Royal Assent on 30 March 2010. The amendments to the Commonwealth legislation (and associated regulations) will commence on a date to be proclaimed, once data processes and systems used by both the Australian Health Practitioner Regulation Agency (AHPRA) and Medicare Australia are fully aligned. Until that time, existing arrangements will continue to apply.

Following the commencement of NRAS on 1 July 2011, there were a number of transitional issues, particularly around access and registration processes within AHPRA, during the transition to the new Scheme. In response to these concerns, Health Ministers agreed at their meeting of 17 February 2011 to provide additional support and expertise to assist AHPRA in managing its registration function, to introduce additional monitoring of AHPRA, and a requirement for AHPRA to provide regular reports to future meetings of Health Ministers.

Further information and updates are available at: www.ahpra.gov.au

Thank you again for the important work the Committee has undertaken.

Yours sincerely

NICOLA ROXON

GOVERNMENT RESPONSE TO THE REPORT OF THE PARLIAMENTARY JOINT COMMITTEE ON LAW ENFORCEMENT:
Inquiry into the Adequacy of Aviation and Maritime Security Measures to Combat Serious and Organised Crime

1. Introduction

This document details the Australian Government Response to the recommendations
made by the Parliamentary Joint Committee on Law Enforcement (PJ C): Inquiry into the Adequacy of Aviation and Maritime Security Measures to Combat Serious and Organised Crime. The Government thanks the Committee for its inquiry and the report.

In 2008, as a part of the Prime Minister's inaugural National Security Statement, the Australian Government recognised serious and organised crime as a national security threat and a growing national challenge. In response, the Australian Government launched the Organised Crime Strategic Framework in 2009 which establishes a comprehensive and coordinated response to target organised crime wherever it exists—including at the border.

The Australian Government's approach to border control and law enforcement at airports and seaports is a multi-layered and cooperative effort between Commonwealth, and State and Territory agencies, as well as partnership with the aviation and maritime sectors.

At both airports and seaports, the Australian Customs and Border Protection Service (Customs and Border Protection) is responsible for protecting the safety, security and integrity of Australia's border through a wide range of regulatory and enforcement powers. Key functions include preventing and intercepting illegal movements of people and goods (such as illicit drugs and firearms) across the Australian border. In undertaking this role, Customs and Border Protection primarily works with a range of key Commonwealth partners, including the Australian Federal Police (AFP), the Australian Crime Commission (ACC) the Department of Immigration and Citizenship and the Australian Quarantine and Inspection Service.

The Office of Transport Security (OTS) within Department of Infrastructure and Transport (DIT) provides the Australian Government with policy advice and regulatory oversight of preventive transport security in the aviation, maritime, offshore oil and gas and air cargo sectors. This is achieved through the Aviation Transport Security Act 2004 (ATSA), the Maritime Transport and Offshore Facilities Security Act 2003 (MTOFSA), and associated regulations. The approach to preventive security embodied within the ATSA and the MTOFSA focuses on the protection of transport assets and those who use them.

OTS follows a risk-based, outcomes-focused approach to regulation through consultation with industry and international engagement. OTS works with industry to ensure compliance with the law and regulations by effecting changes in industry participant behaviour towards their regulatory obligations. Within the international context, OTS contributes to the achievement of Australian Government outcomes on transport security by working closely with the International Maritime Organization and the International Civil Aviation Organization, and by subscribing to international treaties and participating to international forums.

AusCheck is a branch within Attorney-General's Department (AGD) responsible for undertaking background checking for the ASIC and MSIC schemes. AusCheck applies a consistent interpretation of statutory requirements, coordinates criminal and security checks on ASIC and MSIC applicants (and immigration checks where requested) and notifies the relevant bodies on the outcomes of these checks.

The AFP is the primary law-enforcement agency at Australia's 11 major airports through its Unified Policing Model. These airports are Adelaide, Alice Springs, Brisbane, Cairns, Canberra, Darwin, Gold Coast, Hobart, Melbourne, Perth and Sydney. The AFP's role will be strengthened through the move to “All-in” policing at major airports. Law enforcement at regional Australian airports is primarily the responsibility of the States and Territories.

The AFP's key tasks in the aviation environment are targeting organised crime, deterring acts of terrorism, providing a uniformed policing presence, providing a first response to acts of terrorism and emergency incidents, collecting and analysing aviation intelligence and conducting investigations. In undertaking this role, the AFP works closely with airport operators and airlines in addition to Commonwealth, State and Territories agencies.
The States and Territories retain the primary responsibility for enforcing state offences and criminal law at Australian ports. The AFP has the primary responsibility for investigating federal crime in the wider maritime environment. There are arrangements in place to ensure close cooperation between Commonwealth, and State and Territory agencies.

The ACC, as the national criminal intelligence agency, plays an important role in supporting the law enforcement community and the broader government, including at Australia's airports and seaports. This includes the provision of a range of strategic, tactical and operational intelligence products which provide partner agencies with the context to understand serious and organised criminal threats to Australia. In undertaking this role, the ACC utilises its national criminal intelligence holdings, coercive powers and a national legislative and organisational framework that facilitates cooperation on a range of operational outcomes.

2. Response to Recommendations

2.1. Expanding the Scope of transport security legislation

Recommendation 1

The committee recommends that the scope of the Aviation Transport Security Act 2004 and the Maritime Transport and Offshore Facilities Security Act 2003 be widened to include serious and organised crime in addition to terrorist activity and unlawful interference.

Noted

The Commonwealth Organised Crime Strategic Framework states that industry “has a key role in understanding its environment and identifying potential opportunities for organised crime exploitation”. The Government's approach to organised and serious crime is based on “preventative partnerships” between government and industry participants.

The ATSA and MTOFSA, administered by the Department of Infrastructure and Transport, are designed to provide a national regulatory framework for the aviation, maritime, and offshore oil and gas sectors. They require industry participants to prepare transport security plans and implement risk based preventive security measures aimed at facilitating transport by reducing the risk of unlawful interference with transport systems under their control. Any amendments to the ATSA and MTOFSA have always been developed in a way that minimises the impact on industry, in line with the Government's objective of achieving an efficient, sustainable, competitive and secure transport system.

Noting the above, it is proposed that the Attorney-General’s Department, in close consultation with the Department of Infrastructure and Transport, establish an aviation and maritime industry forum to examine options for organised and serious crime prevention at Australian airports and seaports in partnership with industry. This will include examining legislative change options, such as the potential to enhance powers under the Customs Act 1901, in the context of working with industry to address serious and organised crime in the aviation and maritime border environments. This would be informed by ACC risk assessments relevant to organised and serious crime in Australia's airports and seaports.

2.2. Law enforcement on airports and seaports

Recommendation 2

The committee recommends that security at major airports be undertaken by a suitably trained government security force.

Not agreed

This matter was considered by Government in December 2009 as part of Flight Path to the Future: National Aviation Policy White Paper. This document confirmed that the current industry led and government regulated model provides an “effective, efficient and sustainable security service, notwithstanding evolving threats, increased security requirements, and increases in domestic and international aviation traffic”.

A more centralised model was not supported on the grounds that a government agency screening model would be overly prescriptive, more expensive and less efficient than current arrangements.

The Government continues to work with industry to improve the current system through
improved industry guidance, enhanced technology and better training.

**Recommendation 3**

The committee recommends that joint maritime taskforces, mirroring the functions of the Joint Aviation Investigation Teams and Joint Aviation Intelligence Groups in the maritime sector be established in every state and the Northern Territory. These taskforces should include officers of the Australian Federal Police, state or territory police, the Australian Customs and Border Protection Service and the Australian Crime Commission.

**Noted**

The objective of this recommendation is already being achieved at Australian ports through existing cooperative arrangements between the specified agencies to address security and criminality at the waterfront. Customs and Border Protection has also established a Maritime Intervention Strategy to help detect, deter and disrupt criminal activity and to improve its presence in the port environments through a range of law enforcement functions, targeted operations and campaigns.

Currently, joint multi-agency taskforces are established as needed to deliver targeted operational responses against identified criminal threats. Due to the unique nature of the maritime environment and need for law enforcement responses to be flexible and responsive to direct intelligence, the more rigid model employed in the aviation environment through the Joint Aviation Investigation Teams and Joint Aviation Intelligence Groups is not supported.

However, the Commonwealth will continue to consider whether there are other options to strengthen existing arrangements.

**Recommendation 4**

The committee recommends the formation of a Commonwealth maritime crime taskforce that would act as a national Australian Federal Police led “flying squad”, responding to specific intelligence and also conducting randomised audits of maritime and seaport security.

**Not agreed**

This recommendation largely reflects existing AFP practices in relation to law enforcement and investigations in the maritime environment. These activities also involve a range of Commonwealth, State and Territory agencies.

However, a role for AFP in conducting audits of maritime security is not supported as the AFP does not have sufficient expertise in this area.

**Recommendation 5**

The committee recommends that the Attorney-General's Department conduct a review of current information sharing arrangements between law enforcement agencies and private organisations in the aviation and maritime sectors.

**Agreed**

AGD will lead this review in consultation with the AFP, ACC and Customs and Border Protection.

This recommendation is consistent with the Organised Crime Strategic Framework’s objectives of strengthening information sharing between law enforcement agencies and working more closely with industry. There is a range of existing partnerships and information sharing practices between law enforcement agencies and with the private sector that the Commonwealth will continue to explore opportunities to improve. This will include additional opportunities for enhanced intelligence sharing between law enforcement agencies and the private sector where appropriate.

**2.3. Identity confirmation for domestic passengers**

**Recommendation 6**

The committee recommends that the Crimes (Aviation) Act 1991 be amended so as to create a new offence of deliberately travelling under a false identity.

**Agreed**

A specific offence of intentionally travelling under a false identity would provide a further tool for combating terrorism and organised crime in the aviation environment. AGD will work with the AFP and DIT to develop an appropriate offence.
Recommendation 7

The committee recommends that it be made a legal requirement to provide photo identification confirming passenger identity immediately prior to boarding an aircraft.

Not agreed

The recommendation as specified is not supported, particularly the requirement for all passengers to provide photographic identification.

The Government acknowledges the need to strike the right balance between facilitating passenger travel at airports and minimising the risk of serious and organised criminal activity. Industry stakeholders have also expressed concerns that an approach such as the one recommended may lead to delays in passenger facilitation (especially at large airports that are close to reaching capacity) and additional costs to industry and the travelling public.

The Government will utilise the aviation industry forum to be established by AGD to examine options for serious and organised crime prevention to further consider the benefit, and the impact on industry and the public, of creating an obligation for individuals of concern to provide appropriate identification prior to boarding an aircraft. Under current arrangements, it would be ineffective and impractical for such activities to be conducted by airport check-in staff who are not trained to recognise fraudulent documents and have no law enforcement powers.

It is also not feasible for a government official, acting as government security officer, to conduct identity checks of all passengers on domestic aircraft services as there is not sufficient capacity to staff each boarding gate in order to conduct identification confirmation.

2.4. Access, information sharing and customs issues

Recommendation 8

The committee recommends that the Commonwealth Government review the technical and administrative requirements necessary to facilitate the effective sharing of information between airlines and air cargo agents and law enforcement agencies and the Australian Crime Commission Fusion Centre for the purpose of enhancing aviation security and law enforcement activities. The review should include research into technical requirements for such a scheme, the costs involved and any relevant statutory or other barrier to the sharing of such information. The findings of the review should be reported to the Australian Parliament.

Agreed

The AGD will lead this review in consultation with the AFP, ACC, and Customs and Border Protection.

This recommendation is consistent with the Organised Crime Strategic Framework's objective to continue to strengthen information sharing between law enforcement agencies and working more closely with industry. This work will complement the review to be conducted in response to recommendation 5 on information sharing arrangements between law enforcement agencies and private organisations in the aviation and maritime sectors.

The Commonwealth will consider options for reporting the findings of the review. As the review may contain operational sensitivities that cannot be made public, it may not be possible to report the full findings of the review to Parliament.

Recommendation 9

The committee recommends that the Australian Government provide further resources to support an increased presence for currency and illicit drug detection canine units at Australian airports.

Noted

The Commonwealth considers that current levels of currency and illicit drug detection canine units are sufficient.

The AFP is undertaking a review of whether there is need for additional canine units in the future. The AFP will also review the terminating “Firearms and Explosive Detector Dogs” Budget measure and together with Customs and Border Protection will consider whether additional resources for currency and illicit drug detection canine unit are needed.

Recommendation 10

The committee recommends that access to port security areas prescribed under the Maritime
Transport and Offshore Facilities Security Act 2003 should require verification that the Maritime Security Identification Card belongs to the individual seeking access, either through human gate operators, verification by Closed Circuit Television or any other appropriate solution.

Noted

The DIT will assess current preventive security settings to ensure that appropriate outcomes are being met at all security regulated seaports.

The current approach in relation to seaport security is that the preventive security measures at facilities (including access control arrangements) should be commensurate to the security risk particular to the facility. A prospective “one size fits all” approach would incur unnecessary costs for industry that may not be commensurate with local security risk circumstances.

While face to MSIC checks are required at some higher risk facilities, in areas of lower risk, other security approaches, such as electronic swipe access coupled with random inspection and controls may be appropriate.

Recommendation 11

The committee recommends the development of a system that enables the confidential movement and examination of containers that increases the likelihood that trusted insiders involved in serious or organised crime are not alerted to law enforcement agency interest in a container.

Noted

Customs and Border Protection currently has the ability to employ several methods to carry out covert movements and examinations of containers.

Customs and Border Protection will continue to examine changes in the maritime environment and technological advances to enhance its ability to conduct covert operations and reduce the risks presented by trusted insiders involved in organised crime.

Although Customs and Border Protection notes that it is not possible to completely avoid surveillance by interested parties seeking to identify covert activity in the supply chain, options to reduce this visibility will continue to be explored.

Recommendation 12

The committee recommends that the Commonwealth government further invest in CCTV at airports and ports, with consideration of a number of ongoing improvements, including:

- that CCTV cameras should be capable of producing footage of evidential quality;
- the continuing lead role of Customs in coordinating the monitoring of CCTV networks; and
- that CCTV networks should be complemented with automated number plate recognition, and/or facial recognition technology.

Noted

Closed-circuit television (CCTV) at airports and seaports is operated by a range of businesses and government agencies for a variety of purposes which includes but is not limited to people traffic management, customs and border protection, anti-shoplifting purposes in retail areas, physical security of the facilities, and aviation/maritime security.

Customs and Border Protection installs and maintains CCTV equipment throughout Australia's eight international gateway airports and 63 gazetted seaports to assist in its border management and security objectives.

In consultation with relevant stakeholders, Customs and Border Protection has developed the CCTV Strategic Outlook 2020, a strategy to guide future investment in CCTV at the border. The strategy has been developed in recognition of increasing interest from stakeholders in obtaining access to high quality visual information and the need to update existing CCTV technology that is approaching obsolescence. This strategy has been endorsed by the Border Management Group which comprises a range of Commonwealth partner agencies.

The initiatives identified in the strategy are intended to be progressively implemented by Customs and Border Protection following proof of concept trials to refine business requirements,
which includes sharing arrangements with industry.

Within current resource constraints, the implementation of the initiatives is being prioritised according to the business needs of individual Australian's eight international gateway airports and 63 gazetted seaports, and the level of risk presented by existing systems.

In addition to the work of Customs and Border Protection, the National Counter Terrorism Committee, Legal Issues Sub Committee CCTV Working Group is developing a national policy and strategy for CCTV regarding the production of footage of evidential quality and a Practical Guide for law enforcement and national security agencies for use when using CCTV vision in counter terrorism investigations.

Recommendation 13

The committee recommends that Customs be given the power to revoke a depot, warehouse or broker's license if it determines, on the strength of compelling criminal intelligence, that an individual or individuals are involved or strongly associated with significant criminal activity.

Noted

Customs and Border Protection recognises the importance of preventing the likelihood of criminal infiltration in the cargo process. The positions of trust placed on depot, warehouse and broker's license holders is essential to ensuring that Customs and Border Protection controls are effectively enforced and border integrity is maintained.

Customs and Border Protection is strengthening its licensing regime and has been given legislative power to place conditions on depots' licenses that can be applied on a case-by-case basis to require the provision of staff lists for assessment against intelligence holdings.

The Commonwealth considers that a more appropriate step would be to reinforce Customs and Border Protection's power to scrutinise and monitor individuals and companies involved in the licensing regime. Customs and Border Protection will examine options to further strengthen its licensing regime with initiatives such as the power to request and assess staffing data.

2.5. Changes to the ASIC and MSIC schemes

Recommendation 14

The committee recommends that the Attorney-General's Department, in consultation with the Australian Crime Commission, reviews the list of relevant security offences under the ASIC and MSIC schemes to assess whether any further offences are required in order to effectively extend those schemes to protect the aviation and maritime sectors against the threat of infiltration by serious and organised criminal networks.

Agreed

DIT and AGD, in consultation with the ACC, will review the lists of security-relevant offences to assess whether any further offences are required.

Recommendation 15

The committee recommends that the Attorney-General's Department arrange for a suitable law enforcement agency to be given the power to revoke an Aviation Security Identification Card or Maritime Security Identification Card if it is determined that a cardholder is not a fit and proper person to hold a card on the basis of compelling criminal intelligence.

Noted

DIT and AGD will consider options for developing a test that would allow a suitable law enforcement agency to cancel an ASIC or MSIC if it is determined that the card holder is not a fit and proper person based on compelling criminal intelligence. This will include options to appeal any such determination, and a suitable legal mechanism for cancelling such cards.

This policy work will be conducted in conjunction with the proposed review of security-relevant offence criteria to respond to Recommendation 14.

Recommendation 16

The committee recommends that the MSIC eligibility criteria be harmonised with that of the ASIC scheme so as to make two or more convictions of an individual for maritime security relevant offences grounds for disqualification if one of those convictions occurred in the 12
months prior to an application, regardless of whether either conviction led to a term of imprisonment.

**Agreed**

The DIT will assess the eligibility criteria exclusion mechanisms in the ASIC and MSIC schemes with a view to greater harmonisation if appropriate.

**Recommendation 17**

The committee recommends the expansion of the coverage of the ASIC and MSIC schemes to capture a greater part of the overall supply chain, including some or all of the following:

- staff at cargo unpacking and stuff-unstuff facilities;
- transport workers involved in the transmission of cargo between ports, airports and other parts of the logistical chain;
- customs brokers that do not access port facilities; and
- human resource staff and management at companies with employees that currently must hold ASICs or MSICs.

**Noted**

The DIT, in conjunction with the AGD and relevant portfolio agencies, will evaluate the potential security benefits of expanding the categories of people required to hold ASICs/MSICs.

**Recommendation 18**

The committee recommends that AusCheck and CrimTrac work together to develop a database system that enables continual assessment of a cardholder's criminal record in order to ensure that cardholders are disqualified very soon after being convicted of a relevant security offence.

**Noted**

While there would be many benefits to continuous criminal history checks, there are a number of technical, privacy, legislative and funding issues that need to be resolved to achieve this outcome.

AusCheck and CrimTrac, in close consultation with the States, Territories and other relevant Commonwealth agencies, will work together to explore options which allow for the ability to continually identify those ASIC and MSIC holders who are convicted of security-relevant offences that pose a threat to the aviation and maritime environments.

The Government notes that both the ASIC and MSIC schemes have mandatory self reporting requirements in place which are designed to identify those card-holders who may be convicted of a security-relevant offence in order to reassess their eligibility to hold a card.

**Recommendation 19**

The committee recommends that use of biometric information, particularly fingerprints, to establish a unique identifier for applicants for the purpose of maintaining an accurate database of cardholders.

**Noted**

The Government notes the recommendation and will consider the use of biometric information in the context of its work coordinating Australia's National Identity Security Strategy, a cross jurisdictional initiative endorsed by COAG in 2007. One of the key elements of the Strategy is enhancing national interoperability of biometric identity security measures which is being progressed through the development of a Biometrics Interoperability Framework.

The Biometrics Interoperability Framework is intended to cover the use of biometrics across law enforcement, national security and service delivery purposes, recognising that rapid developments in biometric technologies and advancements in the capture, transfer and storage of digital information is resulting in increased take-up of biometrics across the public sector generally. The framework is exploring specification of the uses of particular biometric types, namely fingerprints and face; the manner in which biometrics information is validated, stored and shared; and the data standards applicable to achieving interoperability.

**Recommendation 20**

The committee recommends that the Australian Government consider the use of biometric information for the purpose of controlling access to security controlled areas in the aviation and maritime sectors.
Noted
The DIT will in close consultation with relevant government agencies and the aviation and maritime industry sectors consider potential options to introduce biometrics for the purpose of enhancing access control arrangements at Australian airports and seaports. The
Government recognises the link between this recommendation and recommendations 10 and 19.

Recommendation 21
The committee recommends that AusCheck establish memoranda of understanding with the Australian Federal Police and other key law enforcement and intelligence agencies in order to allow the timely provision of information held in the AusCheck database to those agencies.

Agreed
The Government supports the recommendation and actively promotes information sharing within the law enforcement community.

AusCheck already provides law enforcement and intelligence agencies access to its database for law enforcement and national security purposes within the parameters set down in the AusCheck Act 2007. AusCheck publishes publicly accessible guidelines that govern who can receive information from the AusCheck database, the purposes this information can be used for, and the process for requesting this information.

AusCheck has developed and entered into a number of Memoranda of Understanding (MoUs) with a variety of relevant law enforcement agencies, including the AFP. These MoUs ensure that access to the AusCheck database appropriately addresses the needs of the law enforcement agencies, including the need for fast response times, while conforming to the requirements of the AusCheck legislation and guidelines.

AusCheck regularly reviews its MoUs and is currently engaged in developing new MoUs with additional Commonwealth authorities that have functions relating to law enforcement. AusCheck is exploring the possible extension of its MoUs to incorporate the development of new information sharing capabilities which would provide faster electronic access to AusCheck database information.

Recommendation 22
The committee recommends that current ASIC and MSIC issuing bodies are replaced by a single, government-run, centralised issuing body.

Noted
As part of the Government's response to the Australian National Audit Office Report into the Management of the ASIC and MSIC schemes, DIT has commenced a functional review, in consultation with industry stakeholders, unions and Government agencies to identify preferred issuing body functional models and operational structures for the ASIC and MSIC schemes.

This comprehensive review will undertake a cost benefit analysis of preferred functional models, including the option of a single, government-run, centralised issuing body. It will also seek to identify potential unintended consequences – such as airport and seaport operational issues – that may arise from the introduction of different models, as well as consider transitional issues should a new model be introduced as Government policy.

AUSTRALIAN GOVERNMENT RESPONSE TO THE REPORT ON INQUIRY INTO THE CHANGING ECONOMIC ENVIRONMENT IN THE INDIAN OCEAN TERRITORIES BY THE JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES
MINISTER FOR REGIONAL AUSTRALIA, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT
OCTOBER 2011
Note: As part of the Administrative Arrangements Orders released on 14 September 2010, responsibility for matters dealing with Christmas Island and the Cocos (Keeling) Islands now falls to the Department of Regional Australia, Regional Development and Local Government.
Recommendation 1

The committee recommends that the Shire of Christmas Island in partnership with the Christmas Island community and relevant stakeholders examine ways to diversify the local economy, with a focus on developing tourism as part of its economic strategy in response to the possible permanent closure of the Christmas Island phosphate mine. In addition, the Attorney-General's Department should provide adequate funding for secretariat support to the Shire for this purpose.

Support. To date, the Shire has been reluctant to take a leadership role in economic development on Christmas Island. The Department of Regional Australia, Regional Development and Local Government has not allocated specific funding to the Shire for this task, but the Shire receives annual funding which in the 2010/2011 financial year was $2.839 million. The Shire has the ability to allocate this funding according to its priorities. The government has previously funded studies on developing tourism (The Christmas Island Destination Development Report of April 2008). The Territories Division, as part of the Department of Regional Australia, Regional Development and Local Government is also involved in the Inter-Departmental Committee for National Long Term Tourism Strategy and through this will pursue access for the Territories to training, mentoring and advertising.

There is currently no need for the funding of specific secretariat support to the Shire for the purpose of tourism development.

Recommendation 2

The committee recommends the Government provide funding for economic modelling to be undertaken on the impact on the Christmas Island economy of activities associated with the operation of the Christmas Island Immigration Reception and Processing Centre and make this information available in a public report.

Support. The Department of Regional Australia, Regional Development and Local Government has allocated funding for a Social and Economic Impact Assessment of the operation of the Christmas Island Immigration Detention Centre on the local community, which will include economic modelling. The project has commenced and will be undertaken with input from the Department of Immigration and Citizenship.

Recommendation 3

The committee recommends the Shire of Christmas Island and the Attorney-General's Department coordinate a program of price monitoring for the Indian Ocean Territories.

Support. The Department has explored on-island options for collecting the data. However this was not successful. The Department is now considering other methods to collect data in line with the ABS "basket of goods" to enable analysis of cost of living trends and comparisons for both Christmas Island and the Cocos (Keeling) Islands.

Recommendation 4

The committee recommends the Minister for Home Affairs take measures to ensure Corporations Law is applied to the Indian Ocean Territories as soon as possible.

Support. The Department of Regional Australia, Regional Development and Local Government and The Treasury are working together on the extension of the operation of Corporations Law to the Indian Ocean Territories. A community consultation process is currently underway. The Administrator of Christmas Island and the Cocos (Keeling) Islands, as chair of the Economic Development Consultative Groups (EDCG), is leading consultation with relevant stakeholders on both Christmas Island and the Cocos (Keeling) Islands.

Feedback received from the communities on Christmas Island and the Cocos (Keeling) Islands will inform any further consultation to be undertaken with parties directly affected by the extension of Corporations Law to the Territories and amendments to the legislation will be undertaken where required.

Recommendation 5

The committee recommends that Government agencies sourcing goods and services from businesses of the Indian Ocean Territories ensure payment of accounts within 30 days of the receipt of invoice.
Support. It is Government policy to pay invoices within 30 days. The Department of Regional Australia, Regional Development and Local Government makes every effort to comply with this policy.

Recommendation 6
The committee recommends that arrangements be progressed as far as possible between the Attorney-General's Department and the Government of Western Australia to place a health and safety inspectorate on Christmas Island.

Do not support. Occupational Health and Safety inspections and compliance are provided by Worksafe WA under a Service Delivery Arrangement. Worksafe WA inspectors regularly travel to the Indian Ocean Territories to conduct inspections. A permanent inspector is not needed and not consistent with comparable remote communities on the mainland.

Recommendation 7
The committee recommends that the building codes currently applied to the Indian Ocean Territories be reviewed with the aim of making them more suitable to the physical environment and climate.

Support. The Indian Ocean Territories are subject to the same building code that applies throughout mainland Australia: the Building Code of Australia. The provisions of the Code are appropriate to a range of environments, including coastal and tropical climates.

The code only applies different standards to regions with different perceived risk of cyclone or high wind action, as determined by Australian Standard 1170.2:2002. The Standard rates the Cocos (Keeling) Islands as region B (cyclonic) and Christmas Island as region C (non-cyclonic). The Standard was compiled in 2002 and it may be appropriate to reconsider these ratings with regard to current data. The Department has written to Standards Australia supporting a review of the Standard.

Requirements relating to plot ratios, car parking and limits on land use are found with the Town Planning Schemes of each Territory. The Schemes are the responsibility of the relevant local governments and are compiled through the same process as is used in remote and regional Western Australia. Both the Shire of Christmas Island and the Shire of Cocos (Keeling) Islands are in the process of reviewing their Town Planning Schemes.

Recommendation 8
The committee recommends the Government provide funding to the Shire of Christmas Island and the Shire of Cocos (Keeling) Islands for the establishment of local economic development officers.

Noted. The Australian Government provides funding for an economic development officer for the Indian Ocean Territories. The officer works with the Shires on local issues, however, is attached to the Indian Ocean Territories Administrator for funding and oversight purposes. Both Shires have access to the services of the economic development officer.

Recommendation 9
The committee recommends that:
- the Minister for Home Affairs provide discretionary grant approval authority to the Indian Ocean Territories Economic Development Consultative Groups for approval of individual grants under the economic development funding program; and
- the former Indian Ocean Territories incorporated advisory bodies be dissolved.

Do not support. The Australian Government has Commonwealth Grants Guidelines that are designed to ensure probity in the administration of grants programs. These guidelines require decisions about discretionary grant funding to be made by Commonwealth Ministers or delegated senior officials after receiving agency advice on the merits of the grant application. The Department of Regional Australia, Regional Development and Local Government complies with these guidelines and submits applications for grant funding to the Minister for Regional Australia, Regional Development and Local Government.

Noted. Dissolution of the former Indian Ocean Territories incorporated advisory bodies is a matter for the membership of those bodies.
Recommendaion 10
The committee recommends that the application process required under the economic development funding program be reviewed with the aim of streamlining the application process.

Support. The Department of Regional Australia, Regional Development and Local Government has completed a review of the economic development grants program, including related policy and processes. The review included 7 recommendations for streamlining and further developing the economic development grants program. The review contains input from relevant stakeholders.

The Department commenced new arrangements as of 1 July 2011, including reviewing the Terms of Reference for the Economic Development Consultative Groups, increasing the amount of funding available through the program to $150,000.00 and implementing a complaints process, dispute resolution process and an appeals process.

Recommendation 11
The committee recommends the amount of funds available under the economic development funding program be increased to $150 000 per annum for each of the Indian Ocean Territories.

Support. Following a review of the economic development funding program, the Department of Regional Australia, Regional Development and Local Government has increased the amount available under the program to $150 000 per annum for each of the Indian Ocean Territories. This will enable applicants with larger projects to apply for funding through the program.

Recommendation 12
The committee recommends that on finalisation of the feasibility study into the upgrade of the road that runs to the North West Point Detention Centre on Christmas Island (not withstanding any recommendations and findings contained in the report) that, funds be made available without delay for the upgrade of the road to commence as soon as possible.

Noted. The Indian Ocean Territories Taskforce has commissioned WA Main Roads to undertake a feasibility study on the road to North West Point. The study has been completed. The Shire of Christmas Island has negotiated funding support to maintain the road with the Department of Immigration.

Recommendation 13
The committee recommends the Shire of Christmas Island and the Shire of Cocos (Keeling) Islands put into place a practical, administrative complaints handling process. In addition, the Attorney-General’s Department should provide ongoing adequate funding for secretariat support for this purpose.

Support. Local governments are required to have a designated complaints officer under the Local Government Act 1995 (WA) (CI) & (CKI). Local governments are encouraged to supplement this position with a complaints process and policy. These are useful mechanisms for improving customer service and identifying and responding to problems.

As this is a core function of local government, it should be funded from existing operating budgets.

Recommendation 14
The committee recommends the Government examine the feasibility (including cost and security considerations) of implementing a tourist or short stay visa waiver scheme to encourage international tourists to visit the Indian Ocean Territories.

- Do not support. Australia has a universal visa requirement for all non-Australian citizens intending to enter Australia. Australia’s visa system is non-discriminatory and visitors from anywhere in the world need to apply for a visa.
- Australia is committed to facilitating the movement of people across the Australian border, while protecting the community and maintaining appropriate compliance. Australia does not operate a visa waiver program for any country and our visa arrangements are not based on reciprocity.

Recommendation 15
The committee recommends the Steering Committee responsible for implementation of the Christmas Island tourism plan in consultation with the Attorney-General’s Department, develop a service delivery arrangement with Tourism
Australia to review, revise and implement the Christmas Island Destination Development Report.

Support. The Department of Regional Australia, Regional Development and Local Government supports the operation of the Steering Committee. However, the Steering Committee has not met for some time and has not taken an active role in developing the tourism market on Christmas Island.

The Department of Regional Australia, Regional Development and Local Government continues to support tourism in the Indian Ocean Territories through funding both the Christmas Island and Cocos (Keeling) Islands Tourism Associations to provide destination marketing, visitor information services, member support and other initiatives. Both Associations are implementing their recently completed destination marketing plans.

The Christmas Island Destination Development Report still provides a basis for tourism growth. It is used by organisations and individuals including the Economic Development Officer, employed through the Department, and the two economic development consultative groups to promote tourism opportunities.

Additionally, the Indian Ocean Territories are part of the Mid-West Gascoyne Regional Development Australia committee who in conjunction with the Department of Regional Australia, Regional Development and Local Government are funding various tourism initiatives for the Indian Ocean Territories.

Recommendation 16

The committee recommends the Shire of Christmas Island and the Shire of Cocos (Keeling) Islands in consultation with the Attorney-General's Department, draft and implement a land release and development plan to attract investment and stimulate the construction industries of the Indian Ocean Territories. In addition, the Attorney-General's Department should provide ongoing adequate funding for secretarial support for this purpose.

Noted. The Department of Regional Australia, Regional Development and Local Government has completed a Crown Land Management Plan Report, which will be used to guide land management decisions. The Department of Regional Australia, Regional Development and Local Government has also commissioned Outline Development Plans for high value areas in the Territories, such as the Q Station, CI Light Industrial Area, Poon Saan residential area and Buffett Close extension. The Department of Regional Australia, Regional Development and Local Government is in the process of releasing land on Christmas Island for both residential and commercial use. Most land on the Cocos (Keeling) Islands is under the control of the Shire, through the Cocos Land Trust arrangements.

Any disposal of Commonwealth land, must comply with the Commonwealth Property Disposals Policy.

Recommendation 18

The committee recommends that the Commonwealth transfer ownership of the accommodation and facilities located at the former Quarantine Station site on West Island to the Shire of Cocos (Keeling) Islands to ease pressure on housing supply.

Do not support. The Government acknowledges a shortage of housing exists on West Island in the Cocos (Keeling) Islands. The majority of land in the Cocos (Keeling) Islands, including land on West Island, is held on trust by the Shire of Cocos (Keeling) Islands for the benefit of the Cocos community.
The Government does not support transferring the former Quarantine Station site on West Island to the Shire of Cocos (Keeling) Islands. In the short term, the accommodation buildings at the former Quarantine Station are being used to house the workers for the Rumah Baru port project. Once this project is completed, the Department of Regional Australia, Regional Development and Local Government expects the accommodation buildings to be used by workers for the runway refurbishment project. Storage buildings at the former Quarantine Station are being used by the Shire of Cocos (Keeling) Islands.

The Department of Regional Australia, Regional Development and Local Government recently completed an Outline Development Plan (ODP) for the former Quarantine Station site. The ODP acknowledged that, in the first instance, residential development on West Island should occur closer to the settled area to take advantage of existing infrastructure. The ODP proposed a number of options for the former Quarantine Station, which were developed in close consultation with the Cocos community. Options include short term accommodation, but not residential accommodation.

The Department of Regional Australia, Regional Development and Local Government is in the process of building housing on Commonwealth owned blocks in Buffet Close. Other blocks are privately held and have not been built on. In 2010/11, the Department will commission a plan to expand Buffet Close to provide additional residential blocks close to the existing settled area.

Any disposal of Commonwealth land, must comply with the Commonwealth Property Disposals Policy.

Recommendation 19
The committee recommends that the potential effects of climate change be acknowledged as they will affect future economic development, especially on the Cocos (Keeling) Islands and that the Economic Development Consultative Groups and other stakeholders are fully briefed on these, and an appropriate risk evaluation built into any proposals relating to economic development.

Support. The Department of Regional Australia, Regional Development and Local Government is undertaking this work in close consultation with the Christmas Island and Cocos (Keeling) Islands communities. The Indian Ocean Territories Climate Change Adaptation Strategy has been developed and released for initial comment. Community consultation regarding implementation of this strategy commenced on the Islands in November. This work is ongoing and will continue to inform the Government's activities in the Territories.

Recommendation 20
The committee recommends the Department of Broadband, Communications and the Digital Economy in consultation with the Attorney-General’s Department review the operation of the Australian Broadband Guarantee as it applies to the Indian Ocean Territories.

Do not support. The Australian Broadband Guarantee program has now closed. Services meeting the Australian Broadband Guarantee’s defined standard for a metro-comparable broadband service are available commercially in the Indian Ocean Territories through the Christmas Island Internet Administration (CIIA).

Access to high speed broadband services will be improved in the Indian Ocean Territories with the launch of the National Broadband Network Long Term Satellite Service which is scheduled to commence in 2015. NBN Co is working to deploy two Ka-band satellites to provide access to peak download speeds of 12 megabits per second and upload speeds of 1-4 megabits per second. This represents a step-change over speeds experienced by users of these technologies today.

Recommendation 21
The committee recommends the Government subsidise improvements to the satellite link for the Indian Ocean Territories to enable improved communication links with the mainland and to assist with business and service delivery.

Noted. The government’s decision to create NBN Co Limited (NBN Co) will allow all Australians to obtain access to affordable high-speed broadband services. The new services will be delivered via a range of technologies, and the Department of Broadband, Communications and
the Digital Economy has advised that, in remote locations such as the Indian Ocean territories, the National Broadband Network (NBN) will be provided via next generation satellite technologies capable of delivering peak download speeds of at least 12 megabits per second.

Next-generation satellite technologies are capable of providing excellent broadband services in areas with low population density and will provide vastly superior satellite broadband services to those available today.

NBN Co is progressing the development and rollout of next-generation satellite broadband services. On 20 December 2010, NBN Co released its Corporate Plan which indicates that it will take approximately four years to design, build and launch two next generation Ka-band satellites. NBN Co anticipates long term satellite services commencing in financial year 2015.

Whilst this process is underway, the Department of Regional Australia, Regional Development and Local Government is investigating alternatives to improve the current accessibility.

Recommendation 22

The committee recommends the Government provide assistance for the urgent upgrade of mobile telephony infrastructure and services on the Indian Ocean Territories in line with service standards available in metropolitan areas on the mainland.

Noted. Mobile telephony is currently provided by the private sector. The Department of Regional Australia, Regional Development and Local Government is considering what support might be available for these activities. However, there are significant areas of mainland Australia that do not have mobile telephony infrastructure and services to the same level as metropolitan areas.

As stated in its responses to questions on notice to the Committee in October 2009, the Department of Broadband, Communications and the Digital Economy understands the Indian Ocean Territories do not have access to mainland mobile networks. There is currently no Australian Government funding available for the extension of mobile telephony infrastructure.

The provision of mobile phone coverage in a particular area is primarily a commercial decision made by mobile phone carriers. In making the decision to extend coverage to a particular area, carriers consider a range of factors, including site availability, cost structures, likely levels of demand from users and overall economic viability of the service.

Carriers partly base this decision on how many people live and travel through the area, placing towers where there is a higher level of use. The cost to install towers in the Indian Ocean Territories could be great, especially given that the underlying infrastructure may also require an upgrade.

It may be useful for organisations or communities in the Indian Ocean Territories to identify for carriers the potential demand for mobile services in the area. Information such as current and projected growth of population, together with records of traffic volumes can be helpful in assisting carriers to make informed decisions about whether to extend coverage to certain areas.

Currently satellite mobile phone services cover the Indian Ocean Territories and are available from a number of providers. The Australian Government's Satellite Phone Subsidy Scheme improves the affordability of mobile communications for people living and working in areas without handheld terrestrial mobile coverage, by providing subsidies for the purchase of satellite phone handsets.

As there is no reliable terrestrial mobile coverage in the Indian Ocean Territories, people who permanently live there or spend significant amounts of time on or around the islands are eligible to apply.

Recommendation 23

The committee recommends the Government explore the possibility of funding ‘self help’ transmitters in the Indian Ocean Territories to enable live sporting events to be received.

Noted. The Department of Regional Australia, Regional Development and Local Government currently provides a range of analog radio and television services to the Indian Ocean Territories as a community service. The television service
features the same content that is currently transmitted in analog to regional and remote Western Australia by the commercial and national broadcasters. This means those served by the community television service provided by the Department have access to a similar level of live sports coverage that is available to regional and remote Western Australian analog television viewers.

The Territories have been included in the national plans for the transition to digital television. This will roll out via the Viewer Access Satellite Television (VAST) service, with a government subsidy scheme for individual households. The transition from analog to digital television across Australia is due for completion by the end of 2013. The subsidy will be available to Territories’ viewers in November 2012, at the same time as Western Australia. The Territories are scheduled to have full access to digital television, utilising the satellite installation subsidy, between November 2012 and the end of 2013. Digital television provides viewers with access to 16 channels, some of which feature sports coverage not available to analog television viewers.

Recommendation 24
The committee recommends the Government provide a subsidy aimed at reducing the cost of sea freight and shipping services for the Indian Ocean Territories.

Do not support. The Government has not considered offering a subsidy on sea freight for the Indian Ocean Territories and does not consider that the Tasmanian Freight Equalisation Scheme (TFES) is an appropriate model for any such general sea freight subsidy. The TFES is targeted at goods of Australian origin shipped to Tasmania as inputs to production for selected industries only and for goods transported to mainland Australia from Tasmania (but not for international export). TFES does not assist the movement of fuel or private consumables such as household goods or food.

Further, under Part VI of the Navigation Act 1912, ships carrying domestic cargoes across Bass Strait are required to obtain a coasting trade licence or permit – licences require that crew are paid Australian wages and permits are only issued when a licensed ship is not available. In contrast, the carriage of cargo or passengers between Cocos (Keeling) Islands or Christmas Island and ports in the Commonwealth or Territory are exempt from the provisions of Part VI of the Navigation Act 1912. The exemption of Cocos (Keeling) Islands has been in place since 28 June 1956 and the exemption of Christmas Island has been in place since 1998.

The Government already provides significant support in the form of subsidised port fees and an underwritten air service that includes freight.

Recommendation 25
The committee recommends the Government continue to underwrite domestic air services to the Indian Ocean Territories in response to demand for services.

Support. The Government engaged Virgin Australia on 1 April 2010 to provide an underwritten air service to the Indian Ocean Territories for the next three years, with an option to renew for a further two years. This service currently consists of three flights a week from Perth to Christmas Island and the Cocos (Keeling) Islands on Tuesdays, Fridays and Saturdays. A fourth flight also operates between Perth and Christmas Island on Thursdays.

To meet the Indian Ocean Territories freight demand, the Department is investigating the introduction of a dedicated air freighter to service both Christmas Island and the Cocos (Keeling) Islands. A dedicated fortnightly air freighter service, using a 737-300, currently operates between Perth and Christmas Island.

Recommendation 26
The committee recommends that cabotage restrictions should be removed for the Indian Ocean Territories (IOTs) and that prior to this the Government undertake an assessment of the infrastructure and administrative requirements for the IOTs, taking into consideration asset and funding needs, and time frames for upgrades and restructures particularly in regard to the runway and immigration facility upgrades.

Noted. In 2009, the Australian Government released the National Aviation Policy White Paper (White Paper), which provides a comprehensive long-term aviation policy
framework for the Australian aviation industry. The Government's position on cabotage is discussed at page 44 of the White Paper, which provides that:

'As a general rule, the Australian Government does not intend to permit cabotage. [However]...the Government may consider unilateral cabotage in exceptional circumstances: for example...on a more long term basis when a foreign carrier may seek to operate on a route which is not currently served by scheduled domestic airlines or which requires a government subsidy (such as routes between some of Australia's external territories and the mainland).

Noting the variety of possible costs and benefits the Joint Standing Committee's Report has identified in the event of removal of cabotage restriction for the Indian Ocean Territories, any application to allow a foreign operator to carry domestic passengers would only ever be considered on a case-by-case basis. Safety is the Government's first aviation priority, and any decision to grant cabotage to a foreign airline would only be taken should exceptional circumstances exist and after full consideration, assessment and agreement by Australia's aviation safety regulator, the Civil Aviation Safety Authority.

(Quorum formed)

Privileges Committee

Report

Senator JOHNSTON (Western Australia) (17:20): I present the 149th report of the Committee of Privileges entitled Person referred to in the Senate, Mr Henry Ergas.

Ordered that the report be printed.

Senator JOHNSTON: I seek leave to move a motion in relation to the report.

Leave granted.

Senator JOHNSTON: I move:

That the report be adopted.

This report is the 63rd in a series of a reports recommending that a right of reply be afforded to persons who claim to have been adversely affected by being referred to in the Senate either by name or in such a way as to be readily identified. On 15 October 2011, the President received a submission from Mr Henry Ergas relating to an interjection made by Senator Conroy during questions without notice in the Senate on 13 October 2011, which was recorded in the Hansard. The President referred the submission to the committee under privilege resolution No. 5. The committee considered the submission at its meeting on 3 November 2011 and recommends that the proposed response be incorporated in Hansard.

The committee reminds the Senate that in matters of this nature it does not judge the truth or otherwise of statements made by honourable senators or the persons referred to; rather, it ensures that those persons' submissions and ultimately the responses it recommends accord with the criteria set out in privileges resolution No. 5. I commend the motion to the Senate.

Question agreed to.

The response read as follows—

On Thursday 13 October, 2011, Senator Conroy made the following statement in the Senate:

"Henry Ergas went bankrupt".

This statement is completely incorrect and has no basis in fact. It is plainly derogatory and had it been made outside Parliament, would have given rise to proceedings for defamation.

I therefore request that a correction be promptly entered in Hansard stating:

"Senator Conroy's statement is completely incorrect and has no basis in fact."

Yours sincerely,

Henry ERGAS
BILLS

Business Names Registration Bill 2011
Business Names Registration (Transitional and Consequential Provisions) Bill 2011
Business Names Registration (Fees) Bill 2011
Tax Laws Amendment (2011 Measures No. 6) Bill 2011
Higher Education Legislation Amendment (Student Services and Amenities) Bill 2010
Assent

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

COMMITTEES

Environment and Communications Legislation Committee

Report

Senator CAROL BROWN (Tasmania—Deputy Government Whip in the Senate) (17:23): On behalf of the Chair of the Environment and Communications Legislation Committee, Senator Cameron, I present the report of the committee on the provisions of the Australian Renewable Energy Agency Bill 2011 and a related bill, together with documents presented to the committee.

Ordered that the report be printed.

BILLS

Clean Energy Bill 2011
Clean Energy (Consequential Amendments) Bill 2011
Clean Energy (Income Tax Rates Amendments) Bill 2011
Clean Energy (Household Assistance Amendments) Bill 2011
Clean Energy (Tax Laws Amendments) Bill 2011
Clean Energy (Fuel Tax Legislation Amendment) Bill 2011
Clean Energy (Customs Tariff Amendment) Bill 2011
Clean Energy (Excise Tariff Legislation Amendment) Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment Bill 2011
Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment Bill 2011
Clean Energy (Unit Shortfall Charge—General) Bill 2011
Clean Energy (Unit Issue Charge—Auctions) Bill 2011
Clean Energy (Unit Issue Charge—Fixed Charge) Bill 2011
Clean Energy (International Unit Surrender Charge) Bill 2011
Clean Energy (Charges—Customs) Bill 2011
Clean Energy (Charges—Excise) Bill 2011
Clean Energy Regulator Bill 2011
Climate Change Authority Bill 2011
In Committee

Debate resumed.

The TEMPORARY CHAIRMAN (Senator Moore): The question before the chair is that amendment (1) on sheet 7168, moved by Senators Birmingham and Xenophon, be agreed to.

Senator CORMANN (Western Australia) (17:24): This is a very important amendment because people who live across Australia
should be given an opportunity to have a say given the significant economic costs that the government wants to impose on the Australian economy. In that context, and given some of the statements that the minister has made during this debate and during question time today, I would like the minister to advise the chamber whether she stands by the government's own modelling of the impact of the carbon tax on the Australian economy—that by 2050 it will lead to a GDP which will be $100 billion lower, which will lead to real wages being nearly six per cent lower by 2050, which, of course, will lead to CO\textsubscript{2} emissions being 43 million tonnes higher than they currently are. Do the minister and government stand by those findings of the government's own Treasury modelling?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (17:26): The government does stand by the Treasury modelling, which shows that Australia can put in place a price on carbon, grow jobs, grow the economy, grow national income and reduce emissions from what they would otherwise be.

**Senator CORMANN** (Western Australia) (17:26): The minister cannot even get herself to concede the point that her government's own Treasury modelling shows that, by 2050, GDP will be $100 billion lower than it would be without a carbon tax and that real wages will be six per cent lower than they would be without a carbon tax. Is there any point in time in the future when the government expects that the reduction in real wages, compared to a scenario without a carbon tax, is going to plateau? Is it expected to then increase again or will it continue to reduce, reduce and reduce further? If so, why should people not be allowed to have a say on whether they are happy to have a carbon tax under which emissions will continue to increase, where real wages will be lower than they would be without a carbon tax and where the economy will be smaller than it would be without a carbon tax?

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (17:28): I think there were two propositions. One was that I was being asked to give an indication of what might happen mid-century. Obviously, what I would say to the senator is that, whilst I have enormous regard for Treasury modellers, I think they would acknowledge that when you are looking at 2050 it is difficult to be completely precise about what will happen in that time frame. But I would also make the point that the findings of the modelling are as I outlined earlier: continued growth in the economy, jobs and income, as well as the reduction in emissions from what they would otherwise be. That is the consistent set of findings from this modelling and the previous modelling. I would also make the point that the modelling does cost the costs of climate change. So we do not have in that modelling the counterbalancing set of costs that the senator does not want to talk about, which are the costs of climate change to our economy, the costs of climate change in terms of the risk that future generations of Australians will have to contend with. I think that is an important point. We do not propose this set of legislation simply as an environmental policy. It is an economic policy. It is changing the way the economy works and it is providing an economic solution to what ultimately in many ways is an economic problem, which is that we externalise the costs of pollution, we do not
trap them in any way; what we do is simply defer them to the next generation and beyond. I think the senator is speaking in relation to the opposition's amendment—or Senator Xenophon's amendment, which is the same. I make this point: this is an amendment about delay in relation to a policy where we know that delay increases the costs. In this chamber we are debating policy which has been the subject of debate in this country for almost two decades. There have been some 37 parliamentary inquiries since 1991 and a number of public reviews, including the Prime Ministerial Task Group on Emissions Trading, commissioned by Mr Howard, headed by Dr Shergold, which reported in 2007 and which led to the policy to price carbon through an emissions trading scheme, which the senator used to support. We have had debate in the context of the CPRS, which I think had 60-odd hours of debate—I might be wrong on that but I think that is about right. We have had lengthy debate and many Senate inquiries, including a number, I think, in which Senator Cormann was engaged.

I disagree with their position but I accept that the opposition oppose this. I do not accept the basis of their opposition. They used to support this when they were more sensible when it came to economic policy and policy more generally. They are simply trying to delay something they oppose. They have consistently done that in the course of this debate. The government's view is that it is time that the country acted, for the reasons we have outlined.

Senator CORMANN (Western Australia) (17:31): This carbon tax will of course do nothing to prevent climate change from occurring. In fact, as we have argued before, this carbon tax in Australia, in the absence of an appropriate and comprehensive global agreement, might well worsen climate change to the extent that it will increase emissions in other parts of the world. I just want to go back to the question at hand, the question that the minister clearly does not want to answer: the impact of this carbon tax on our GDP. It is our job here in the Senate to get the government to answer some questions, and ultimately the Australian people should be able to have a say before an economic change of this magnitude is imposed on the Australian economy—which is, of course, what this amendment is all about.

The minister says that there is a cost of delay and that it is important to act now because, that way, action will be cheaper than it otherwise would be. That does not seem to be the conclusion of the Treasury modelling. If you compare the Treasury modelling of the impact of the carbon tax with the Treasury modelling of the impact of the CPRS, even though the government is now starting a couple of years later, according to the Treasury modelling, the cost of acting now, a couple of years later, compared to the cost of acting when the government put forward the CPRS, has actually gone down, if we are to believe the government's Treasury modelling. The cost is actually lower now than it would have been if we had acted three years ago, in 2008. If it is cheaper to act now than it was three years ago, how much cheaper is it going to be to act in three, five or 10 years time? Perhaps in other parts of the world they are not going to have the same difficulties, quite frankly, in transitioning the economy from one which is very export oriented, which is very emissions intensive and which relies on a significant resource endowment as one of its competitive advantages. Why would we go ahead of the rest of the world to this extent when clearly the longer we wait the more costs are going down?

Back to the question at hand: given that the Treasury's own modelling—and the
minister says she stands by the modelling—shows that, by 2050, GDP would be $100 billion lower that year alone than it would be without a carbon tax, and given that GDP will be lower every single year between now and 2050 than it would be without a carbon tax, has the minister assessed the cumulative impact on Australia's GDP? Is the minister aware of what the cumulative cost to Australia's GDP is going to be between now and 2050, according to the Treasury's own modelling? Does the minister know what that cost is in today's dollars?

Senator THISTLETHWAITE (New South Wales) (17:34): I find it quite amazing that we are still, at this stage, debating these issues of delay and the costs associated with the scheme, because we have been over this issue so many times in this place. The fact is that all of the expert advice from economists and scientists states that the longer we delay taking action on carbon pricing, the greater the cost for our economy.

The fact is that the cheapest, most efficient means of reducing emissions in our economy is through a market based mechanism, a philosophy that used to be believed by those opposite but, since there has been a change in the leadership, no longer is the policy of the Liberal Party. There have been numerous studies, many of them parliamentary in nature—37-odd inquiries—where the issue has been canvassed: the fact that carbon pricing is the cheapest way to go, and the delays associated with that. And of course there are studies from economists.

Senator Cormann interjecting—

Senator Wong interjecting—

The TEMPORARY CHAIRMAN (Senator Moore): I remind people on both sides of the chamber that we are working through a debate and Senator Thistlethwaite is speaking.

Senator THISTLETHWAITE: Thank you, Madam Temporary Chairman. We can go back to the Stern review, which was the pacesetter, really, in terms of international studies and the economics associated with pricing carbon and the costs associated with delaying. That was six years ago, and we are still debating this issue here in the parliament. The Australian public is still waiting for action. Australian businesses are still waiting for action to ensure that there is certainty. Senator Cormann has questioned the minister in respect of costs associated with delay. This is an issue that Senator Cormann should be well versed in. It is an issue that has been canvassed and discussed in detail in the Senate Select Committee on the Scrutiny of New Taxes inquiry into the carbon pricing legislation, which he chaired. I think there were four occasions on which Treasury officials appeared before that committee and they underwent quite rigorous and detailed questioning from all sides, particularly on questions associated with the modelling.

I draw Senator Cormann's attention to the final report of the Scrutiny of New Taxes committee into a carbon pricing mechanism and, in particular, to the government senators' dissenting report where the issue of delay and the costs associated with that is highlighted. I also draw Senator Cormann's attention to the questioning that was undertaken during that process when Ms Quinn and other Treasury officials appeared before the committee and the issue associated with delay was put to Ms Quinn. The question was: 'Had Treasury done any analysis of the costs associated with delaying the introduction of a carbon scheme in the Australian economy?' Ms Quinn's quite detailed response illuminated the fact that there were costs for the Australian community and economy—households and businesses—associated with delaying the
introduction of a carbon pricing mechanism in our economy. She said:

The analysis that we did suggests that a delay in global action by three years adds around 20 per cent to the first year of global mitigation costs and delaying entry by a further three years adds a further 30 per cent to the first year of mitigation costs. This suggests that, as you delay, the costs only get greater through time ...

This is the evidence that Treasury officials gave to Senator Cormann’s committee, to the Senate, associated with the issue of delaying entry of a carbon pricing mechanism. It accords with all of the studies that have been done by economists. It accords with all of the scientific evidence. It accords with the view, I might add, that previously existed in the Liberal Party under the leadership of John Howard, the Shergold report and other inquiries—

Senator Ian Macdonald interjecting—

The TEMPORARY CHAIRMAN: Senator Thistlethwaite, I am going stop you again. Senator Macdonald, you do not have the call unless you are standing.

Senator Ian Macdonald interjecting—

The TEMPORARY CHAIRMAN: You know that is not right. Senator Thistlethwaite, try again.

Senator THISTLETHWAITE: Thank you, Madam Temporary Chair. It accords with all of the credible economic studies, the credible modelling—

Senator Ian Macdonald interjecting—

The TEMPORARY CHAIRMAN: Senator Macdonald, you know that you cannot interject like that across the chamber.

Senator THISTLETHWAITE: It accords with all of the studies that have been undertaken both internationally and domestically. It accords with the modelling that has been conducted by a number of credible modelling agencies. It accords with the government's overall view of the reasons behind this policy. It accords with the Treasury’s analysis of why an emissions trading scheme and a market based mechanism is the most efficient means of reducing emissions for the least cost in our economy. Of course, it accords with that typical traditional Liberal Party philosophy that markets work efficiently, which has not been adopted by those opposite under the leadership of the Leader of the Opposition, Tony Abbott.

In all respects, Senator Cormann is aware of what the modelling shows on this issue. He is aware of the international studies which suggest that delaying the scheme increases the cost. He is aware of the fact that, if we are going to be serious about introducing a scheme that will provide incentives across the economy, we need a market based mechanism. That is borne out in the evidence of Ms Quinn to the inquiry chaired by Senator Cormann. So I find it quite amazing that we have had eight hours of debate on this issue in the committee of the whole and we are still tossing around the platitudes and the rhetoric associated with this issue. It is about time that we got onto debating the actual amendments.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (17:42): I understand that Senator Cormann was expecting a response to the question that he had asked the minister. I did not know that she wanted to finish before I jumped up.

The TEMPORARY CHAIRMAN: You jumped first, Senator Nash.

Senator WONG (South Australia—Minister for Finance and Deregulation) (17:42): I am happy to respond, but you jumped, Senator.

Senator NASH: Thank you.
**Senator WONG:** I am asked about GDP and GNI. I refer to the modelling at page 98 of the Treasury document, where the findings are that real income continues to grow with carbon pricing. There is an explanation as to why GNI has been focused on, although GDP is also measured. It states:

GNI is a better measure of welfare because it also accounts for that part of domestically generated income that accrues to non-residents, including that part required to pay for abatement sourced overseas. It also accounts for foreign generated income that accrues to domestic residents.

Australia's GNI per person ... in both domestic policy scenarios—core and high price—grows at rates only slightly below those expected without carbon pricing. In the core policy scenario, GNI per person in today's dollars will be $9,000 higher in 2020 than it is today and more than $30,000 higher in 2050—an increase that is smaller than in the medium global action scenario, in which Australia does not price carbon, by just $320 per person in 2020 ...

Real income will continue to grow under a carbon price, but at a slightly reduced rate as the domestic economy transforms—

**Senator Cormann interjecting—**

**Senator WONG:** You wanted an answer, Senator. I am providing you an answer.

**Senator Cormann interjecting—**

**Senator WONG:** If you would let me finish. You asked about GNI and GDP. I am going to do both. It continues:

From 2010 to 2050, GNI per person grows at an average rate of 1.1 per cent per year in the core policy scenario compared to 1.2 per cent per year, if carbon levels continue unabated along their upward trajectory. That is, Australia's GNI per person continues to grow at a rate only around 0.1 of a percentage point per year slower than it would without carbon pricing.

I am also asked about GDP. I wanted to place on the record why the GNI measure has been preferred. GDP is also discussed in the report and, as I previously indicated, GDP continues to grow with carbon pricing and will be nearly three times as large by 2050 as it was in 2010. GDP grows in the core policy scenario by 2.6 per cent per year to 2050, slightly lower than the rate of more than 2.7 per cent per year in the medium global action scenario. This shows that we can continue to grow our incomes and our economy as well as jobs with a price on carbon. I again make the point that the Treasury modelling does not cost the cost of climate change, something that the senator wishes to disregard but which is actually very relevant to the reason Mr Howard signed up to a price on carbon.

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate) (17:45): I was going to stand up and just directly ask some questions but I cannot help but comment on the fact that, the government having given us an extraordinarily truncated opportunity to deal with the committee stage for these bills, we have now seen for the second time today Senator Thistlethwaite jumping up and contributing to this particular part of the process. That is just extraordinary. There is absolutely no reason, apart from padding out some sort of filibuster—goodness knows why—for this from the senator on the other side, who did not even ask a question. It is just another example of the process of this place having gone completely pear shaped under this government. On the one hand on the other side they say: 'Hurry up, hurry up. Let's get all this done with. You know you are going to vote against it. Why are you even talking about this, coalition?' And yet we have senators on the government side coming in and blithering on with not so much as a question at the end of it all. That is an extraordinary way for a government to run the chamber.

I would like to raise a few issues here as part of looking at the amendment put by my
very good colleague Senator Birmingham on behalf of the coalition around the very fact that the government should wait until after the next election to introduce a carbon tax. I know we have canvassed this before, so I am not going to go into it at length, but it just seems absolutely extraordinary that the government and the Prime Minister, Julia Gillard, will not wait until after another election to bring this carbon tax in. Why not? I wonder why not, colleagues. We all know why not. She is not game to take it to the Australian people because the people out there across these communities are saying loud and clear that they do not want a carbon tax.

The Prime Minister said before the last election, 'There will be no carbon tax under the government I lead.' In his comments earlier, Senator Xenophon was a little bit magnanimous in his view that it was not actually a lie to the Australian people. I think it was a lie to the Australian people. Regardless of that, Senator Xenophon agreed that—

Senator Pratt: Madam Temporary Chairman, I rise on a point of order. I believe that Senator Nash is breaching standing order 193 in making that remark.

The TEMPORARY CHAIRMAN (Senator Moore): The debate has gone very widely in this area. I do not think there is a point of order, but I draw Senator Nash's attention to the issue at hand.

Senator NASH: Interestingly, Senator Xenophon is supporting this amendment to not have a carbon tax start until after the next election. So regardless of your view as to the intent of what the Prime Minister said before the last election, the Australian people deserve to be able to have a say on this piece of legislation, which they have been denied by the Prime Minister, Julia Gillard, and the Labor government. That is just simply wrong. That is why we are moving this amendment. It is so the Australian people can have their voices heard and have their say, because, goodness knows, they have not had an opportunity to do that up until now. Obviously, with the Greens and Labor banding together in their usual coalition form, it looks like they still will not get a say. We can tell that this amendment is not going to be successful. Much as we hoped it would be, we can tell it is not going to be successful.

One of the things about this legislation, this carbon tax, is the impost that it is going to place on our agricultural communities. It is quite extraordinary. The government like to say that agriculture is not included. When they say that, they refuse to properly and correctly say that agricultural emissions are not included. I can tell you, colleagues, as you all well know, the financial burden that is going to be faced by our farmers because of the introduction of this carbon tax is going to be huge. Electricity, fuel, fertiliser and transport will be affected, just for starters. There is nowhere for those costs to be passed on to. Farmers are the bottom of the food chain and there is nowhere for those costs to be passed on to. That might not be a concern for the government but that greatly concerns me and my colleagues on this side of the chamber in the coalition.

I would like to ask the minister if she could perhaps enlighten the chamber on what modelling has been done to determine the average electricity cost increase across the farming community. I understand the minister may not have specific details, but I am interested in even just an average cost increase across those communities. Also, what assistance, if any, has been considered by the government or is in place to assist those farmers with the increased electricity costs?
Senator WONG (South Australia—Minister for Finance and Deregulation) (17:51): First, in relation to the cost impact on communities, the way in which that assessment has been undertaken has been on the basis of households and the CPI impact. One could extrapolate, I suppose, to different communities on that basis. The CPI impact on prices is about 0.7 per cent in 2012-13. That is an average cost of $9.90 a week. In terms of the break-up of that, food is less than $1 a week on average, electricity is about $3.30 a week, gas is about $1.50 a week.

In relation to the assistance, nine out of 10 households will receive some assistance through tax cuts and/or payment increases. Of those, two out of three will get tax cuts or increased payments that cover their entire average price impact. Around four million Australian households will get an extra buffer with assistance that is at least 20 per cent more than their expected price impact. There will be an increase in payments of about 1.7 per cent. This includes increases to pensions, family tax benefits, disability support payment, carer payment and other allowances. There is assistance to self-funded retirees who receive the healthcare card, who receive the same dollar amount as the age pension. There are also the tax cuts to which I referred earlier whereby we will be tripling the tax-free threshold.

Agricultural emissions are excluded from the carbon price mechanism. The government, after discussions with Mr Windsor and Mr Oakeshott—I am sure that warms the cockles of Senator Nash's heart—through a bill that passed the parliament earlier this year, is giving farmers, forest growers and landholders access to carbon markets worth hundreds of millions of dollars each year by 2020. As part of the clean energy future plan the government announced seven new land sector based measures with over $1.7 billion worth of funding over the next six years. These measures include carbon farming futures; the Indigenous Carbon Farming Fund; the Biodiversity Fund; the Regional Natural Resource Management Planning for Climate Change Fund, which includes support for NRM organisations; the Carbon Farming Skills initiative; the Non-Kyoto Carbon Fund, which enables government purchase of land-sector abatement which is not counted towards Australia's emissions target, so that is more generous than under the CPRS to landholders; as well as the Land Sector Carbon and Biodiversity Board to provide information and advice on the implementation of measures.

In addition you will recall, Senator, that in answer to your colleague Senator Williams—you may not have been in the chamber, although, to give credit where credit is due, you have been quite disciplined about being here—we had a discussion about the assistance that would be provided under the $150 million food and foundries program.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (17:55): I thank the minister for her answer. She referred to a whole range of things, but not specifically to an average increase in electricity costs for farmers. I do not know if the modelling has not been done, and I understand the minister will not have everything at her fingertips, but it is a significant issue. It is quite concerning for farmers and people across regional communities that, when asked a very simple question about the average increase in electricity costs to farmers, the minister was not able to give the chamber a straight answer. I think that is very concerning because it indicates perhaps a lack of attention or understanding of the importance of this issue.
The minister did mention in her answer that there was a calculation based on small businesses or householders. If I understood it correctly, there is small business and household assistance. Family farms are classified as both, so has that been taken into account when determining any assistance? I also ask the minister, given that the government has recently released the National Food Plan, what impact of the carbon tax on farming and agriculture has been taken into account when formulating that plan. There is going to be a significant impost on farmers and right across our regional communities, through farming businesses and the flow-on effects. That significant impost has to impact on farm profitability—there is absolutely no doubt about that. So to what extent was the carbon tax impact taken into account in the development of the National Food Plan?

Senator WONG (South Australia—Minister for Finance and Deregulation) (17:57): In relation to the price impact, Senator, I understand what you are trying to ask me but, with respect, we did not assess cost impact by occupation. It would be very difficult to work out how you would do that. What you do do is economy-wide modelling that assesses the impact on prices. As I said to you, it is about 0.7 per cent. And I have outlined to you the assistance mechanisms that would be provided for households, including farming households, through the tax system, through the payments system, through the pension system, through family tax benefits and, of course, through the tripling of the tax-free threshold.

I do not know if you were asking about fuel but, as you know, the government made clear how fuel will be included or not included in the scheme. Essentially, the mechanism is that on-road use is out, off-road use is in, except for agriculture, forestry and fisheries. So there is quite a significant amount of assistance being provided through the household assistance package that I have outlined. I am not sure what more the senator would want.

I have spoken about the CFI, the Carbon Farming Initiative. I have also made the point that agriculture is excluded. I would also advise that the Treasury modelling shows that gross output in the sector would be slightly higher with a carbon price than without. Under the food and foundries program, special assistance will be provided to the food-processing, metal-forging and foundry industries. The government will provide grants worth up to $150 million over six years to the food-processing industry. All businesses in the food-processing, metal-forging and foundry industries will be able to apply for funding under this program. The government understands that these industries are important to specific rural and regional areas. Funding will be on a current investment basis.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:00): I am at an absolute loss, and I do not want to take the minister out of context, but did you say that you could not calculate the increased electricity cost to farmers or you chose not to? I am just trying to get a very clear understanding.

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:00): I am saying that the electricity price impact is modelled across the economy. You do not assess by occupation. It would be like saying that we should work out what the electricity cost to someone in a different occupation is. If the question is what is the impact on the agricultural sector, that is a different question to the impact on an occupation. I have outlined what the response to that is and I have outlined the additional assistance which is in place. I
make the point that you are looking at about a 0.7 increase on the CPI across the economy.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:01): Thank you for that, Minister. I am sure that there are farmers and people in regional communities across this country who are going to be absolutely gobsmacked by the fact—and I take your point, Minister; you say it is across the industries—that the government has obviously made no attempt to actually understand what the impact of the electricity cost increase is going to be for farmers.

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:01): Again, I am not going to be verballed. I made the point about occupation. If the senator is asking about industry sectors, I am happy to respond as best I can. When she is talking about agriculture or industry, is she talking about farming communities, particular farming households, or their businesses?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:02): I will most certainly clarify what I would like to know, because the minister is quite correct—there is a very big difference between the electricity impact on households and the electricity impact on farming enterprises. It is entirely different. My apologies to the chamber if I was not clear. I would like know: leaving household electricity increases aside, what is the average cost increase per farm of the electricity increases that are going to occur as a result of the carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:02): Senator, probably the best way to answer this is to recognise that the macromodelling across the economy recognises the 0.7 per cent increase. It might be that there is some differential between different industries in terms of carbon price impact, and I can illustrate that by reference to dairy farms. The carbon price impact on dairy prices is projected to be 0.4 per cent, which reflects the low emissions intensity of dairy processing and the impact of the exclusion of agricultural emissions—

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:03): In the essence of time, could I just ask the minister to clarify—and perhaps if I clarify: I am not asking for the overall impact. What I want to know is the on-farm increased electricity costs that farmers will have to pay because their electricity bill goes up. I am not that interested in the overall effect on the increase or the decrease of the cents-per-litre price or anything else. Just very simply, how much extra on average will a farmer have to pay for their non-household electricity increases as a result of the carbon tax?

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:04): I am advised that electricity cost increases are likely to be in the order of 10 per cent, and I think I have made that clear previously. I might provide the information on dairy, because I think that is of some use. A carbon price impact on dairy prices is projected to be 0.4 per cent. This reflects the low emissions intensity of dairy processing and the impact of the exclusions of agricultural emissions from the scheme.

I am also advised that ABARES released a report in June of this year which found electricity accounts for about 2.3 per cent of total dairy farm cash costs. Treasury modelling has indicated that a 10 per cent increase in electricity would represent an increase in around 0.2 per cent of total farm cash costs. This is not dissimilar to other
industries outside of the jobs and competitiveness assistance stream. I also remind the senator that there is also the $150 million available under the clean technology program to which I have referred.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:05): Thank you for the answer, Minister. I think we are now getting a little closer to some sort of indication of what the impact is going to be. Thank you for the figure of 10 per cent, again reiterating that there is nowhere for these costs to be passed on. Minister, I did ask in the first instance if you could give me an average figure. Obviously the work has not been done. Now we do have the 10 per cent figure on the record. Before I move on, could the minister perhaps answer the second part of my question, which related to the national food plan.

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:06): I do not have any advice on that, Senator. That would be a matter properly addressed to Senator Ludwig. If I can get any further assistance in the course of the committee debate, I will do that. I am not trying to be difficult; I just do not have advisers who were involved in the preparation of the food plan.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:06): I do appreciate that. Thank you, through you, Madam Chair, to the minister. Perhaps at some stage between now and lunchtime tomorrow the minister might like to give us some advice on that through this process. That would be quite useful. Also, the electricity costs which have been referred to certainly provide a significant disincentive when it comes to irrigated agriculture. A lot of these costs are going to fall to the irrigation community. We know they are going to be significant, looking at the 10 per cent cost that the minister has just referred to. They are going to be huge in a lot of cases for a lot of these farmers. What I am interested in is irrigated agriculture. Minister, you would be very well aware of all of this. The increased electricity costs are going to provide a real disincentive for irrigators to install piped and pressurised systems so that they can be far more efficient in what they are doing. Isn't it the case, then, that the carbon tax, by placing these increased electricity costs which we have just been discussing on farmers, is going to have the very perverse outcome of providing a disincentive to farmers being more efficient when it comes to irrigated agriculture?

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:07): I think that is a rather long bow, Senator. I know that you will not agree with me, but certainly Malcolm Turnbull is on the same page as this government around the importance of improving the efficiency of the irrigation sector. We have been engaged in that, so I think that is a rather long bow to draw.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:08): You might think that, Minister, but I could not possibly comment! It stands perfectly to reason, though, and I think it is a very valid question: if the increased electricity costs are going to be a disincentive for more efficient irrigation, isn't that going to be a perverse outcome of the carbon tax? It is going to end up being worse for the environment rather than better.

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:08): As the good senator would know, there have been fluctuations in electricity prices for a range of reasons, including because of the uncertainty that she and her
party, along with the Liberal Party, are seeking to impose. Firms in the electricity generation sector have made clear to the opposition that the policy of repealing the carbon price and telling people that they should not buy forward contracts and trying to foment as much as uncertainty as possible will also lead to an increase in electricity costs. So do not come in here talking about electricity cost increases, when your policies are about ensuring there is uncertainty and when you know the advice from the sector is that electricity costs will increase.

It is true that there will be an increase in electricity costs. We are accounting for the fact that that is likely to be passed on to consumers by ensuring that there is reasonable provision, through tax cuts, increased pensions and increased payments. I would also point out that this government is investing many millions of dollars in increasing the efficiency of irrigation, and has done far more on that—consistent with Mr Turnbull’s policy; I will, again, give credit where credit is due. I am sure you were very pleased when that was announced as your policy, as well. We are very keen to improve the efficiency of irrigation. The programs that we have in place—that you never had in place—demonstrate that.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:10): As the minister has alluded to, the price of electricity does fluctuate—of course it does; everybody understands that completely—but the carbon tax is going to create for people and businesses an increase in electricity costs that would not otherwise be there if this government were not giving the Australian people a carbon tax.

I will just go to the issue of compensation, which the minister just alluded to, in terms of the passing on of costs and what would be dealt with. I would like to ask the minister about the clean energy advance. My understanding is that this will go out as an up-front payment for welfare recipients. I have had some concerns raised with me, because when the government introduced the $900 cheques during the global financial crisis there was a spike in the sale of plasma TVs and other goods emanating from China. It is quite a perverse outcome of the carbon tax as we see things being bought from China. And there was also an increase of money spent in the clubs at the time of the $900 cheque.

Perhaps the minister might assist me. I am trying to get an understanding about whether there is going to be a lump sum up-front—I believe it is going to take into account an 18-month period—to go towards those electricity and energy costs. What assurances can the government give the chamber that that lump sum that is paid to those recipients will be used for electricity and energy costs?

Senator WONG (South Australia—Minister for Finance and Deregulation) (18:12): I want to place on record how much I object to the way this opposition continues to try and use quite a clear reference to China constantly in this debate and in the economic policy debate. What we saw from your leader and Mr Hockey on the IMF was outright xenophobia. The debate that you engage in in relation to carbon, which constantly goes on about China and India, I think is beneath you. You may as well join One Nation. Seriously! I and other senators in this place who have very clear views on this are really tired of this debate. I do not agree with you, Senator Nash, in your policy on climate. I disagree; I think it is wrong, but I respect that that is your position. I do not respect the way you continue to reference goods made in China and pollution in China. What world do you think we live in? It is just extraordinary.
I also make the point that the senator dismissed the stimulus package and the household component of that. The advice from Treasury, which Dr Henry has referenced, was to ensure that there was an early stimulus in the household sector. That was a key aspect of the government’s stimulus package which kept this country out of recession and which ensured that some 200,000 Australians, who would have been on the dole queues, are not. So you might want to dismiss it as simply buying goods made in China—keep saying that; I am sure you will—but it was an important stimulus package in terms of making sure the economy did not slip into recession. We actually think we should manage the economy in order to benefit working Australians and to protect jobs. In relation to the detail of the question, household assistance will initially involve an increase in payments of, I am advised, 1.7 per cent, with a lump-sum clean energy advance paid in May and June 2012. This will provide certainty to households that they are being assisted, even before the carbon price starts, and it will help them to get ready for the carbon price. The advance will enable householders to improve the energy efficiency of their homes if they wish and to reduce their energy expenditure in ways that may not be possible without a lump-sum financial boost.

I am advised the clean energy advance payment will cover a period of six, nine or 12 months depending on the payment category. Most pensioners and allowees will receive one advance covering a nine-month period from July 2012 to March 2013. Family tax benefit recipients will receive an advance covering the 12 months from July 2012 to July 2013.

I think, Senator, there has been some suggestion by the opposition that it would be a payment covering 18 months. I am advised that is not correct. I understand that one single advance will not cover 18 months; however, some recipients will receive two advances. These include individuals such as students on youth allowance. They will receive two advances, one which covers the 12 months from July 2012 to July 2013 and another which covers the six-month period from July 2013 to January 2014. The different coverage of these advances reflects the different indexation periods for government payments. If people transfer to a different rate of government payment during the period covered by the advance, they may be eligible for an immediate top-up payment of their advance. This will ensure that no-one will be disadvantaged if their circumstances change after they have received their advance.

People will start receiving fortnightly clean energy supplements along with their regular government payments immediately after the end of the period covered by their advance payment. The payment of the advance and then the supplements will ensure there will be no period in which relevant Australian households are not assisted with the impact of a carbon price.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:17): I do thank the minister for her advice that I perhaps join the One Nation party. I can assure her I am entirely comfortable with the Nationals and have no intention whatsoever of leaving the Nationals or joining any other party. The minister may have taken my comments rather sensitively, but in pointing out the purchase of goods from China I was merely pointing out the irony of Australians purchasing product from a country whose emissions are significantly higher than ours. The minister might not see that, but it is entirely up to her to view things in the way that she sees fit. The Australian people know that the emissions in China are
growing at a rapid rate, so goods purchased from China are coming from a country with a much greater rate of increase in emissions than is the case in this country. It is as simple as that, and it is a fair point to make. Can I ask the minister in terms of compensation—

Senator Wong: Who's sensitive?

Senator NASH: I think the minister's interjection then was that I was being a bit too sensitive. I could be wrong.

Senator Wong: At least I didn't say 'precious'!

Senator NASH: You can say 'precious' if you like, Minister. For anything to have an impact, colleagues, you actually have to care whence it is delivered, and, unfortunately for the minister, I do not particularly.

In terms of the compensation that we have been discussing, there is no continuation down the track, obviously, of the lump sum payment. I take into account that payments will increase 1.7 per cent with the CPI increase as we go along the track, but could the minister explain for the chamber how compensation will work, how it will be determined and how it will be delivered once we have a fluctuating price under an emissions trading scheme in 2015?

Senator Wong (South Australia—Minister for Finance and Deregulation) (18:21): I am surprised the senator is still asking me questions given she does not care what I say.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:21): I think now it is my turn to be verballed by the minister. I did not ever say that I did not care what the minister said; I just said that I did not care what the minister thought, certainly of me. The minister knows full well what I was saying and perhaps she might care to answer the question.

Senator Wong (South Australia—Minister for Finance and Deregulation) (18:21): I will try and assist the senator. I think she is suggesting that the prices will fluctuate. I make the point that in the first three years it is a fixed price, and post that, there will obviously be a market price, and the adequacy of assistance will be assessed each year in the budget context to enable the price to be reflected in terms of the assistance. I also make the point that, as part of the clean energy package, there are some three rounds of tax cuts. These are the ones the minister said that compensation will be ongoing. What I am very interested in, though, is that on a day-to-day basis we are not going to know what the price is going to be because it is going to fluctuate. As colleagues will know, this is going to become the product of paper pushers and traders. We are going to have a fluctuating price, so we will not know what it is going to be from day to day. I am interested in whether the minister could enlighten the Senate on the process of the calculation of the compensation that is going to be needed when on a daily basis we may well have a fluctuating price?

Senator Wong (South Australia—Minister for Finance and Deregulation) (18:21): Household assistance will be permanent and ongoing. It will be indexed to CPI to ensure it keeps pace with household cost of living and it will not reduce. I am advised that the commitment is that once a year, in the budget context, the adequacy of the payments will be ensured through the review process.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (18:20): Could the minister perhaps give us some detail on the calculation, the process, that is going to be used? I understand the minister said that
constituents that she is opposing because her party cannot afford to deliver them, and they really cannot afford to deliver them. If they are telling you that in the party room they are wrong. I would say also that my recollection of the income distribution in regional areas is that there are a lot of people to whom you will have to explain that you are going to make them pay more tax. There are three rounds of tax cuts. What the government has committed to ensures that there will be assistance to cover the projected impact of a carbon price out to the end of the decade. In 2011-12, the effective tax-free threshold moves to $16,000, in 2012-13 to $20,542 and in 2015-16 to $20,979. The government has already committed to tax cuts to provide assistance to cover the projected impact of a carbon price out to the end of the decade. I again emphasise: household assistance payments and tax cuts will be ongoing and will be permanent. Clean energy payments will be indexed to the CPI, which means they will keep pace with the cost of living, including the CPI impact of any further changes to the carbon price. I am sorry, I think I said three rounds of tax cuts; I should have said two.

Senator IAN MACDONALD (Queensland) (18:23): I have a number of questions of vital interest to Northern and remote Australia, an area for which I have portfolio responsibility for the coalition. I also have questions about the impact of the carbon tax on the Defence Force, for which I also have a small role in opposition. Unfortunately, I am going to have to confine myself to about half an hour of questions because a lot of my colleagues have a lot of questions to ask and because the Greens and the Labor Party have got together to curtail debate on these bills. We were promised the whole of this week. We came back specially for this additional sitting week for a whole week of questions on the carbon tax bills, but the Greens with their normal antidemocratic approach have joined with the Labor Party to curtail debate on these 18 bills, which will now finish at lunchtime tomorrow. Here we are, being absolutely curtailed, because the Greens have no interest in free speech. In fact, the Greens and the Labor Party get people up here to filibuster. They do not ask a question, they just fill in what limited time there is by getting people up to make pathetically inaccurate and puerile speeches in the committee stage of the debate.

The minister takes sensitive issue when we mention that China is the biggest emitter of carbon in the world. Why do we mention it? Not because we are anti-China; we love China. Why do we mention that India is a big emitter? Not because we do not like India; we love India. In fact, we would like to sell them some uranium. We mention it because they are two of the very biggest emitters, and neither of them is doing anything like this nationwide, economy-wide carbon tax on coal that will impact on their industries. They are not doing it, because they do not want it to impact on their industry. We mention often that the United States is also a big emitter of greenhouse gases, but it is not going to do anything. Even Canada, an emitter a bit like Australia, has made it clear that it is not going to do anything like this nationwide carbon tax.

I will mention my questions briefly, so the advisers can be a little bit prepared, because I do not think I will get a chance to ask them in detail before the dinner break. My questions are about proposed section 145 of the main bill, in relation to the coal industry. I will ask some questions about the carbon tax, because it is such an important industry to Northern Australia, including Northern Queensland, and because so many jobs in the coal industry are at risk because of this carbon tax.
I will ask some detailed questions about the sugarcane industry, which is also a very important industry to Northern Australia and which is a paramount industry in the area of the Burdekin in North Queensland, where I come from. I am not sure if the minister has ever been there, but if she had she would know that the Burdekin grows the very best sugar cane in the world. Why? Because it is a dry area in the tropics. There is lots of sunshine, but they irrigate very heavily from underground with electric pumps. I would like the minister to tell me later on, and I will be more detailed with the question, exactly what modelling has been done, insofar as the sugarcane industry is concerned, about the huge increase to their cost of production that will occur because of the increase in the cost of electricity. At the moment, fortuitously, the sugar industry is doing okay—world prices are pretty good at the moment—but we remember when, only 10 years ago, the Commonwealth had to put in a $440 million rescue package to save the industry because prices were rock bottom. If that happens with this increase in electricity prices you are going to wipe out a lot of the economy of North Queensland.

I will ask the minister, again because it is of such importance to North Queensland, Northern Australia and remote Australia, about the impact of the carbon tax on the tourism industry. We know that electricity prices are going to go up. We also know that the cost of freight is going to go up when the carbon tax applies to the big trucks that take goods and services into the more remote parts of Australia. The tourism industry is going to be slugged, but it does not seem to be in line for any compensation packages such as the $300 million assistance package given to the steel industry. Why does the steel industry get some favourable treatment but not the tourism industry, which is so important?

Sitting suspended from 18:30 to 19:30

Senator WONG: I understand Senator Macdonald has additional questions, so I will yield in favour of him shortly. However, some questions were asked previously regarding the assistance package. I referenced a review process and, in response to Senator Nash's questioning, I want to indicate that the review of household assistance is referenced at page 114 of *Securing a clean energy future: the Australian government's climate change plan*, and it states:

The Treasurer and the Minister for Families, Housing, Community Services and Indigenous Affairs, in consultation with relevant ministers, will annually review the adequacy of household assistance in the Budget process. This review will examine the real value of the assistance provided on the introduction of the carbon pricing mechanism taking into account:

- movements in prices for a consumption basket used in calculating the assistance;
- the indexation arrangements for the assistance provided, including the adjustment for the bring forward; and
- any new information about the weights of items in the consumption basket.

In addition to these annual reviews, there will be a review of the household assistance package in parallel with the carbon pricing mechanism review in 2013-14.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate) (19:31): Thank you for that information, Minister. Once those annual reviews have taken place, if it is deemed that the compensation over the previous 12 months has not been appropriate or of the required level due to the fluctuations, will there be a retrospective payment to cover that period? I am just trying to understand how that will work.

Senator WONG (South Australia—Minister for Finance and Deregulation)
(19:32): I think what underlies the question is an assumption that the assessment by Treasury about the likely CPI impact is wrong and would therefore fluctuate substantially. Bear in mind that two out of three will receive assistance at least equivalent to the average price impact. So the government has already built that buffer in to reflect the potential for some difference in the price impact from what would be assumed as a result of the Treasury modelling. This is analogous in many ways to the way the impact of the GST on prices was calculated.

Senator IAN MACDONALD (Queensland) (19:33): Just before the dinner break, I was halfway through asking some questions of the minister. I was lamenting the fact that, because of an unholy deal between the Greens and the Labor Party, the time for asking questions has been severely curtailed so that this whole process has to finish by lunchtime tomorrow. Temporary Chairman Marshall, you would recall that we have come back to the Senate this week—the House of Representatives is not sitting; this is an additional week, over and above the parliamentary sitting—so that we can fully explore these 18 complex bills. But we are being severely restricted by this arrangement between the Greens and their mates in GetUp!—none of whom have any interest in democracy, free speech or proper parliamentary debate—in an unholy alliance with the Labor Party. As a result of that, my colleagues and I have very limited time to speak on these bills and to get the information the Australian public need to fully understand and comprehend this toxic new tax.

I have given the minister's advisers some idea of the questions that I am going to ask, so I hope that they will be well-prepared to brief the minister when I do ask the questions. Senator Birmingham and Senator Xenophon have moved a very substantial amendment that I want to spend a couple of minutes supporting. It is an amendment that says that this package of bills should not be implemented, should not be approved by the Governor-General, until after the next election. For those listening, I want to explain why we are moving this amendment. It is because nearly every member in the lower house ran to the last election on a campaign promise that there would be no carbon tax under a government led by Ms Gillard. It was a solemn promise by Ms Gillard a couple of days before the last election and it was reinforced by the Deputy Leader of the Labor Party, Wayne Swan. 'There will be no carbon tax in this term of government.'

Of course here we are in the closing stages of debate—though much truncated—on legislation which will impose a toxic Australia-wide carbon tax. We live in hope that some of the Labor people might do what their constituents want them to do and come across and join us in opposing this toxic tax. I know many of them would like to. Many understand that their colleagues in the House of Representatives will be annihilated at the next election because of the breach of that solemn promise and because Australians clearly do not want this toxic carbon tax, particularly when nobody else in the world has one. This tax will do nothing to stop global emissions from Australia. In fact, after this enormous new tax is imposed, on the government's own modelling, emissions are going to increase by 2020. It is not going to do any good at all.

Members of the Labor Party are all saying now that this is an essential tax for Australia, that it is essential Australia leads the world in introducing a nationwide carbon tax. I want to ask every one of the members of the Labor Party—and I want them to answer this when next they speak—what did they say to
Ms Gillard a year ago? They are all saying the tax is so good now. Did they pick up the phone to Ms Gillard and say: 'Don't you dare do this, Ms Gillard. You've just promised you won't introduce a carbon tax, but we think it's so good.'

Senator Wong has been speaking for the last week on how good and how essential a carbon tax is for Australia. I would like to know what Senator Wong did a year ago when Ms Gillard promised the Australian people she was not going to introduce it. Did Senator Wong ring Ms Gillard and say: 'Hey, buddy, this is not on. This tax is so good.' Senator Wong has been telling us for the last week how good this all is. I would be interested to know, if she thinks it is so good now, whether she rang Ms Gillard a year ago, when Ms Gillard promised every Australian she would not be introducing this tax, and said: 'Listen, buddy, you're wrong. You can't do this. I'm not going to go with you. I'm not going to run on your campaign promises. I'm going to make my own comments. I'm going to tell the Australian people, "No, I'm for a carbon tax."'

What about all of the other senators here? I want to know whether Kirsten Livermore, the member for Capricornia, rang Ms Gillard a year ago and said: 'I believe this carbon tax is just so good. If you're going to promise not to do it, if you've said you're not going to have it, I'm going to campaign against you.' I want all the Labor members to search their souls and tell me: did they ring Ms Gillard a year ago when she promised not to introduce this tax? I would be very interested in the answers. I am sure it did not happen. Or perhaps they rang her and Ms Gillard said to them: 'Look, I've had to promise this because I know people hate it and if I said we were for it then we wouldn't get elected. I agree with you that we should have a carbon tax, so just shut up for the next couple of days. Don't say anything. We'll pretend we are not going to have a carbon tax. As soon as we get in, we'll introduce the carbon tax.'

I have heard a lot of comments in this chamber about how John Howard changed his mind on the GST, and I concede that, yes, he did. He had said we were not going to have a GST, but then he prepared a GST—the whole tax system. He put it out, chapter and verse, line by line, detail by detail, to the Australian public and then he said to the Australian public: 'Look, previously I said there wouldn't be a GST. Now I think we do need a GST, so this is what I propose. I'm now going to go to an election. If you agree with me that this GST is good for Australia then vote for me at the election. If you don't believe it's good, vote for the Labor Party.' What did Australians do? They returned John Howard and he introduced the GST.

This amendment by Senator Xenophon and Senator Birmingham simply says: 'Have the courage to do what John Howard did. If you think this is so good, if you think this is going to save the world, put it to the Australian people. Let them have a say.' If this amendment is passed, that is what will happen. The confirmation of this new policy regime will start only after the next election, and what could be fairer than that? I would like anyone to tell me what could be fairer than that. Even under the Labor Party's proposals, the Greens' proposals, this does not start till 1 July next year, so there is no hurry. I cannot understand why we are guillotining it through the Senate tonight and having a couple of hours tomorrow morning on these 18 complex bills, because it does not start for another seven months at the very earliest. What is the rush? We know why: Senator Brown and Ms Gillard want to go to South Africa and strut the world stage saying, 'We've done this.' All the other countries will simply laugh at them.
I certainly support this amendment. Senator Xenophon has some interesting amendments on another approach to carbon reduction, and they deserve full debate. But I can tell Senator Xenophon that he is not going to get the time. You have got literally a couple of hours tonight and a couple of hours tomorrow. About 15 speakers from our party want to speak, and all we get is Labor Party people jumping up, giving 15-minute speeches and stopping us from even asking questions. This whole thing is a travesty of parliamentary democracy, and I hope that those listening to this debate will understand just how low the Labor Party and the Greens have sunk. With the Greens we would expect it, but most people expect that the Labor Party, when they made a solemn promise not to do something, would honour it. Sadly, that is not the case.

As well as supporting the amendment, I want now to go to the questions I foreshadowed before. I ask questions about the coal industry because it is so important in Queensland, the state I represent in this chamber. Proposed section 145 of the main bill contains a clause that permanently locks coalmining out of the traditional assistance arrangements regardless of future market conditions or the outcome of any Productivity Commission reviews of the effectiveness and scope of the emissions-intensive trade-exposed arrangement. This is a dramatic shift from the previous CPRS legislation, introduced by Mr Rudd but withdrawn. I ask the minister: why this change of approach? Why is the coal industry being attacked in this way?

Also, in relation to the coal industry, there is $1.68 billion for the Carbon Capture and Storage Flagships Program—nowhere near the 13.2 billion committed to renewable technologies—and another $3.2 billion managed by the Australian Renewable Energy Agency. At least $1.68 billion is something. Treasury modelling of the Clean Energy Future package acknowledges that carbon capture and storage will make an important contribution to meeting Australia’s emissions reduction target. Its exclusion from the Clean Energy Finance Corporation is clearly inconsistent with this funding. Carbon capture and storage should have the same access to a competitive process for this funding as the suite of other low-emission and renewable technologies.

I want the minister to explain to me why the government has taken this approach with the carbon tax in relation to those two issues. I would appreciate the minister's answers. Then I want to ask a couple of questions about the tourism and sugarcane industries. Regrettably, that will be the only time I will have to participate in this debate tonight, even though I have literally thousands of other questions. Perhaps the minister could address those two questions in relation to the coal industry.

**Senator WONG** (South Australia—Minister for Finance and Deregulation) (19:46): Senator Xenophon was seeking the call. My contribution in response will be quite long. I am happy to let Senator Xenophon respond first.

**Senator XENOPHON** (South Australia) (19:46): Thank you, Minister. Senator Macdonald is right. I believe the process is unsatisfactory, but the longer I talk about how unsatisfactory and unfair it is, the less time I will have to move the amendments I need to move, which have been on the table for quite some time and which are worthy of debate, relating to significant and substantial amendments to the bill. I wonder could the coalition indicate whether they would be prepared, once the minister has responded to Senator Macdonald's substantial questions, to have a vote on this very worthy amendment—which I have co-sponsored
with Senator Birmingham—that these bills be delayed until after the next election. Even if I dealt as efficiently as possible with my amendments, it would take me the best part of an hour. So I indicate that I am keen for this question to be put in the next 25 to 30 minutes. The incredible time constraints are not exactly fair, given that we should be debating this very important piece of legislation for at least the rest of the week. Given all that, I flag to my colleagues that I am very keen for this particular question to be put in the next 25 minutes.

Senator IAN MACDONALD (Queensland) (19:48): To answer Senator Xenophon, as everyone in this chamber knows, Senator Birmingham is leading the case for the coalition and is in charge of managing the very limited time allowed to those of us on this side of the chamber. I cannot answer your question Senator Xenophon. I assume that would be his approach, but he will indicate that to you the moment he comes into the chamber, which I am sure will not be very long. In light of that, I have been here long enough to know who is going to get the call next.

As well as the two questions I have asked on carbon, I might put to the minister my questions on the tourism and sugarcane industries. Hopefully the minister can wrap them all up and at least give some information to those industries. In relation to the sugar cane industry, senators and those listening to this will recall that Senator Nash gave a very detailed explanation of irrigation. Where I come from, the Burdekin district of North Queensland, we grow the best sugar cane in the world. Why? We have lots of sunshine and very little rain but the cane grows magnificently because it is irrigated by underground water. Pumping the water out of the aquifer requires a lot of energy, and the bills for electricity for sugarcane farmers in the Burdekin district are astronomical. I want to know from the minister what assistance sugarcane growers can expect with what is almost their single greatest cost.

While on the subject, I refer the minister to the Army's Lavarack Barracks in Townsville, a huge establishment and the home for many of Australia's very professional defence forces. There is magnificent work done there. Our soldiers most often leave from there to go to Afghanistan and Iraq. These days, unlike the old days, the soldiers all have air-conditioned barracks. The work being done out there on new buildings is astronomical. I have asked on notice—and I do not have the answer from the government yet: what is the electricity bill for Lavarack Barracks? I do not expect the minister to have an answer to that, but I can tell you that it will be enormous, in the tens of millions of dollars a year. I await the government's answer.

What additional funds will go to the Australian defence forces to pay for the increased cost of electricity which they will have to pay civilian suppliers? The defence forces are already under the pump, having to save $20 billion under the Labor Party's regime. That means there is less fuel for planes, ships and tanks, and fewer bullets to fire in training. I would like to know what plans the government has to increase funding to the defence forces to pay for the increased cost of electricity. Finally, I would like to ask the minister what programs are going to be put in place to help the defence industry.

I have heard Labor Party speaker after Labor Party speaker say we have got to have this tax because it is the only way we can save the Great Barrier Reef and, if we do not save the Barrier Reef, the tourism industry is going to be in trouble. I think anyone listening to this broadcast will know that Australia emits less than 1.4 per cent of
world emissions of carbon. Under the government's proposal, they are going to reduce that by five per cent. So that is five per cent of 1.4 per cent. You can work out the arithmetic yourself, and it is not much. We have asked, time and time again, what that is going to do for world emissions and, therefore, the stopping of climate change. I have always said the climate is changing. Of course, as everyone knows, it has been changing for millions of years. Remember that we used to be covered in ice once. The centre of Australia was once a rainforest. Of course, the climate changes. It has been changing for eons and will continue to change for eons. But I want to know what the reduction of Australia's 1.4 per cent of world emissions by five per cent will do to do that is going to save the Barrier Reef. If China, the United States, Canada or India do nothing, if the Europeans say they are doing nothing and effectually do nothing, and if none of the other developing countries are doing anything, then what is Australia's five per cent of 1.4 per cent going to do to save the world and to save the Barrier Reef?

What it will do is put up the costs of every tourism operator on the Barrier Reef, and it will put them out of business. What Australia does is not going to make one iota of difference to the Barrier Reef or indeed to emissions or to global warming—if there is global warming. It will certainly not make any difference to the climate change that has been happening for 20 million years, but it will affect the industries very prominent and very important in North Queensland, where I come from. Thousands of small businesses up along the coast of Queensland and north of Bundaberg rely on the Barrier Reef. This tax is going to destroy their business because they are not getting any relief. They use a lot of diesel but the diesel tax credit is going, as I understand it. Labor's carbon tax will not do a thing to save the Barrier Reef but it will destroy the businesses of all those tourism operators.

The Great Barrier Reef goes up into the Torres Strait and the islands. I also want to know what packages the government is going to put together for all of those people who live in remote areas of Australia and who only get their goods and services by the trucks, planes and ships that bring the goods in. Most of those use fuel that is not going to be in any way assisted, so we have this double whammy in remote and distant Australia.

So I would be interested in answers to those questions. The minister has indicated she has some comprehensive answers, because I have given her notice before the dinner break of these and I would be very keen to hear them. I conclude by saying for those who are listening to this broadcast—and I know a lot of people do listen to the broadcast of parliament because they like to know how democracy works and how this parliament of Australia works—

Senator Xenophon interjecting—

Senator IAN MACDONALD: Yes, or doesn't work! Thank you, Senator Xenophon. I say that because the debate has been so curtailed. Much as I would like to ask the dozens and dozens of other questions that I have, I am not going to be given the chance because of this very truncated, undemocratic guillotining of this debate. I hope the minister has had time to get her advisers to succinctly give me the answers to those questions. I will then concede to other of my colleagues who want to participate in this debate.

Senator WONG (South Australia—Minister for Finance and Deregulation) (19:56): That was a very long contribution by Senator Macdonald, including a very lengthy contribution about how much the debate has been curtailed. I would make the
point, Senator, that the opposition chose to bring on another matter for debate earlier today and took at least an hour out of the debate allocated to this committee stage. So that was a decision of theirs.

Senator Ian Macdonald: You set the rules.

Senator WONG: Senator, I listened to you in silence.

Senator Ian Macdonald: Well, be honest.

Senator WONG: I listened to you in silence, Senator. I would ask that you give me the same courtesy. There was also lengthy reiteration of past matters. I do not propose to respond to them. The only point I would make is that, first, the opposition has the same reduction target by 2020. So if the senator does not believe it is sensible for Australia to be reducing its emissions by five per cent by 2020, on 2000 levels, he should take that up with Tony Abbott. The difference is that the policy that the senator supports will cost the taxpayers who elect him more than the government's policy. It will cost taxpayers more each year—$1,300 without assistance in a picking winners, doling out grants program that is bureaucratically driven. I have placed on record a number of times in this debate why we on this side of the chamber believe it is important to price carbon, both in terms of moving the Australian economy to being a cleaner energy economy and also responding to the challenge of climate change, a position that is not remarkable; it is a position that Mr Turnbull shared, that Mr Howard shared and that the Conservatives in the United Kingdom share. I think Margaret Thatcher was one of the first world leaders to talk about climate change. So these are not radical positions.

I am asked some specific questions. Firstly, I would make a few points on sugarcane. I understand this was raised in some of the committee discussion—although maybe not. The agricultural sector is excluded from coverage under the carbon pricing mechanism. Sugarcane farming will not be directly liable to purchase permits under this mechanism. In addition, the government has agreed to exclude fuel used in agriculture, fisheries and forestry. I am also advised that the sugarcane industry may be able to generate credits under the Carbon Farming Initiative which will be linked to the carbon pricing mechanism by, for example, reducing burning of the above-ground biomass of the sugarcane crop, reducing fertiliser use and sequestering carbon in soils. A number of inputs to farming, such as fertilising chemicals, are priced in international markets and therefore unlikely to rise significantly with a carbon price. The government is providing assistance to producers of fertilising chemicals through the Jobs and Competitiveness Program because they are not expected to be able to pass through their carbon costs. Manufacturers of urea, a key input to fertiliser production, will be eligible for assistance under the Jobs and Competitiveness Program at the 66 per cent assistance level. Manufacturers will also be eligible for assistance under the $1.2 billion clean energy program. This includes $150 million dedicated to manufacturers in the food and beverage processing sector as part of the Clean Technology Food and Foundries Investment Program.

As I indicated to Senator Nash previously, Treasury modelling indicates that electricity prices may rise by about 10 per cent under a carbon price. However, I would note, as I previously indicated, that ABARES has estimated that electricity makes up about 0.9 per cent of total input costs for broadacre farming, even assuming full cost pass-through by electricity suppliers. This implies
a very small impact on total production costs.

Senator Ian Macdonald: But not for sugar. In relation to sugar I asked you specifically.

Senator Wong: In relation to sugar, I make the point that in 2007 the Sugar Research and Development Corporation published a report looking into the impacts of climate change on the sugarcane industry. The report stated:

The predicted temperature rises and other climatic changes will have implications for:

- key agricultural attributes such as plant available moisture and catchment/hydrology and thus stored water available for irrigation
- plant growth rates … and shorter crop duration requirements
- hazards to agricultural production, such as the predicted increased severity (but not necessarily frequency) of cyclones and floods
- markets, as a changing global climate impacts on production worldwide.

I am referring to findings of the Sugar Research and Development Corporation. The report also stated—

Senator Ian Macdonald: Yes, but that is not addressing the question I asked you.

Senator Wong: I am making the point, Senator—you may not like the answer—that even the sugar industry itself has recognised the impact of climate change on it. Given that the sugarcane industry is—I will not deal with that; I am sure that the senator knows that.

I also make the point that some evidence was given by Mackay Sugar at the committee hearing on 5 August which pointed out that, whilst there was what was described by the business development manager as ‘a short-term cost impost’;

In the long run, the proposed carbon tax policy provides opportunities to Mackay Sugar. … in the longer term, a carbon price is likely to promote diversification projects for our business. As a large sugar manufacturer, Mackay Sugar generates considerable quantities of renewable energy using by-products of the annual cane crop. … under the proposed carbon tax Mackay Sugar will be largely exempt from direct greenhouse gas emission liabilities. Also, a carbon price will drive our business to improve overall energy efficiencies and reduce the use of supplementary coal fuel at our factories.

I think that has responded to senators on the sugarcane industry.

In relation to tourism, I make the point that, first, international aviation is not subject to a carbon price. I know from the number of questions that I have been asked in question time that the senator might not have recalled that. The domestic industry is subject to a carbon price. That has been factored into the cost-of-living impact of 0.7 per cent to which I referred earlier and which forms the basis of the Household Assistance Package. I also reference the effect on the tourism industry—for example, the Great Barrier Reef—of climate change, just to remind us that there are economic costs to climate change to which we need to have regard.

In relation to coal, I have answered a number of questions previously from the senator. We do not believe that it is appropriate to classify coalmining as emissions-intensive trade-exposed because most Australian coalmines do not release a great deal of pollution per tonne of coal produced and are expected to face relatively minor cost impacts in the carbon price. The policy issue is a small number of underground mines which are extremely gassy, which have high volumes of fugitive emissions. I have gone through—I think on Thursday—the assistance that the government is providing to this sector. I also make the point that, despite the sorts of scare campaigns that the senator has been part of, we continue to see increasing investment in
the coal industry, including a takeover bid on the day that Mr Abbott suggested that this was the death of the coal industry.

I am also asked about CCS. The Clean Energy Finance Corporation is intended to deliver investment into renewable energies and low-pollution technologies such as co-generation. This is in addition to the government's existing support for clean coal technologies, which will continue to be delivered through our existing programs, which include the CCS Flagships Program and the Global Carbon Capture and Storage Institute.

In relation to defence, Senator, the government does fund defence. The 'enormous cost' that you are talking about would be, obviously, the electricity price increase, to which I have already referred. I note that the defence budget in 2011-12 was some $26 billion, so I suggest that we perhaps should keep in context the additional electricity costs.

I think that has dealt with most of the issues the senators raised.

Senator FIERRAVANTI-WELLS (New South Wales) (20:06): I have some specific questions in relation to the impact on health services, Minister. Given the time constraints, I refer to Minister Combet's media release of 16 September. He refers to Treasury modelling showing that the average price impact on health services will be around 0.3 per cent. Is this taken into account in the government's Household Assistance Package? Also, that reference appears to be in the committee's interim report. Can you tell me where in the Treasury modelling documents this information relating to the 0.3 per cent appears? How was that figure calculated, and how much is it in dollar terms? Is that per household, doctors surgery or hospital clinic? Will there be any effect on the price of medicines manufactured in Australia? Those are two separate questions, one relating to the services and one relating to the medicines manufactured.

The TEMPORARY CHAIRMAN (Senator Marshall): The question is that the amendment moved by Senator Birmingham and Senator Xenophon be agreed to. Those of that opinion say aye—

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:07): I thought Senator Singh was seeking the call, so I was holding off. Senator Fieravanti-Wells, I will just get some advice on the press release. I do not have that in front of me, so I will come back to you on that point.

Senator Fieravanti-Wells: If you do not have it, Minister, I have a copy here.

The TEMPORARY CHAIRMAN: Senator Fierravanti-Wells, you do not have the call. Senator Singh.

Senator SINGH (Tasmania) (20:07): I did want to raise the fact that the opposition at least talked briefly about the science. Senator Macdonald did touch on the science in relation to the clean energy bills and the fact that the science shows that the climate has changed; it has changed over—

Senator Ian Macdonald: Aeons.

Senator SINGH: millennia. What Senator Macdonald missed when talking about the science was that in the current Holocene—that is, the present warm period that we are in—a lot of the change in the climate has been caused by humans. That is why we are in the situation we are in and why we are trying to do something about it. According to Professor Will Steffen, one of the climate commissioners, one trillion tonnes of carbon dioxide in the atmosphere today is of human origin. That means something like 30 per cent of the carbon
dioxide in the atmosphere has been caused by humans. Yes, the climate has changed, and it has changed because of our contribution to it. That is why we are trying to do something about it. That is why we are trying to ensure that our climate and our ecosystems—including the Great Barrier Reef, which Senator Macdonald touched on—are protected into the future and that our ecosystems remain in the equilibrium in which they need to remain.

As Senator Macdonald said, other nations in the world are not acting as fast as he would like or all of us would like. But if we all had the attitude that others are not acting and therefore we should not act, if we all had the attitude of putting our heads in the sand and not doing anything about this global issue that has no boundaries—the carbon dioxide in our atmosphere that has in part been caused by humans does not have boundaries—or if we did not have the attitude of leading as a developed nation in our Asian region then we are not setting an example for other countries to do something about this issue. In the meantime, they are actually doing something about this issue; they are acting. Even India and China are acting on the issue of carbon in the atmosphere.

Senator Fierravanti-Wells interjecting—

**Senator Ian Macdonald:** Mr Chairman, I rise on a point of order. Under standing order 116 this is a time to ask questions of the minister. This senator has spoken several times and never asked a question. She and her colleagues have guillotined debate on this issue and prevented the opposition from having a proper opportunity to discuss it. Mr Chairman, I suggest that you draw her attention to the standing orders and require her to ask a question, if she has one, or sit her down so that those who do have questions can ask them of the minister.

**Senator Polley:** Mr Chairman, I rise on a point of order. I do not think there is a point of order. As Senator Macdonald has demonstrated on many occasions, he comes into this chamber and has quite a lengthy preamble to—

The **TEMPORARY CHAIRMAN:** Senator Polley, you are now debating the issue. You are not addressing the point of order. There is no point of order. But I do take this opportunity to remind all senators of the question that is before the chair, and that is the question which all senators should be addressing their remarks to. I am happy to apply it, if that is what the Senate wishes. Senator Singh.

**Senator Singh:** Thank you, Mr Chairman. I am happy to ask a question of Senator Macdonald: does he believe in climate change? That would be the first decent question to ask. Does he actually believe in doing something about it that would lead to a low-carbon future in this country? In relation to being in committee and the opposition having an opportunity to ask questions, the opposition have wasted so much time on not asking questions. They are not getting into the detail of the clauses in these bills because they have not done their homework. They do not understand the degree of detail in these bills so they have
chosen to gloss over the in committee stage by frivolously grandstanding and giving second reading speeches rather than getting into the nitty-gritty of what we are here for, which is to look at the detail of how these bills will work in reality when they become legislation tomorrow.

Senator Macdonald did touch on the science. In relation to the slight touch on the science that he made, we are here to try and reduce carbon pollution. If we do not try and reduce carbon pollution, the world risks serious effects from climate change. He seems not to care about the rest of the world, only Australia. Therefore, it does not matter that other parts of the world are not acting as fast as they should be—and, in light of that, Australia should not be acting. But Australia itself faces acute risks from not acting on climate change. Australia is a very hot and dry continent. This means that, among the world’s developed countries, Australia itself faces acute risks. Studies have indicated that warming of more than two degrees Celsius will overwhelm the capacity of many of the natural ecosystems in Australia to adapt. With that level of warming, for instance, the survival of the Great Barrier Reef, which Senator Macdonald referred to earlier—

Senator Joyce: Mr Temporary Chairman, I rise on a point of order. I do have some specific questions which require specific answers.

The TEMPORARY CHAIRMAN: But what is your point of order?

Senator Joyce: What we have here is not a question being answered. There is nothing Senator Singh has said yet that is addressing a question.

The TEMPORARY CHAIRMAN: There is no point of order.

Senator SINGH: I have actually addressed the issues that Senator Macdonald raised in relation to the science in his earlier questioning in this place. I have tried to explain to him the science because clearly he does not understand the science.

Opposition senators interjecting—

Senator Wong: Mr Temporary Chairman, I rise on a point of order. It is disorderly to continue interjecting. The opposition have been listened to in relative silence for most of this debate. I listened—

Senator Bushby interjecting—

Senator Wong: See? They are even interjecting now.

The TEMPORARY CHAIRMAN: I accept the point of order. I am calling all senators to order on a regular basis. I would ask all senators to cease interjecting. Senator Singh, you have the call.

Senator SINGH: As I referred to earlier, Senator Macdonald and Senator Joyce raise the fact that we are in committee and that they are running out of time when in fact it is them who have not asked their questions every time they have been on their feet. They have instead wasted so much time having speeches in the second reading debate—

Senator Ian Macdonald: That is an outright lie. Get her to withdraw that.

Senator SINGH: We can go back through the Hansard and have a look.

The TEMPORARY CHAIRMAN: I am not sure what you said then, Senator Macdonald, but I will just ask senators again to come to order.

Senator SINGH: As I said earlier, regardless of the fact that carbon pollution has an effect on the entire planet, Australia itself is at acute risk. If it is only Australia that those opposite care about in relation to this issue then at least for the sake of Australia they should be supporting the bills in front of them, because Australia, the Great Barrier Reef and the ecosystems in this hot and dry continent are at grave risk if we do
not act. I support that by again going back to Professor Will Steffen, the director of the ANU Climate Change Institute, who has provided on umpteen occasions a lot of peer reviewed evidence as to why we need to be acting on climate change and why we need to be giving incentive to those large polluters to change their current practices to, in effect, change our economy, the same as has already been done in the EU and a number of other parts of the world.

I refer those senators opposite to the Climate Commission's website because it talks about carbon pricing being not a new concept but something that has been in place in parts of the world for a number of years. In fact, in the US, when they were dealing with acid rain back in the mid-1990s, they introduced a price on acid rain pollution, which was passed in 1995, to reduce sulfur dioxide pollution from power plants. The pollution dropped by three million tonnes by 2002. That is a clear example of how putting a price on pollution does actually work and how it has already worked in another part of the world. This is not a new thing. The opposition are making it a bigger deal than it really is. Yes, it is a major piece of reform for this nation, but it is something that so many parts of the world are acting on and getting on with. Why? It is because they believe in the science. I think the stumbling block here comes back to the fact that those senators opposite do not believe in the science and they do not believe in what those peer reviewed science reports are telling us.

If we were to go back through some of the things that Senator Macdonald has said, that seems to be fairly much the case. I know he said earlier that he does believe in climate change, but I do not know what that actually means. I think it means that he just believes the climate changes and we all keep rolling along. He does not believe that human input has something to do with—

**Senator Ronaldson:** Mr Temporary Chairman, I rise on a point of order. Now that the Manager of Government Business in the Senate is here, I just wonder whether he could give us some indication as to whether this filibuster is going to keep going on. There are a number of us who want to ask some questions—

**The TEMPORARY CHAIRMAN:** Senator Ronaldson, if you are going to interrupt a speaker you must do so on a point of order. You cannot do so to simply ask the manager—

**Senator Ronaldson:** I am just asking whether this is going to be the norm for the rest of the night.

**The TEMPORARY CHAIRMAN:** Senator Ronaldson, there is no point of order. Resume your seat.

**Senator SINGH:** I think it is necessary to remind the opposition that the vast majority of economists understand the best way to spur the action necessary to both preserve our environment and remain competitive in a low-emission future is the package currently before the Senate. It is necessary also to remind the opposition that the overall architecture of the clean energy package is similar to the emissions trading scheme that the coalition, under the direction of John Howard, once were in favour of and supportive of. To come in here and continue to be so negative and fear mongering and misleading in relation to the package in front of you has to be for no other reason than for political gain, for gain in the poll, for trying to ensure that you are misleading the public in the hope of votes rather than actually standing for anything on principle or standing for anything of meaning when it comes to this important piece of reform.

We know that Senator Cormann, for example, is not a senator of principle anymore since his backflip from being
supportive in 2007 of the CPRS or an ETS to now not being so.

Senator Colbeck: Mr Temporary Chairman, I rise on a point of order. Senator Singh accuses the opposition of misleading the Australian people for votes and yet that is exactly what she did at the last election. She was elected on the back of a lie.

The TEMPORARY CHAIRMAN: Senator Colbeck, you cannot interrupt another senator speaking unless you are rising on a point of order. There is no point of order.

Senator Singh: I will end on this. What tomorrow will bring to the Australian community and especially the Australian business community is confidence for businesses who are wanting certainty in relation to this new piece of economic reform. It is good for this nation. It is good for our children. It is good for the environment. And it is good for this parliament to get on and start moving forward, accepting the science and accepting the fact that we need to act on climate change.

The TEMPORARY CHAIRMAN (Senator Marshall): Before I give the call to Senator Joyce, you have a point of order, Senator Fierravanti-Wells?

Senator Fierravanti-Wells: Can I just have some direction here. I asked the minister a series of very specific questions in relation to the impact on health services. I also have a series of questions in relation to aged care, other specific matters—

The TEMPORARY CHAIRMAN: Is there a point of order, Senator?

Senator Fierravanti-Wells: Can I just ask: is the minister now going to answer my questions? And then, when she has finished, will I be interrupted by yet another person on the other side or will she answer all my questions this evening?

The TEMPORARY CHAIRMAN: Senator Fierravanti-Wells, that is not a point of order and that is not a matter for the chair to determine.

Senator Fierravanti-Wells: When am I going to get an answer to my questions?

The TEMPORARY CHAIRMAN: Senator Joyce, you have the call.

Senator Wong interjecting—

Senator Fierravanti-Wells interjecting—

The TEMPORARY CHAIRMAN: Order! There needs to be less chatter across the chamber. Senator Joyce, you have the call.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (20:24): I am quite happy for you to have the call, Minister.

The TEMPORARY CHAIRMAN: Are you relinquishing the call?

Senator Joyce: As long as I get the call after she has finished.

The TEMPORARY CHAIRMAN: I am not determining that at this point in time. I have given you the call. If you do not want the call I will then go to the minister.

Senator Joyce: Okay, go to the minister.

The TEMPORARY CHAIRMAN: Minister, you have the call.

Senator Wong (South Australia—Minister for Finance and Deregulation) (20:24): I offered this across the chamber to the senator, as is the normal case in these processes, saying, 'I have an answer on your specific question; do you want me to give it?' and she told me where to go.

Senator Fierravanti-Wells interjecting—
Senator WONG: You may not have used those words, that is true.

The TEMPORARY CHAIRMAN (Senator Marshall): Senator Fierravanti-Wells, you rose on a point of order?

Senator Fierravanti-Wells: My point of order is the minister should withdraw that. I did not tell her where to go, and she should correct the record.

The TEMPORARY CHAIRMAN: That is not a point of order.

Senator Joyce interjecting—

Senator WONG: This is very disciplined from the opposition! I am not quite sure to whom I respond. If the senator is offended I will withdraw that, but I do make the point that I gave her the courtesy, as I try to, of indicating that I had an answer on the specific question and instead I got some diatribe about process.

In relation to the question about the 0.3 per cent, I am advised that detail on that is available on the Treasury website. There is a note entitled 'The impact of a carbon price on household expenditure as modelled by the Treasury for the Clean Energy Future package announced on 10 July 2011 by the government'. That note sets out a more detailed breakdown of Treasury's modelling of the impact of a carbon price via CPI subgroup. If you turn to table 1, that table shows a range of the CPI subgroups, and included in that is health services, average price impact per week, and I have here 10c—I will just check that that is right—which is 0.3 per cent. So, in response to the senator's question, that is the locus that that figure came from. I think that is the basis of the assertions, to which she was referring, by the minister I represent.

I also make the point, and I suspect the senator would recall this better than I in relation to public hospitals, which I think she asked about, that the government's funding of public hospitals is subject to indexation arrangements. Senator Sinodinos is nodding. I do not have anyone in the advisers box to recall precisely the rate of indexation but my recollection is that it is significantly above CPI because health costs obviously rise above CPI, and if I am incorrect in that I will come back to you. To the extent that there is any increase in costs from the carbon price I am advised that current and future funding arrangements would automatically ensure that public hospitals continue to be properly funded within the arrangements.

The TEMPORARY CHAIRMAN (Senator Marshall): Before I give Senator Joyce the call, let me again remind all senators of the question before the chair, which is that amendment (1) be agreed to.

Senator Joyce (Queensland—Leader of The Nationals in the Senate) (20:27): Minister, I want to read out a section of the Constitution. I know this has been brought to your attention before but we are still waiting for a distinct answer. Section 114 states: A State shall not, without the consent of the Parliament of the Commonwealth, raise or maintain any naval or military force, or impose any tax on property of any kind belonging to the Commonwealth—obviously nothing we have to worry about there, but the next bit is where it is distinct and I need a distinct answer—nor shall the Commonwealth impose any tax on property of any kind belonging to a State.

Minister, do the states of the Commonwealth of Australia own power-generating assets?

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:27): I am sure Liberal senators will be very pleased that Senator Joyce is reprising Senator Williams's argument from some hours ago. I have answered that question; I refer to that answer.
I also indicate to senators I understand that Senator Fierravanti-Wells may have had further questions on the health issue or other issues. I indicate to Senator Xenophon—I know he is on the phone—that the government is very happy to proceed to voting on his amendment which is before the chamber, if we wish to proceed. I can give that commitment on behalf of the government. I am happy to respond directly to Senator Fierravanti-Wells on a question, but we are quite happy to proceed with voting on this particular amendment. There are a number of subsequent amendments Senator Xenophon has also circulated and flagged.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (20:28): Minister, I know that in your previous answer to Senator Williams you said 'referring to legal advice'. I have not asked you that. I have asked you a very distinct question, Minister. Do you know of any state of the Commonwealth that owns power-generating assets—yes or no?

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:29): I have answered that question previously. I refer to my previous answer.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (20:29): So the answer was yes?

The TEMPORARY CHAIRMAN: The question is that the amendment be agreed to. Senator Joyce?

Senator JOYCE: I am presuming from her silence that the answer to that question is yes, that the states do own power-generating assets. Is that correct?

The TEMPORARY CHAIRMAN: I do not think you can seek the call again, Senator Joyce.

Senator FIERRAVANTI-WELLS (New South Wales) (20:29): Minister, you specifically addressed the issue of hospitals. My question was how much the 0.3 per cent is in dollar terms. I think you may have mentioned that; was that the 10c? I also asked whether that was per household, doctor's surgery or clinic. The other part of that question was about the effect on the price of medicines manufactured in Australia. They were the health questions. I then have some aged-care questions.

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:30): In relation to health, I will put this on the record and, if I am wrong, I am sure the very capable advisers will tell me. I am not sure that there is any further disaggregation than the CPI subgroup to which I referred. The health services CPI subgroup includes hospital and medical services, optical services and dental services, and the price impact was the 0.3 per cent average price impact per week of 10c. Obviously that is a consumer impact, so that is not an institutional impact. I have information in the CPI subgroup of pharmaceuticals. I will seek advice as to whether there is any disaggregation that is available as between those domestically and internationally produced and manufactured. The CPI subgroup for pharmaceuticals is also 0.3 per cent and the average price impact is here as less than 10c a week.

Senator FIERRAVANTI-WELLS (New South Wales) (20:31): Thank you. With respect to aged care, operators have had concerns in relation to residents. In your figures on residential aged care in Australia there are two different figures in relation to operational residential places, one of $182,850 and another of $179,749. For the purposes of, say, about 180,000 in residential aged-care facilities, can you explain to me if increasing the pensioner contribution to providers from 84 per cent to 85 per cent will cover the increased cost for providers? Could
you tell me what modelling was used? When will it be reviewed and will aged-care homes be counted as a single residence? There are, on your figures, 2,772 aged-care facilities. Will they each be counted as a single residence? How has the calculation been done?

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:32): I am not sure on the last issue, Senator. I will see if there is anybody here who can assist. But, in relation to aged care, you would be aware that the package includes amendments to the Aged Care Act 1997 to allow a portion of the clean energy payments paid to eligible residents in residential care to flow to providers. This will enable providers who meet some of their residents’ costs of daily living to meet the increased costs relating to the carbon price. The arrangement will ensure that household assistance is shared fairly between residents and providers.

As the senator pointed out, the maximum standard resident contribution payable by most eligible residents of aged-care homes will increase from 84 per cent to 85 per cent of the total basic pension amount. This increase will mean that aged-care homes will receive 52 per cent of the clean energy payments and pensioners will retain 48 per cent of their clean energy payments. The basic daily fee will remain the same for non-pensioner residents of aged-care homes who do not hold a Commonwealth seniors health card and who will not receive clean energy payments. Instead a new government aged-care supplement equal to one per cent of the basic pension will be payable in respect to these residents. I will see if there is any information I can provide in relation to the last issue and come back to the senator on it.

Senator FIERRAVANTI-WELLS (New South Wales) (20:34): While I am at it I might ask some other questions in relation to the $140 compensation for lifesaving equipment used at home. One hundred and ten thousand pensioners and concession card holders who use lifesaving equipment will get $140 extra a year each to help pay for the high cost of electricity. That divided by 52 is $2.70 per week. Does the calculation take into account how much it costs to operate a dialysis machine at home every week? Can you tell me what modelling was used to calculate that $140? Was it Treasury modelling? If not, what other modelling was it and which document does it appear in? I am also interested in people with other conditions that do not require special equipment but who may need extra heating and cooling because of an inability to control body temperature—for example, people with Parkinson's disease or multiple sclerosis. What is their position? How soon after the carbon tax is introduced will this subsidy be reviewed? Are the calculations that have been done—for example, on the issue of dialysis—on the basis of the number of people in hospitals today?

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:35): We will do what we can to assist you. In relation to your question on single residences, I am not sure that is a term that we are familiar with in this context. It may be a term that is in the Aged Care Act; I am not sure. But the advice I have is that providers will receive a proportion of the clean energy payment of each resident. I do not know if that assists, Senator.

In relation to the essential medical equipment payment, the government has made a decision to put in place a payment of $140. This is to cover the change in running costs due to a carbon price of a kidney dialysis machine, which is the highest energy use machine expected to be covered by the payment. It is paid in addition to any state or territory government rebate or subsidy for
essential medical equipment or thermoregulatory dysfunction. It has been designed to cover the additional cost impact of running medical equipment over and above the existing cost, which is subsidised through state schemes. The payment will be available for people with medical needs, or their carers, who are covered by an eligible concession card, require equipment or additional heating or cooling in their home as a result of a medical condition and hold, or contribute to the payment of, an energy account. It is not intended to provide assistance for the full operating costs of life-support machines. Rather, it is intended, as I said, to assist with increases in the running costs of life-support equipment due to the carbon price. It is also targeted at those who are most in need, hence those people covered by a concession card.

I am also advised that the list of equipment and medical conditions which will qualify a person for an EMEP are being developed in consultation with stakeholders. However, equipment eligible for a rebate or subsidy under a state or territory scheme as at 30 June 2011 will be included. I have a number of other points but I do not think they are relevant.

Again, I say—I see the senator rising—that the government would like to vote on the amendment before the chair. The government is quite happy to do so. I am very happy to continue answering questions, but the failure of the committee to vote on a single amendment, having sat all of the day plus four hours on Thursday, says something about the way in which the opposition are choosing to conduct this debate.

Senator FIERRAVANTI-WELLS (New South Wales) (20:38): I have some short questions to finish off the health component of this amendment. They relate to GP surgeries. Obviously power bills are expected to increase by 10 per cent across the board. How does the government propose that GPs are going to pay for higher power bills? Does the government envisage that patients will be charged more and that consultation times will be cut or will surgeries be forced to turn the lights off? Can the minister assist me in relation to how—

Senator Wong: Come on, be serious. Surgeries turning the lights off—

Senator FIERRAVANTI-WELLS: I am just asking the question, Minister.

Senator Wong: Come on. You are not seriously suggesting that—

Senator FIERRAVANTI-WELLS: Well, answer the question. You do not want to answer the question? You have not worked it out?

The TEMPORARY CHAIRMAN (Senator Cameron): Senator Fierravanti-Wells, have you finished your question?

Senator FIERRAVANTI-WELLS: No, I am simply saying to the minister that power bills are going to go up. Unless patients are going to pay more, doctors are going to have to look at how they meet those costs in their surgeries.

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:39): I think the suggestion that medical practices will simply turn their lights out really demonstrates the extent of the scare campaign the opposition want to be part of in this.

I am advised that to the extent there is any flow-on of carbon pricing to the cost of private medical practice, this will be captured through current Medicare indexation arrangements, which are linked to the CPI.

Question put:
That the amendment (Senator Birmingham's and Senator Xenophon's) be agreed to.
The committee divided. [20:45]
(The Chairman—Senator Parry)

Ayes ............................ 32
Noes ............................ 36
Majority ........................ 4

AYES
Abetz, E
Bernardi, C
Boswell, RLD
Brandis, GH
Cash, MC
Cormann, M
Eggleston, A
Fisher, M
Humphries, G
Joyce, B
Macdonald, ID
Mason, B
Nash, F
Payne, MA
Scullion, NG
Williams, JR

Adams, J
Birmingham, SJ
Boyce, SK
Bushby, DC (teller)
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Johnston, D
Kroger, H
McKenzie, B
Parry, S
Ryan, SM
Sinodinos, A
Xenophon, N

NOES
Bilyk, CL
Brown, CL (teller)
Cameron, DN
Conroy, SM
Di Natale, R
Farrell, D
Furner, ML
Hanson-Young, SC
Ludlam, S
Marshall, GM
Moore, CM
Pratt, LC
Sherry, NJ
Singh, LM
Sterle, G
Urquhart, AE
Wong, P

Bishop, TM
Brown, RJ
Collins, JMA
Crossin, P
Evans, C
Faulkner, J
Gallacher, AM
Hogg, JJ
Ludwig, JW
McEwen, A
Milne, C
Polley, H
Rhiannon, L
Siewert, R
Stephens, U
Waters, LJ
Wright, PL

PAIRS
Back, CJ
Fawcett, DJ
Fifield, MP
Ronaldson, M

Lundy, KA
Feeney, D
Carr, KJ
Arbib, MV

Question negatived.

Senator XENOPHON (South Australia) (20:48): by leave—I have a series of amendments to move and I would like to get on with it and move them together. I know that time is short because the debate has been truncated, which is very unfortunate—

An opposition senator: Gagged.

Senator XENOPHON: 'Gagged' would be a good word, but I have to make the best of a very bad situation. I move amendments (2) and (3) on sheet 7165:

(2) Clause 3, page 5 (before line 14), before subparagraph (c)(i), insert:

(ia) take action directed towards reducing Australia's net greenhouse gas emissions to at least 10% below 2000 levels by 2020; and

(3) Clause 3, page 5 (line 17), omit "that action", substitute "those actions".

I will be ruthlessly efficient with these amendments because I know time is incredibly short. These amendments introduce a target reduction of emissions to 10 per cent less than 2000 levels by 2020. Under the government's legislation, the only specified target is a reduction to 80 per cent below 2000 levels by 2050, but we have heard earlier today that the amendments will lead to a five per cent target by 2020. It is important to note that this target is more ambitious than the government's own target. It is important to note that this target is based on modelling undertaken by Frontier Economics, commissioned by me and the opposition back in 2009, showing that there is an alternative approach that is more economically efficient and can achieve this target of 10 per cent below 2000 levels by 2020.

Having said that, it is very important that any legislation that is of this significance to the economy must be dealt with in the context of giving the people of Australia a say on this issue. That is a non-negotiable position, from my point of view. But it is
also important that we have a debate about the policy. My concern is that the coalition's Direct Action Plan just does not do that. It is a simplistic plan that will not deliver the best outcome in terms of reducing greenhouse gases and doing so in the most economically efficient way. An intensity based scheme will see economic cost savings because the scheme will result in lower energy price rises, and this will make the low-carbon transition more acceptable to consumers. Furthermore, through a range of additional efficiency initiatives, the Renewable Energy Target and a white certificate scheme, which I have amendments to introduce to establish, I believe that having a higher target will actually drive investment and drive supplementary emissions reduction targets to support it.

This is not a criticism, but I think it is interesting to note that, when this was being debated two years ago, the Greens moved for an unambiguous 25 per cent cut by 2020. I did not support that; I did support a 20 per cent cut based on Frontier Modelling data. But I think it is important to note that right now all this bill will deliver is a five per cent cut by 2020, and that to me is not satisfactory. I also want to make the following points. Frontier Economics used the same modellers, the Monash University Centre of Policy Studies, and the same model, the Monash Multi-Regional Forecasting model. What has been modelled here means less impact on small businesses. The problem is that you have a situation where the big end of town, the big emitters, will be compensated but the small and medium enterprises will not. I do not believe the coalition's Direct Action Plan deals with that. We will see a massive spike in electricity prices. We will see enormous uncertainty, and my concern is that, if you do not push up prices as much, you do not need to compensate as much and as such you have less revenue churn, and less revenue churn is the key here to having an efficient scheme.

I think it is also worth noting that recycling involves a tax interaction effect. I would welcome a contribution in this debate from Senator Sinodinos, for instance, who has long experience in issues of policy in his former role as chief of staff to the Prime Minister's office in the Howard government. But I think it is very important that we look at the tax interaction effects. We also need to look at the impact that this will have on the small business sector. The small business sector will be hit very hard by this, and there is a better way of getting a much better outcome.

This is a fundamental issue. This is, in a sense, a litmus test about having an efficient scheme. The difficulty here is that this scheme involves a combination of carrot and stick. The government scheme seems to involve a lot more stick and less carrot. Once you recycle revenue, you will have distortions in the economy. You will have a situation where you will cause, I believe, significant damage given the design of this scheme, and I think we can do better. The Frontier scheme provides that way forward. I know the coalition will not be supporting it at this stage, but I ask that you keep your options open.

Senator Wong: They did for a brief period.

Senator XENOPHON: Sorry?

Senator Wong: For a brief period they did—thank you, Senator Wong—but they walked away from it. But this is still good policy. Senator Wong admires me for my loyalty and she accuses me of my loyalty to Danny Price of Frontier Economics. But I am loyal to good public policy, and I think it is important that we put
this in perspective. In terms of the breadth and magnitude of economic effects, this scheme is arguably the most significant policy change in Australia's history, and as such there is a substantial onus on the government to demonstrate that, whatever policy is introduced, it is the best that can be developed. I believe we have not done that in relation to this scheme. If we look at the distortionary effects of such a scheme and at the impact on taxes then I think we will see a significant flow-on effect on the economy which will be negative.

Let us look at what the Obama administration proposed at the beginning of this year: having a clean energy standard. That is consistent with the Frontier scheme. That is consistent with a more efficient approach to achieving a better outcome. That is why I would urge my colleagues in the coalition to at least consider this—if not now, some other time. The fact is that the direct action scheme will not cut it. The direct action scheme will not provide the long-term benefits and a much more efficient way of dealing with this policy problem. But, again, I make it clear that I move these amendments against the backdrop of ensuring that the Australian people have a say before any such scheme is implemented.

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:55): As a matter of courtesy I thought I should just put the government's position on the record, but if Senator Joyce wishes to indicate the opposition's first then I am happy to go afterwards.

Senator Joyce: No, I have questions with regard to the amendment.

Senator WONG: On the amendments before the chamber that Senator Xenophon has spoken to, the government does not support these amendments. The government does stand by its 2020 target range of five to 15 or 25 per cent below 2000 levels by 2020 on the terms that we have previously indicated. The senator would be aware from earlier discussions that the architecture in this legislation does differ from the CPRS in a number of important respects. The first is in relation to the fixed-price period, which is obviously a three-year period. The second is that these bills create the Climate Change Authority and task it with providing independent advice on pollution caps and carbon budgets that must be considered by the minister administering the legislation when setting the initial and subsequent pollution caps by regulation, which of course are disallowable instruments. I think we have discussed that issue earlier. So, for those reasons, the government will not be supporting Senator Xenophon's amendments.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (20:56): On this amendment pertaining to carbon reduction, the minister said agriculture is not included. Is she aware of anywhere in her legislation—noting that at this point in time I have asked her three questions and been unable to get an answer on any of them—where there is any future review period for the inclusion of agriculture?

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:57): The government's position is that agriculture is excluded permanently.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (20:57): So you categorically say to this chamber that nowhere in your legislation is there the suggestion that there will be at a future date—maybe around 2030—a situation where there is, by a range of other agreements, the inclusion of agriculture?

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:57): The reference to 2030 may be that
the Treasury modelling assumed that other nations—or some other nations—will cover agriculture at 2030. I am advised that that was not assumed for the revised modelling, which reflected the government’s position of permanent exclusion here in Australia.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (20:57): So it is now saying that there is no future inclusion of agriculture. I will take your word for that. I want to go now to schedule 1, part 2, section 278, subsection 7, where you talk about carbon dioxide equivalence. It is on page 54. Minister, to your knowledge, in your carbon dioxide equivalence, is methane from organic sources such as grass scientifically the same multiplier as methane from mineral sources such as coal?

Senator WONG (South Australia—Minister for Finance and Deregulation) (20:58): Senator, first, I am not sure of your reference, because proposed section 278 of the Clean Energy Bill is a different proposition. It may be the explanatory memorandum. But methane is methane.

Senator Joyce: Is it?

Senator WONG: It is CH$_4$ from memory.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (20:59): That is interesting. I direct you, then, to the Clean Energy (Consequential Amendments) Bill 2011, on page 54: proposed section 278, amending section 7 of the National Greenhouse and Energy Reporting Act 2007. Since methane is methane, as you stated, do you therefore disagree with the PhD thesis of a number of people from Sydney university who say the multiplier of methane from organic sources is completely different, as far as greenhouse gas emissions go, to that of mineral sources?

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:00): I am not sure that that is in the legislation. That is a question of scientific fact, so I will see if I can get some advice on that. I am not sure that that is prescribed in the legislation.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (21:00): I note that we are debating Senator Xenophon’s amendments (2) and (3), relating to a target range of emissions reductions. Senator Xenophon is moving for that target—for the benefit of people wondering what on earth is going on with the interjections here. The issue is: should we be setting a higher target than five per cent? The point at issue is that one of the problems with the legislation that came before this parliament previously was that the level of ambition on greenhouse gas reduction was too low and in no way met the scientific reality. We all know that Australia has signed on to constrain global warming to less than two degrees above pre-industrial levels. That actually means that we should be aiming to get down below 450 parts per million to 350 parts per million globally, if we are to actually give ourselves an opportunity for a safe climate.

The target range that is on the table will be determined by the Climate Change
Authority. That is the big advantage and is actually one of the most crucial parts of this whole package: the fact that we are going to set up a Climate Change Authority, which has as its mandate to take into account the latest science, to look at what is happening around the world and to set emission reduction trajectories for the first five years of the scheme, and then annually after that. That is the role of the independent climate authority.

In my view, to now say that we are going to give that climate authority a political directive is wrong. The whole point of this is to give the Climate Change Authority the power to make a recommendation consistent with the science. As Professor Schnellnhuber, who was here recently from Germany, said, if the political reality does not match the physical reality then it is useless. That is the problem that we have had to date—that the level of ambition does not match the physical reality of climate change and what we need to do. So the expectation is that the climate authority, taking into account the latest science, will be setting a much steeper trajectory than has ever been projected or talked about in this parliament—and that would certainly be my hope. As to 10 per cent, I do not think it is enough anyway.

Senator Xenophon interjecting—

Senator MILNE: No, the government does not have a five per cent target. The government's legislation has five per cent as a default if the parliament has a disallowance for whatever is recommended; otherwise, whatever is recommended stands. The Climate Change Authority will make a recommendation to the government of the day. The government of the day will then make that regulation, and if it does not choose to regulate what the climate authority recommends then it will be forced to explain that. But if it is a default position, with a disallowance, it would be a minimum of five per cent. That is a default position; it is not the position that we would expect to come from the Climate Change Authority. And it needs to be very much higher.

In fact, if you look at the conditions the government previously set for whether it would move to 15 or 25 per cent, I would argue that the conditions for meeting 15 per cent are already there. Most people who have looked at those conditions would argue that. However, having set up a structure which provides for a Climate Change Authority to look at the latest science and to work out that trajectory, I do not think it is appropriate that we then give them a political fix. There is no point in having a Climate Change Authority if you do that.

Additionally in this legislation is the Clean Energy Finance Corporation and ARENA, which will drive renewable energy. In my view—and it is not just my view; it is also the view of ClimateWorks—the investment that is going to come in renewable energy and energy efficiency is going to double the level of emissions reductions from that which Treasury has already modelled and calculated. The expectation is that the emissions reductions will be much more substantial than has been calculated. Further to that, in the package there is a clear undertaking from the government to expedite a white certificate scheme on energy efficiency. That is something that the Greens have had on the table for a long time. Expedite means expedite—to bring that forward.

Together with those initiatives, I expect that we will see a substantially faster shift because Treasury has been incredibly conservative in its modelling. I think there will be a significant shift once this legislation becomes law and takes effect on 1 July next year. I think the transformation in the
The economy is going to be a lot faster than people think. In fact, we have to hope that that is the case because the reality of the climate science is that the way the trajectories are currently going, including our own here in Australia for greenhouse gas emissions with business as usual and globally, we are going to reach the point where it will be too late to secure a safe climate. That is the reality that we are all talking about. That is the seriousness of the climate emergency we now face.

We have to hope that not only will the climate authority take on board the latest science and set a steep trajectory, understanding that the earlier you act, the cheaper it is in the longer term, as Sir Nicholas Stern pointed out very clearly, but also that it leads to a massive investment in renewables and efficiency, much greater gains and therefore an acceleration of the effort that we are able to put in in the economy.

That is why I am not prepared to vote for something that compromises the whole structure we are trying to set up and that seriously underestimates the level of emissions reduction we need in the time. As the Intergovernmental Panel on Climate Change pointed out, we needed global emissions to peak and then start coming down by 2015. There is no prospect at this point of global emissions peaking by 2020, and the scientists have now said it needs to happen by—

Senator Joyce: Mr Temporary Chairman, on a point of order: we are trying our very best to ask succinct questions that are to the point and brief—I think the last one I asked was no longer than two minutes—because we know that by—

The TEMPORARY CHAIRMAN (Senator Cameron): Senator Joyce, what is your point of order?

Senator Joyce: Where is the question that Senator Milne is asking?

The TEMPORARY CHAIRMAN: That is not a point of order.

Senator MILNE: It might interest Senator Joyce to understand that there has been an amendment moved by Senator Xenophon and I am responding to the specific amendment—unlike Senator Joyce, who failed to use his opportunity in the general debate time to ask his questions and have them answered and is now contesting something that is quite irrelevant.

Senator Joyce: On a point of order, Mr Temporary Chairman: I believe that Senator Milne is definitely misleading the Senate. I have asked three questions, Senator Milne. I have had an answer for none of them. The last question I asked, the minister could not even find the document. The attendant could find it but—

The TEMPORARY CHAIRMAN: Senator Joyce, you are engaging in debate. That is not a point of order.

Senator MILNE: I know that Senator Xenophon has put a considerable amount of work into his amendments, to his credit, and that is why I am taking his amendments seriously and responding to him in an appropriate manner as to why the Greens will not be supporting them. Unlike Senator Joyce, I am actually speaking to the relevant amendment before the chamber at this point in time.

Whilst I understand why Senator Xenophon has moved the amendment that he has, the new structure we are putting in place is reminiscent of the British climate change authority, which has led to huge leaps and bounds in that country such that they are now going to reduce their emissions by 50 per cent on 1990 levels by 2028 or 2030. That is because they put their faith in an independent climate authority on which there
are climate scientists. That is precisely what we are hoping will come from the climate authority—that is, for once we will have serious science engaged and serious recommendations made to government where the physical reality and the political reality actually have to meet.

Senator XENOPHON (South Australia) (21:10): I will do this in less than two minutes because I know time is very short. There is a fundamental misapprehension about these amendments. These amendments are about substantially reducing the economic distortions that the proposed scheme would create. By doing so, you can actually be more ambitious in your targets.

The amendments that have been proposed are based on the Frontier Economics modelling. They will include increased permit allocations to emissions-intensive trade-exposed industries and the electricity sector based on the emissions intensities for each sector.

This approach can be called an intensity target—says Frontier—an output based allocation, a performance standard or a “feebate”. What it means is that emitters are penalised for emissions intensity above the standard, but rewarded if emissions intensity is below the standard. It preserves the same incentive to reduce emissions but it does not raise tax revenue (or electricity prices) in the same way as a tax or a cap and trade on all emissions. This intensity approach is equivalent to introducing a tax on emissions but providing a targeted reduction in a production or company tax—the carbon tax introduces a distortion but the effective reduction in other taxes (by rewarding lower emissions) reduces these distortions and hence the size of the tax interaction effect.

That is what this is about: it is about having a much more efficient way to achieve the same intent, the same outcome, and you can actually go for a more ambitious target. It is about less churn, it is about fewer distortions to the economy and it is about dealing with the tax interaction effect that even Professor Garnaut says needs to be addressed.

My 90 seconds are up, but I think it is important that it be put on the record that this is about a much better, smoother way of transitioning to a low-carbon future.

The TEMPORARY CHAIRMAN: Could I just get a clarification that you have moved your amendments (2) and (3)?

Senator XENOPHON: Correct.

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:13): On that issue, Senator Xenophon, from the substance of that contribution, it seemed to me to be an argument in support of your amendments (4), (10) to (14) and (29), which are the ones that set out the electricity generation benchmark scheme. I am happy to respond to them now but I thought we were on (2) and (3).

Senator XENOPHON (South Australia) (21:13): Very quickly, as I am so conscious of the time constraints: the argument is that you can go for a deeper cut if it is more efficient. They are linked together—the minister is right—but I am trying to save as much time as possible so I can get these issues on the record.

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:13): I will formally respond to the benchmark amendments, which are (4), (10) to (14) and (29), when they are moved. I think I have responded already to the target amendments. I know we are jumping around a fair bit here, and I am very happy for us to vote on Senator Xenophon’s amendments. We could at least get two amendments voted on tonight.

In relation to the issue that Senator Joyce, I think, was raising, I am advised that Australia follows IPCC guidelines to seek
global warming potentials for greenhouse gases. The current global warming potential for methane in the National Greenhouse and Energy Reporting Regulations 2008 is set at 21—that is, obviously, a tonne of methane is equivalent to 21 tonnes of CO₂. The IPCC guidelines currently do not differentiate between different sources of methane when determining global warming potential. I understand the senator is referencing an academic debate about that, a very interesting one no doubt but probably not relevant to the bill before the chamber. The global warming potential of methane from agricultural sources is obviously not relevant to this legislation as agriculture is not covered. I have responded already to Senator Xenophon's amendments and am very happy to vote on them.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (21:15): I think it is extremely relevant if we find the IPCC is actually out of date. It is also terribly relevant when we find people such as Professor John Christy, the atmospheric scientist for the IPCC, saying global temperatures are warming but there is very little we can do about it and the warming is vastly less than predicted. Also, the tangent for the warming is not anywhere near what the initial modelling said it would be. In fact, it is vastly less, which means that they are looking for other sources of how this could interact. All the science has been dutifully left behind by the Labor Party's overwhelming desire to launch a new tax on Australian citizens whether they like it or not. Be that as it may, let us go to other areas which just flummox me.

Apparently, Minister, you cannot find this document but the attendant can. That worries me a little. I have it in duplicate now because I thought maybe I had gone mad and maybe it did not exist, but no, the attendant brought it out for me. Here it is—the Clean Energy (Consequential Amendments) Bill 2011. Page 41 says:

Units in certain accounts cannot be surrendered
(1)The regulations may provide that, if there is an entry for a Kyoto unit in a specified Commonwealth Registry account, the unit cannot be surrendered under the Clean Energy Act 2011.

What exactly does that mean—you may, cannot? That is like saying you may, cannot leave the building, you may, cannot go home tonight. What on earth are you saying?

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:17): I understand that what that references is that the units the Commonwealth is holding on the nation's behalf cannot be surrendered for a liable entity.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (21:17): Why did you put the word 'may' in there?

Senator WONG: I think that is a little embarrassing, Senator. I mean, really.

Senator Brandis: Are you saying there is a difference between permissive and prohibitive?

Senator WONG: I am sure Senator Brandis could give you a very lengthy explanation of the way in which the word 'may' is often used in regulation-making powers in federal legislation and I am sure he would do that far more eruditely than I propose to do here.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (21:17): How can you have an affirmation and a possibility in the one sentence—I may, cannot? What exactly do you mean? It is like everything else in this, like every other question I have asked you yesterday and tonight, where you do not have an answer.
How can you have may and cannot? It is a non sequitur. It makes no sense. Like everything else in this act, like the idea of cooling the planet from a room in this building, it makes no sense. Nonetheless, let us go on to other things. What is the process of becoming a prescribed international unit?

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:18): I understand that it is advice from the Climate Change Authority on the credibility of international units.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (21:18): Is that an answer or a repeat of my question?

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:18): I understand there is a regulation-making power—I cannot find it at the moment, Senator. I am sure it is in this bill. I now have a copy of this bill. I was looking at the other bill.

Senator Birmingham: There are a lot of them.

Senator WONG: There are a few, that is true—thank you, Senator Birmingham.

Senator Ronaldson: I do not think he was saying it in a supportive sense.

Senator WONG: I will take what I can at this point in the evening.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (21:19): There are people listening to this debate. I asked: what is a prescribed international unit? Your answer was something like, 'There is a regulation. It may be—I haven't got the bill in front of me at the moment.' Where is the answer to that question?

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:19): The reference, I assume, to prescribed international units is on page 40. This is in relation to the Australian National Registry of Emissions Units Act 2011 and there is a reference in section 3 and onwards relating to prescribed international units. The prescribed international units, as I understand it, Senator—and I will come back to you if my understanding is incorrect—can be used under the Australian system to ensure they are credible. They need to go through a process, and this set of regulation-making powers ensures that there is a process in place which ensures they are credible.

Senator BIRMINGHAM (South Australia) (21:20): I want to address the matter of the amendment before the chair. We have heard Senator Xenophon move this amendment and we have heard responses from the government and from the Greens on the amendment. I understand the government's position, which is of course sticking to the five per cent target and wanting to work for international fora. Indeed, there is consistency on that front between the government and the opposition. However, I did hear Senator Milne talk about how, during the CPRS debates, the level of ambition was too low. I remember Senator Milne's contributions then. I think what Senator Milne was seeking at that stage was something along the lines of a 20 or 25 per cent unconditional target by 2020.

I want the Senate to note that Senator Xenophon has put on the table an amendment that would allow the Greens to vote for higher action than the government's policy and that the Greens are not voting for that. Senator Xenophon's amendment is very clear that it would have an object in the act—not necessarily binding but at least it would be a statement of intent—that Australia's net greenhouse gas emissions reductions be at least 10 per cent below 2000 levels by 2020. Once upon a time the Greens would have jumped at the opportunity to support an amendment like this. They would have bent
over backwards to support this. They would have been amending the amendment to take the 10 per cent to 20 per cent or 30 per cent. But instead, this time around, because we have this sort of mutually captive arrangement happening opposite whereby the Gillard government is held captive by the Greens but equally the Greens seem to be held captive by the Gillard government, the Greens are stymied from speaking up for what they want. Senator Milne keeps coming back to the fact that everything will be determined by the Climate Change Authority. She places great store and puts great stock in her belief that the Climate Change Authority will take out of the hands of the government of the day any real setting of these targets. So I want to seek one reassurance from the minister. I refer the minister to the Climate Change Authority Bill 2011 and, in particular, the proposed section 18 on the appointment of authority members. I would invite the minister to provide an assurance to the Senate in committee that the Australian Greens will in no way, shape or form play any role in the appointment of authority members.

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:23): I am sorry, but I was a bit distracted for a minute because I thought you were addressing Senator Milne, so I am afraid I went to some other aspect. My recollection is that these are cabinet appointments or certainly ministerial appointments. I am now told these are ministerial appointments which would generally go to cabinet.

Senator BIRMINGHAM (South Australia) (21:24): I thank the minister for the answer. Yes, indeed I note that they are appointments by the climate change minister by written instrument and that the proposed section 18, in division 2, has a very long list of potential fields in which they may have expertise. Let me put the question a different way. Can I have an assurance that the climate change minister or anyone acting on his behalf will not consult with the Australian Greens about who should be appointed to the Climate Change Authority?

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:24): I think it would be normal to consult reasonably widely on something like this. The important point is whatever consultation with whomever occurs. There are times, Senator, when we consult with members of your side on appointments. As finance minister, I know that you get to sign off as the co-signatory on a number of appointments. So that is done on occasion. What I can say is that the appointment is a decision for the minister, and generally such appointments would be the subject of the normal cabinet process.

Senator BIRMINGHAM (South Australia) (21:25): I understand that a name has been touted already for the chair of the Climate Change Authority.

The TEMPORARY CHAIRMAN (Senator Cameron): Is that a question?

Senator BIRMINGHAM: Yes. It is Mr Bernie Fraser.

Senator Wong interjecting—

Senator BIRMINGHAM: Yes, announced; I am sorry. However, can I find out whether any consultations or discussions have taken place to date as to who the other seven members of the authority may be?

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:25): I do not really have anything to add other than what I have put on the record already about the process by which appointments are undertaken. If the implication is that the process is untoward, I would have thought Mr Bernie Fraser was hardly a radical appointment.
Senator BIRMINGHAM (South Australia) (21:26): Of course the reason for going down this path is that Senator Milne is putting such store in the operations of this Climate Change Authority. Senator Milne is willing to oppose a legislative amendment that would encourage greater rates of emissions reductions because she has such faith and such confidence that this Climate Change Authority will clearly do her bidding for her, so will clearly deliver the outcome that the Greens wish to see. I would hope you can understand, Minister, the concern on this side. We are worried about this. If this is to be an independent authority then it should be truly independent. That means it should not be filled with people who come in with positions that the Greens have encouraged so those people share those with the Greens to start with and have predetermined outcomes in mind in any way, shape or form. If this is to be independent then it needs to have absolute integrity surrounding it. So there is genuine concern here that, because the Greens have put such stock in this, they are willing to throw out everything they used to stand for in terms of the types of amendments that they would vote for in this place. They are actually willing to vote against an amendment encouraging higher emissions reductions targets.

Senator Ronaldson: Extraordinary.

Senator BIRMINGHAM: It is extraordinary, Senator Ronaldson. It is amazing to think that the Greens would not be voting for higher emissions reductions targets in this chamber and that the only reason that Senator Milne can give is her supreme confidence that this Climate Change Authority will deliver for her. Minister, you, on behalf of the government, reassure us time and time again that the government remains committed to the five per cent reduction target by 2020 and that, of course, there would have to be a change to international circumstances. Well, Senator Milne argues that the international conditions have already been met for a 15 per cent reduction. So, Minister, perhaps firstly you could tell me whether you agree with Senator Milne that the international conditions have already been met for that 15 per cent reduction. Again I invite you to provide a cast-iron assurance to the Senate in committee that the Greens will not be playing a role in the appointment of members to this authority.

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:28): The government will appoint people to the authority who are appropriate to appoint. The conspiracy theory which I think is being put forward is really a very long bow to draw. I think the government's intentions around appointing people who are independent and have integrity are demonstrated by the appointment of the chair. I understand that the Chief Scientist is also an ex officio member of the authority, and I would assume that the senator would not be suggesting that the Chief Scientist of the country was some sort of mouthpiece for the Greens Party.

Senator Birmingham: Note that I only asked about the seven authority members.

Senator WONG: I accept that, Senator, but I am making a point about the authority. I have made our position clear in relation to targets. I have already done that in this debate. The government stands by its previously announced five to 15 and 25 per cent targets.

Senator Birmingham: Do you agree the conditions have been met?

Senator WONG: As you would recall, Senator, the government has also announced the conditions associated with those. If you have a question of Senator Milne, that is a matter that should be addressed to her. The
bill before the chamber in terms of the fixed-price period and the default caps references the bipartisan five per cent target. However, there is this architecture, which we are discussing now, which is the Climate Change Authority. I am very happy to continue talking about this. If the senator has nothing further on this point, my invitation to the chamber is that we vote on Senator Xenophon’s amendment.

Senator MILNE (Tasmania—Deputy Leader of the Australian Greens) (21:30): I find it an extraordinary contribution by Senator Birmingham because it reveals a fear that an independent authority may well come up with a climate reduction trajectory that is far greater than what the coalition are actually prepared to do. That shows that they are not serious about reducing greenhouse gas emissions consistent with what the science requires. I once again point out to Senator Birmingham that there is no way you could imagine in your wildest dreams that a five per cent reduction by 2020 would be enough to bring you into constraining global warming to less than two degrees, as Australia has signed on to in international agreements.

I want to put on the record that the Greens brought the proposition of the British climate change authority to the Multi-Party Climate Change Committee because we believe that it has worked extraordinarily well in the UK. We looked at the appointments to the Committee on Climate Change there and found eminent people such as Lord Robert May, for example, an Australian who is a former chief scientist who is on that committee. There are other chief scientists. The most eminent people are on that British committee. They take the science seriously and then they provide that scientific advice to the British government. It has worked extremely well as a model in that country not only for setting emission reduction targets but also for overseeing the whole of the climate legislation and the adequacy of that legislation in the UK. It is charged in the UK with advising the government on whether the suite of legislation in that country is enough to deliver on the targets.

This is a different way of addressing greenhouse gas emission reduction targets. It is a way of taking it out of the scientific ignorance that is demonstrated in this place on a regular basis and actually putting some decision making into the hands of those who understand the real emergency that is global warming. As I said, it would be my expectation that a Climate Change Authority that is given a mandate of taking on board the latest science, a trajectory to get us there and a carbon budget to get us there will certainly be recommending very substantial greenhouse gas emission cuts and getting us onto a trajectory that gives us a chance of coming in under what we have agreed to globally. What is more, it will put Australia on the front foot in terms of what will happen when we do get to the point of the globe taking these matters seriously, because Australia will have made a substantial start to transformation—not, as you would have it, in a situation where the maximum you are prepared to commit to is a five per cent reduction, which is nowhere near the physical reality. Your political reality is nowhere near the physical reality that the planet needs.

Senator JOYCE (Queensland—Leader of The Nationals in the Senate) (21:33): I have just a brief question. Minister, in this legislation, what is the longest term that you can go to jail for, in your penalty clauses?

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:34): Senator, I think everyone in this chamber knows what you are doing. You are just going through the bill, trying to find
provisions, asking questions you are not interested in, in order to give the appearance of asking questions, and then, in between, going on about cooling the planet from a room in Parliament House and other such contributions which demonstrate your biases around this debate. I make the point that the cooling—

Senator Joyce: It is a distinct question. It just needs a very distinct answer—or, just like all the other questions I asked, say you do not know. What is—

The TEMPORARY CHAIRMAN (Senator Ludlam): Senator Joyce, is this a point of order?

Senator Joyce: Yes, the point of order is one of relevance, Chair. I asked: what is the longest term you can go to jail for under this legislation? It is in there. I just want to confirm it with the minister, if she can tell us.

The TEMPORARY CHAIRMAN: Senator Joyce, there is no point of order there. I draw your attention back to the amendment that is before the chair. Minister.

Senator Joyce interjecting—

Senator WONG: I think it is very funny that Senator Joyce always likes to call me incompetent! Anyway, Senator, I am not sure that public debate is advanced by you just thumbing through legislation and looking for particular provisions. I am advised that the heaviest penalty under the act is up to 10 years. I cannot recall at this stage precisely what the offence for that is. I am sure I could get advice on that and find the particular provision, but I am sure, Senator, that would also not alter your view about—

Senator Joyce interjecting—

Senator WONG: Senator, I listened to you in silence.

The TEMPORARY CHAIRMAN: Senator Joyce, is there a point of order?

Senator Joyce: I distinctly want to know what it is for. I know that if I kill someone I can get seven years, so I am really interested in what takes 10 years, out of the climate change—

The TEMPORARY CHAIRMAN: Senator Joyce, it is disorderly to interrupt a minister or anyone in here unless there is actually a point of order.

Senator WONG: I was going to say—through you, Mr Temporary Chairman—that I am sure that, no matter what answer I give on any matter, Senator Joyce will not alter his opposition to pricing carbon. As I have given him credit for previously, at least he is one of the few on that side who has not changed position. I will see if there is anything further that I can provide on that issue and I will do so if possible, but I invite the senator to perhaps do this chamber the courtesy of allowing Senator Xenophon's amendment to be voted on, or at least allowing his shadow minister, who is supposed to be handling this legislation—

Senator Joyce: Just say you can't answer.

Senator WONG: You really are rude, Senator Joyce. I am pretty robust, but it is just discourteous to the chamber. I invite the chamber to move to voting on Senator Xenophon's amendment. We are very happy to do so. If there is anything further I will come back to Senator Joyce.

Senator BIRMINGHAM (South Australia) (21:37): Very briefly, I did not want Senator Milne's last contribution to go unanswered. If you looked at it in isolation in the Hansard you would be forgiven for thinking the Climate Change Authority was going to set emissions reduction targets for the entire world. Of course, its role is to set emissions reduction targets for Australia. Senator Milne talked about the only consideration for the Climate Change Authority to be that of the science. Yes, of
course, that is important; but, equally, as we on this side have argued time and time again, that has to be considered in the context of what everybody else is doing. Perhaps to do as Senator Milne has done on occasions in this debate, I will simply refer her to clause 289(2) of the Clean Energy Bill, which outlines that, whilst the science is a relevant factor for the Climate Change Authority to consider when looking at Australia's future targets, there are a range of factors, not least of which are the economic and social implications associated with various caps.

Chair, I do not want to detain the chamber any further on the amendment proposed by Senator Xenophon. As I stated before, the opposition stands by its commitment to a five per cent target by 2020. If we ever see any fair dinkum process in the international fora towards higher and better action around the rest of the world, we will stand ready to look at higher targets for Australia.

Senator WONG (South Australia—Minister for Finance and Deregulation) (21:38): I apologise, Senator Xenophon but, given that I have been called 'incompetent', I probably should give an answer to Senator Joyce. He is not here but I will put it on the record. I am advised that the levels of the civil penalties in the legislation reflect the seriousness of the contravention and provide disincentives to non-compliance. Most penalties are financial penalties applying to corporations. Executive officers of corporations are only liable if sufficiently culpable. The maximum penalty is 10 years or 10,000 penalty units, and a court will decide what type and level of penalty is appropriate in the circumstances of a particular case.

A large maximum penalty allows for significant penalties to be imposed in the worst cases of deliberate action to, for example, asset strip a company to avoid liability. The provisions are based on the Crimes (Taxation Offences) Act 1980, which also has maximum penalties of imprisonment of 10 years. The penalty is also consistent with 10-year imprisonment penalties provided for in the Criminal Code for serious fraud offences such as obtaining financial advantage by deception and conspiracy to defraud the Commonwealth.

Senator XENOPHON (South Australia) (21:39): I would like a vote on this amendment but, before I do that, I want to point out that, when the coalition commissioned Frontier Economics jointly with me back in 2009, the slogan of the coalition was that this scheme, the Frontier approach, was smarter, it was greener, it was cheaper. I know the coalition have moved on since that time, but I do ask them to consider whether they acknowledge that the robust modelling of Frontier Economics—the same people who did the Treasury's modelling, the same models used by Treasury—is a scheme that would lead to $47 million in savings for a similar period, until 2020, compared to the government's scheme with a deeper target to be achieved. Can the coalition indicate why they walked away from that, when they had the work done? They had the work done but they are no longer supporting it. I just want there to be some good public policy here. The coalition know that I support them in opposing this legislation for a whole range of reasons somewhat different perhaps from theirs. To what extent will the coalition revisit the Frontier approach for a longer term policy?

Senator BIRMINGHAM (South Australia) (21:41): I apologise, Senator Xenophon. I erred in not following Senator Wong's lead by indicating that I was going to respond to those aspects when we got to amendments (4), (10) to (14) and (29). Why don't we put the one we are on and then Senator Wong and I can both respond to the next one?
Senator Wong: Hear, hear.

The TEMPORARY CHAIRMAN: The question then is that Xenophon's amendments (2) and (3) on sheet 7165 be agreed to.
Question negatived.

Senator XENOPHON (South Australia) (21:42): By leave—I move amendments (4), (10) to (14) and (29) on sheet 7165 together:

(4) Clause 5, page 12 (after line 31), after the definition of director, insert:

electricity generation benchmark scheme means the scheme under subsection 181D(1).

(10) Clause 93, page 127 (after line 14), after paragraph (a), insert:

(aa) the total number of free carbon units issued in accordance with the electricity generation benchmark scheme; and

(11) Clause 99, page 129 (after line 5), after paragraph (b), insert:

(ba) in accordance with the electricity generation benchmark scheme; or

(12) Clause 102, page 135 (after line 22), after paragraph (1)(a), insert:

(aa) the total number of free carbon units with that vintage year issued in accordance with the electricity generation benchmark scheme; and

(13) Clause 115, page 152 (after line 5), before subparagraph (1)(a)(i), insert:

(ia) in accordance with the electricity generation benchmark scheme; or

(14) Clause 116, page 152 (after line 24), before subparagraph (1)(a)(i), insert:

(ia) in accordance with the electricity generation benchmark scheme; or

(29) Page 241 (after line 15), after Part 8, insert:

Part 8A—Electricity generation benchmark scheme

Division 1—Introduction

181B Aim and objects

(1) The aim of this Part is to create incentives for the electricity generation sector in Australia to reduce emissions.

(2) The objects of this Part are:

(a) to create incentives for abatement of emissions while mitigating the price impact of electricity wholesale prices on users; and

(b) to ensure that any increase in energy costs is a gradual increase for all users; and

(c) to promote lower emissions and improved price signals in relation to electricity generation; and

(d) to provide orderly transitional arrangements in respect of all electricity generated in Australia until 2030.

181C Simplified outline

The following is a simplified outline of this Part:

- The regulations must formulate a scheme, to be known as the electricity generation benchmark scheme, for the issue of free carbon units in respect of all electricity generated in Australia.
- The electricity generation benchmark scheme may:
  - require a recipient of free carbon units to relinquish units; and
  - impose reporting or record-keeping requirements on a recipient of free carbon units.

Division 2—Formulation of the electricity generation benchmark scheme

181D Electricity generation benchmark scheme

(1) The regulations must formulate a scheme (to be known as the electricity generation benchmark scheme) for the issue of free carbon units in respect of all electricity generated in Australia.

(2) For the purposes of regulations made under subsection (1), the allocation of free units to electricity generators under the scheme for a year is the product of:

(a) the electricity production for the year; and

(b) the electricity generation allocation factor for the year;
where:

**electricity production for the year** means the total number of megawatt hours of electricity generated by the generation unit in the financial year.

**electricity generation allocation factor** for a year means the amount specified in the following table for the financial year:

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 July 2013</td>
<td>0.79</td>
</tr>
<tr>
<td>1 July 2014</td>
<td>0.76</td>
</tr>
<tr>
<td>1 July 2015</td>
<td>0.73</td>
</tr>
<tr>
<td>1 July 2016</td>
<td>0.70</td>
</tr>
<tr>
<td>1 July 2017</td>
<td>0.67</td>
</tr>
<tr>
<td>1 July 2018</td>
<td>0.63</td>
</tr>
<tr>
<td>1 July 2019</td>
<td>0.60</td>
</tr>
<tr>
<td>1 July 2020</td>
<td>0.57</td>
</tr>
<tr>
<td>1 July 2021</td>
<td>0.54</td>
</tr>
<tr>
<td>1 July 2022</td>
<td>0.51</td>
</tr>
<tr>
<td>1 July 2023</td>
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<tr>
<td>1 July 2024</td>
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<td>1 July 2025</td>
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<td>0.35</td>
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<tr>
<td>1 July 2028</td>
<td>0.31</td>
</tr>
<tr>
<td>1 July 2029</td>
<td>0.28</td>
</tr>
<tr>
<td>1 July 2030</td>
<td>0.25</td>
</tr>
</tbody>
</table>

(3) The electricity generation benchmark scheme must provide that free carbon units must not be issued to a person in accordance with the scheme unless the person:

(a) meets such requirements as are specified in the scheme; and

(b) has a Registry account.

(4) The Minister must take all reasonable steps to ensure that regulations are made for the purposes of subsection (1) before 1 July 2013.

**181E Relinquishment requirement**

(1) The electricity generation benchmark scheme may provide that, if:

(a) a number of free carbon units have been issued to a person in accordance with the scheme; and

(b) any of the following subparagraphs applies:

(i) a specified event happens;

(ii) a specified circumstance comes into existence;

(iii) the Regulator is satisfied about a specified matter;

the person is required to relinquish a number of carbon units ascertained in accordance with the scheme.

(2) Part 11 relating to compliance with relinquishment of carbon units applies in relation to the scheme as if a reference to the Jobs and Competitiveness Program was a reference to the electricity generation benchmark scheme.

(3) The number of carbon units required to be relinquished by the person must not exceed the number of units mentioned in paragraph (1)(a).

**181F Reporting requirement**

**Scope**

(1) This section applies to a person if free carbon units have been issued to the person in accordance with the electricity generation benchmark scheme.

**Requirement**

(2) The electricity generation benchmark scheme may make provision for and in relation to requiring the person to give one or more written reports to the Regulator.

**181G Record-keeping requirement**

**Scope**

(1) This section applies to a person if free carbon units have been issued to the person in accordance with the electricity generation benchmark scheme.

**Requirement**

(2) The electricity generation benchmark scheme may make provision for and in relation to requiring the person to:

(a) make records of information specified in the scheme; and...
(b) retain such a record, or a copy, for 5 years after the record was made.

181H Other matters

(1) The electricity generation benchmark scheme may make provision for and in relation to the following matters:
   (a) applications for free carbon units;
   (b) the approval by the Regulator of a form for such an application;
   (c) information that must accompany such an application;
   (d) documents that must accompany such an application;
   (e) the method of calculating the number of free carbon units to be issued to a person in accordance with the scheme.

(2) The electricity generation benchmark scheme may provide that an application for free carbon units must be accompanied by a prescribed report.

(3) The electricity generation benchmark scheme may provide for verification by statutory declaration of statements in applications for free carbon units.

181J Ancillary or incidental provisions

The electricity generation benchmark scheme may contain ancillary or incidental provisions.

Division 3—Compliance with reporting and record-keeping requirements under the electricity generation benchmark scheme

181K Compliance with reporting and record-keeping requirements

Reporting requirements

(1) If a person is subject to a requirement under the electricity generation benchmark scheme to give a report to the Regulator, the person must comply with that requirement.

Record-keeping requirements

(2) If a person is subject to a requirement under the electricity generation benchmark scheme to:
   (a) make a record of information; or
   (b) retain such a record or a copy;
the person must comply with that requirement.

Ancillary contraventions

(3) A person must not:
   (a) aid, abet, counsel or procure a contravention of subsection (1) or (2); or
   (b) induce, whether by threats or promises or otherwise, a contravention of subsection (1) or (2); or
   (c) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of subsection (1) or (2); or
   (d) conspire with others to effect a contravention of subsection (1) or (2).

Civil penalty provisions

(4) Subsections (1), (2) and (3) are civil penalty provisions.

Note: Part 17 provides for pecuniary penalties for breaches of civil penalty provisions.

I will briefly discuss these amendments. It was touched upon in the debate earlier—Senator Wong is quite correct in relation to that—that these amendments establish an electricity generation benchmark scheme designed to provide incentives to electricity generators to reduce emissions. The purpose of the scheme is to create incentives for the electricity generation sector to reduce emissions and they will not result in the price rises that will occur under the government's carbon price scheme—price rises that small businesses and medium businesses will not be compensated for. The big end of town, the emissions-intensive trade-exposed industries, will be compensated but not the small and medium business sector.

Under these amendments there are provisions for a number of free units to be allocated each year and also for a formula to reduce the number of permits issued under a benchmark for each year until 2030—a formula that has been modelled by Frontier Economics, a formula that has been subject to robust scrutiny and analysis. The implication of this benchmark is that it will preserve the incentives for all generators to
reduce emissions, it will reduce the average cost to consumers and it will provide for a smoother transition to an emissions trading scheme, which the government has indicated it will do in three years time.

The final part of these amendments detail various requirements in compliance provisions for the operation of the scheme. In effect, an electricity generation benchmark scheme will bring the government's legislation in line with the Frontier Economics intensity based scheme. The allocation of a number of free units each year and the use of a formula to reduce the number of permits issued under a benchmark for each year until 2030 will encourage the electricity sector to reduce their emissions without substantially increasing energy prices to consumers. That is the key. If you want to do this, do it in a way that will smooth out the transition and reduce the price shocks. You will still get there in the end, but you will actually get to a deeper target. That is what this amendment is about. It is about a smarter policy—a policy that the coalition was at least interested in back in 2009. That is the substance of this amendment.

Senator BIRMINGHAM (South Australia) (21:44): Senator Xenophon, can I acknowledge firstly, as Senator Wong has, your continued commitment to the policy of a benchmark and trade type scheme. Can I equally acknowledge that it is certainly better policy than what we have from those opposite. Those opposite's policy is a veritable 'money-go-round'. It is simply a tax-and-spend churn. As I have highlighted before, it is remarkable that they can bring in around $9 billion a year, churn it around through the bureaucracy, spit it back out in a variety of ways and means and then end up with a deficit at the end of it. There is really nothing more inefficient than that type of activity.

Your policy, Senator Xenophon, does at least seek to minimise that churn. It does seek to provide a policy framework that does not unduly apply unnecessary costs. The coalition believes that the target that Australia is looking at at present can be achieved through measures where you do not have to apply the type of cost, tax, price et cetera on to generators as discussed. But I do acknowledge that your contribution is a valuable one to this debate and the policy that you continue to advocate is something that certainly should continue to be discussed if for no other reason than to ensure that there is a demonstration that there is a far more efficient way of discussing pricing options, if that is where you want to go, than the government's pricing options on the table.

Senator BERNARDI (South Australia) (21:46): It is clear from observing this debate how palpable Senator Xenophon's frustration is at how expeditedly his amendments are not being handled. It is clear also that there are many people in this chamber who are interested in this debate and the detail of it. I also understand that the government and the Greens want to limit the debate on it, hence the gag order that is in place for tomorrow.

But one of the important things that I think the Senate needs to take note of today is the fact that there has been filibustering by the government. Unfortunately, the filibustering has been by many senators who were elected at the last election under that clear promise by Ms Gillard that there would be no carbon tax under the government she led. Clearly that was a misstatement. It was a false statement. It was an outrageous deceit played out upon the Australian people and they on that side of the chamber are complicit in doing so.
In consideration of the limit that this government is putting on debate and the fact we have only one hour for consideration in committee tomorrow morning, it is my intention to move later on that the Senate continue to sit tonight to enable the committee stage of the Clean Energy Bill 2011 and the 17 related bills to continue until at least 11 pm, with the adjournment then being proposed. This one-hour extension of time tonight would simply make up for the time that has been taken up by the government members who have been talking in this committee stage and in this debate even though they went to the last election promising not to introduce a carbon tax and promising not to support it. In order for me to achieve this aim, I need to move that the committee report progress and seek leave to meet at a later hour. I move:

That progress be reported.

Question put.

The committee divided. [21:52]

(The Chairman—Senator Parry)

Ayes....................32
Noes....................36
Majority.............4

AYES
Abetz, E
Bernardi, C
Boswell, RLD
Bushby, DC
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Johnston, D
Kroger, H
Madigan, JJ
McKenzie, B
Parry, S
Ronaldson, M
Scullion, NG
Williams, JR

Adams, J (teller)
Birmingham, SJ
Boyce, SK
Cash, MC
Cormann, M
Eggleston, A
Fisher, M
Humphries, G
Joyce, B
Macdonald, ID
Mason, B
Nash, F
Payne, MA
Ryan, SM
Sinodinos, A
Xenophon, N

NOES
Bilyk, CL
Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Farrell, D
Furner, ML
Hanson-Young, SC
Ludlam, S
Marshall, GM
McLucas, J
Moore, CM
Pratt, LC
Sherry, NJ
Singh, LM
Sterle, G
Urquhart, AE
Wong, P

Bishop, TM
Brown, RJ
Collins, JMA
Crossin, P
Evans, C
Faulkner, J
Gallacher, AM
Hogg, JJ
Ludwig, JW
McEwen, A (teller)
Milne, C
Polley, H
Rhiannon, L
Siewert, R
Stephens, U
Thistledthwaite, M
Waters, LJ
Wright, PL

PAIRS
Back, CJ
Brandis, GH
Fawcett, DJ
Fifield, MP

Landy, KA
Arbib, MV
Feeeney, D
Carr, KJ

Question negatived.

The CHAIRMAN: It being after 9.50 pm, I shall report progress to the Senate.

Progress reported.

ADJOURNMENT

The PRESIDENT: Order! It being past 9.50 pm, in accordance with sessional orders I propose the question:

That the Senate do now adjourn.

Arid Recovery

Senator GALLACHER (South Australia) (21:55): During a recent trip to Roxby Downs to open a new school hall under the BER program in the electorate of Grey, I had some free time and visited the Arid Recovery reserve. This is a wonderful initiative that started in 1997 to restore the Arid Lands back to conditions witnessed before the introduction of non-native animals. The reserve is 123 kilometres square, and the natural beauty of the Arid
Recovery reserve is quite extraordinary, with many contrasting views that show what was once there before European settlement. It is a truly amazing place with an annual rainfall of only 80mm.

The Arid Recovery reserve is situated near the Olympic Dam mine site, and it is very important to mention that without BHP this conservation project would not exist. This is conservation and mining working together to achieve positive outcomes. An Arid Recovery publication states:

The Arid Recovery restoration initiative is a unique demonstration of how mining, tourism, pastoralism, community and conservation can provide mutually beneficial conservation outcomes.

It goes on to say:

The development of a world class conservation program adjacent to the huge Olympic Dam mine and processing plant shows that contemporary mining operations can benefit, rather than threaten, regional environmental values.

It is clear that you can have conservation and mining working together harmoniously. While they are often seen as adversarial interests competing for community support, I think this is a real lesson to those that take one side that it does not need to be that way and that these interests can work together. I hope that in other mining communities there is proactive support from the major industries for conservation that otherwise, without them, might not occur.

The objective of Arid Recovery is simple, and that is to restore the arid zone to the very ecosystem that the first European settlers saw. The work will hopefully continue to restore populations of locally extinct mammals outside the reserve. It may sound very simple to build a fence, remove feral animals within that fenced area, breed native species and reintroduce others. However, it is through endless hard work and extreme dedication that this is achieved.

What has struck me about Arid Recovery is that without the expertise of the staff and the help of the volunteers, the outcome might have been very different. For example, through their ingenuity they were able to build, test and implement a unique flop-top fence, which has now been used in other reserves and has even been adopted in Hawaii. This unique fence is a very effective barrier that stops feral cats, foxes and rabbits.

Today, through the work of Arid Recovery, we are seeing native animals and vegetation protected from foreign predators with great success. Arid Recovery has also been able to reintroduce locally extinct mammals into the reserve. These mammals are the western barred bandicoot, the iconic greater bilby, the burrowing bettong and the greater stick-nest rat—not exactly household names, but this is an exciting achievement. Arid Recovery is an essential program because it restores some of the balance to the ecosystem. At least 27 native species once occupied the area around Roxby Downs. However, it is hard to comprehend that with European settlement 60 per cent of these native mammals have become locally or completely extinct. It is rather unfortunate that we have lost animals such as the pig-footed bandicoot, the Gould’s mouse, the lesser stick-nest rat, the short-tailed hopping mouse and the long-tailed hopping mouse, which are all globally extinct.

Today, the native animals and the reintroduced native animals live in a controlled area away from their non-native predators. This does not mean the native animals live in a harmonious utopia for flora and fauna; it simply restores the natural playing field and subsequent natural selection. That is why Arid Recovery has reintroduced native predators such as the woma python into the reserve so that there is balance. There is also a clear difference in the vegetation within the reserve compared
to the vegetation outside. There are satellite images of the significant increase in plant cover inside the reserve over a 13-year period due to pastoral animals and rabbits being excluded.

The reserve allows the bilbies, bettongs, western barred bandicoots, greater stick-nest rats, spinifex hopping mice, native reptiles, echidnas, native birds and even frogs to live in their native habitat. Arid Recovery are also heavily involved in research, which allows them to further understand the ecosystem inside and outside the reserve. The constant monitoring and tracking of the animals and native vegetation provide the ability to measure and test implemented strategies. This work is extremely important for the internal and wider external research, because there are not many controlled areas like the arid recovery zone. Using applied research to investigate the restoration process, they remain committed to completing their objectives.

I would also like to take this opportunity to talk about the staff of Arid Recovery. Often these hardworking Australians, who are extremely passionate about their work, do not get the recognition they deserve—not that they are asking for personal recognition. But I do believe they should be praised, especially considering it is a very small team for such a huge task. I was fortunate enough to be shown around by Hannah Spronk and Helen Crisp from Arid Recovery. These women were greatly informative and welcoming to their work area. I found them to be extremely intelligent and, above all, passionate about their work.

Upon arrival back in Adelaide I found some time to visit their website and was not at all surprised to see the multiple awards the organisation has received. I know that awards sometimes never really judge the blood, sweat and tears that people go through. However, in this case the sheer amount of awards year by year really tells you that the workers and volunteers of Arid Recovery put everything they have into this worthwhile reserve. With success there are always opportunities to continue the trajectory they are on and, speaking to the team, I found there is room to grow, especially in staff. There is also a desire to export their expertise through consultancy. This is a very good idea and I hope they achieve this.

As well as the workers, I would like to take the opportunity to mention the work of the volunteers. They are the ones who promptly come to the rescue when a problem arises. They are the ones who do whatever they can to assist the operations of the reserve—no questions asked. They provide an extra pair of hands to be utilised without additional cost. They are often the most powerful of marketers for Arid Recovery and some of their strongest lobbyists. Some volunteers travel hundreds of kilometres to simply give their time to the cause because they believe in the work of the reserve and can see the positive outcomes for this native habitat. I hope to return in the future and have an overnight stay and experience the park coming to life, as it does in the evenings. I believe everyone who has an interest in conservation should go and have a look at this reserve.

Support is necessary. The cost of simply maintaining the fence is over $10,000 a year in materials, and I was told that it took thousands of hours of staff and volunteers' time. However, this is very worth while when considering the materials for the optimum fence design cost around $12,432 per kilometre. The Arid Recovery reserve is a great example of co-existence of mining and conservation. The team at Arid Recovery are excited about the expansion of Olympic Dam and hope the new airport and increase
in population will bring more visitors and hopefully more sponsors to this extremely worthwhile endeavour.

In closing, I would like to put on the record that these young Australians working at the coalface of this conservation endeavour are performing unique work in replicating the environment which has been under siege for many years throughout Central Australia. On behalf of many thousands of South Australians interested in conservation, I say thank you to them and give recognition to their efforts.

**Mental Health and Intellectual Disability**

Senator BOYCE (Queensland) (22:05): I have pointed out before that there were only three submissions to the recent Senate Standing Committee on Community Affairs inquiry into mental health that dealt with the issue of people with intellectual disability and mental health issues. I would like to emphasise that this is not because of lack of interest from the mental health and intellectual disability sector but because it is such a very small sector in Australia and how it desperately needs to grow, given the size of the problems experienced by people with intellectual disability with mental health issues.

The three submitters made the point that the 2011 Commonwealth budget for mental health lacked emphasis on the high burden of mental illness experienced by people with intellectual disability, and they also pointed out that the same budget lacked specific strategies to target the difficulties experienced by people with an intellectual disability in accessing mental health support. I would like to focus on some of the changes that have been proposed by this government to the mental health services available and point out the problems that arise, firstly in terms of the rationalisation of GP mental health services and the impact of a two-tiered rebate structure for clinical assessment and preparation of a care plan by GPs. It is already well documented that people with an intellectual disability require much longer sessions with their GP in all aspects of health, partly because of communication problems, partly because they often have atypical symptoms related to their illness and partly because of the lack of knowledge by GPs of the problems experienced, in many cases, by people with intellectual disability.

The submitters to our inquiry made the point that they were very concerned about the introduction of a two-tiered Medicare rebate system for psychologists because they think it will have a very significant impact on the accessibility of services for people with intellectual disability who currently receive their mental health care treatment, such as it is, by referrals to clinical and non-clinical psychologists via GPs. There are very few psychologists currently practicing in the specific area of intellectual disability mental health and if we change the rebate structures there is a very strong concern that that tiered system of access will further reduce the incentives for specialist psychologists to work in this very specialised area. In fact, it will get to the situation where it will probably be impossible for specialist psychologists to make a living treating that group of clientele because they will not be able to be compensated for the amount of time that each appointment, if it is dealt with properly, will take.

The submitters to this inquiry have asked that the government look at those changes to the Better Access initiative to make very sure we know what the impact of the changes on people with intellectual disability and mental health needs will be. It is a serious concern.

The concerns continue. One of the other terms of reference for this inquiry was
mental health workforce issues. The point has been made by submitters that Australia already has a really significant skill shortage in intellectual disability health. Research shows that GPs, psychiatrists and trainees lack confidence and training in relation to people with intellectual disability and mental disorders. There has been research over many years showing that people with intellectual disability and mental disorders receive a very poor standard of care and that the community mental health support for those people is inadequate.

I notice that one of the submissions here has about seven references to the point of the poor standard of care and the inadequate community mental health reports. The oldest of the studies that they quote from is 1995 and the most recent is 2008. There are only isolated pockets of expertise in intellectual disability in mental health. Yet, as has been pointed out by numerous organisations in the sector, there are over 400,000 people in Australia with intellectual disability, and the point prevalence of mental health problems amongst that population has been shown by research to be about 40 per cent. This is not an area where we need tiny little handfuls of expertise, yet within the public mental health service across Australia there are no full-time staff specialist positions—not one!—devoted to this need, and only a handful of nursing positions.

There is one recently established academic Chair of Intellectual Disability Mental Health at the University of New South Wales, which is trying to offer some advanced traineeships. But if you cannot see how you can make a living in the field and if you cannot see that there is any likelihood of coming up with a specialist position that is offered by a state or federal government body, why would you undertake such a traineeship?

By contrast, in the UK there is a very well-developed specialty in intellectual disability mental health and this has led to a large development and much improved situation for people with intellectual disability and mental disorders. We have to build capacity and improve training. At this very time the need is being pointed out to the federal government. We have the clear message that it is expensive, both in terms of the human cost of not treating mental disorders amongst people with intellectual disability and in terms of the sheer funding needed because of the need for readmissions and constant treatment that is brought about by treatments being wrong and not being carefully undertaken by people who know what they are doing in the first place.

A number of the submissions set out not only the human cost for individuals of wrong diagnoses or lack of expertise but also the financial cost to the system of people who are misdiagnosed and medicated wrongly, and how often these people can go through mental hospitals before we finally get a solution. Yet, at the very same time, we have heard of an example from Queensland which quite disgusts me. Since 2008 the Queensland Centre for Intellectual and Developmental Disability, which is based at the Mater Hospital, has received $120,000 per year. We are not used to figures under the millions or billions in this place but this is a miserable sum of $120,000 from Queensland Health every year to deliver vocational training in the field of intellectual disability and health.

The Queensland Centre for Intellectual and Developmental Disability have used that $120,000 to increase their undergraduate teaching program, to develop a new entry to teaching program in the UQ Bachelor of Oral Health, to develop a new entry to teaching program in the UQ Bachelor of Human Movements and to actively include people
with intellectual disability as co-presenters to undergraduates in the field of intellectual disability. They have helped to develop the Royal Australian College of GPs's curriculum on disability, a hugely undermet need. They have redeveloped the Managing Menstruation Kit for free download for people with intellectual disability. Given, as I was saying earlier, that poor menstrual management is one of the reasons that people try to force sterilisation on women with intellectual disabilities, I think it is particularly bad that the funding is being ceased. They have also been involved with the Brisbane South Division of General Practice in e-health initiatives for people with intellectual disability.

The Queensland government want to stop this funding. They have said they will cease this funding. We must do better in the field of intellectual disability. (Time expired)

Climate Change

Senator RHIANNON (New South Wales) (22:15): On the eve of the historic passing of the climate bills, it is timely to discuss rainforest degradation, internationally recognised as a major contributor to climate change. Any plan to tackle climate change must include the urgent prevention of deforestation. This is clearly an issue of climate justice. The UN's Intergovernmental Panel on Climate Change in its 2007 fourth assessment report estimated that deforestation and degradation contribute globally to approximately 17 per cent of all greenhouse gas emissions. This is more than the global transportation sector, third only to the global energy sector, at 26 per cent, and the industrial sector, at 19 per cent.

Tropical forests such as those found in Brazil and Indonesia are the largest terrestrial storehouses of carbon in the world. But, when they are logged or burned, the carbon they contain is released and they become massive emitters of carbon into the atmosphere. The UN states that tropical deforestation now accounts for nearly 20 per cent of all global warming pollution—more than the combined emissions of every car, truck, ship, plane and train on the planet. At the same time, it reduces the planet's ability to absorb carbon dioxide. More than three-quarters of the world's accessible fresh water comes from forested catchments. As forest cover decreases, so does water quality. Deforestation causes an increase in natural hazards such as floods, landslides and soil erosion.

So how do we ensure that we protect our forests and maintain low greenhouse gas emissions? AusAID, other bilateral aid programs and a number of multilateral agencies are promoting REDD as a way to protect forests and address climate change. REDD stands for reducing emissions from deforestation and degradation. Increasingly, it is being seen as a highly controversial forestry initiative. The UN threw its weight behind REDD in 2008. The UN's REDD Program has 36 partner countries, spanning Africa, the Asia-Pacific and Latin America, and at least 13 countries are already involved.

Put simply, REDD schemes create market based offsets by putting a value on the carbon stored in forests. They claim to offer developing countries an incentive to protect and better manage their forest resources and, by doing so, also contribute to the global fight against climate change. When developed countries pay developing countries REDD offsets for their intact forests, they shift responsibility for addressing climate change from rich, developed countries onto poor, developing nations. They do not address the causes of global warming.

There have been strong criticisms of the many flaws and negative consequences of
REDD schemes. The Greens share these concerns. One criticism is that it is an offset scheme that invites developed countries to offset their responsibilities to make the larger cuts they should be obliged to achieve through domestic greenhouse gas reductions. The Australian government has done just that, giving $200 million in overseas aid to Indonesia and Papua New Guinea to offset its domestic responsibility to reduce greenhouse emissions under a REDD program.

A report published in 2009 by AID/WATCH and Friends of the Earth Australia titled What a scam: Australia's REDD offsets for Copenhagen, revealed why the Australian REDD offset program breaches Australia's international obligations to the UN requirement that climate aid only be granted in addition to development assistance. It makes a convincing case that Australia's REDD offsets are aimed not at reducing deforestation but at creating a source of cheap credits for increased emissions in Australia.

The report also exposes how Australia's 'first large scale' REDD pilot scheme's documentation failed to acknowledge the rights of local forest dependent communities, or the opposition from local people who do not want REDD offset schemes in their area. Unlike other REDD agreements, the Australian agreement with Indonesia failed to guarantee indigenous rights—another breach of the UN Declaration on the Rights of Indigenous Peoples, signed by Australia in April 2009.

Another criticism of REDD is the methodology used to assess the value of the carbon abatement in the REDD scheme. This year Greenpeace UK released a report which scrutinised the work of a consultancy firm, McKinsey and Company, and their advice to rainforest countries including Papua New Guinea and Indonesia. The report argued that the 'McKinsey cost curve'—a tool used to measure the cost-effectiveness of carbon abatement strategies, including REDD—was an 'optical illusion' that overstated the destructive impact on small landholders and farmers. This leads to large-scale land acquisition by plantation companies. The report also downplayed the environmental impact of industrial logging and deforestation for plantations. REDD programs can also drive governments to plan for deforestation so that they can claim a carbon credit when they stop those plans. In Indonesia, plantations for pulp and paper have destroyed much of Indonesia's rainforest. Indonesia is now planning to allow more extensive logging operations on its largely forested islands, such as Kalimantan, the home of the endangered Bornean orangutan. Getting a good price for carbon credits will not save these forests.

In 2008, the then Prime Minister of Australia, Kevin Rudd, and the President of Indonesia, Susilo Bambang Yudhoyono, established the Indonesia-Australia Forest Carbon Partnership to support practical cooperation on REDD. To date, Australia has committed $40 million to assist Indonesia build and create the conditions to develop REDD projects. This incorporates $30 million for the Kalimantan partnership and a $10 million bilateral package to support the development of Indonesian climate related forest policy.

The AusAID Kalimantan project is quite controversial in Indonesia. Water Land Foundation, an NGO in central Kalimantan known locally as Yayasan Petak Danum, has taken up the problems with this project. It has raised its concerns with how AusAID has handled the criticism. Following an exchange of letters between AusAID and the foundation, the locals felt that the Australian aid organisation was trying to placate the critics of the project rather than seriously
address them. Few of the points raised by the foundation in its letter are acknowledged by AusAID to be genuine points of concern about this project. The foundation had written:

... we appeal to your delegation to urge the Australian Government to withhold funding from the KFCP project until the issues raised in this letter are resolved.

However, AusAID, rather than work with a local NGO of high standing, ignored its appeals. Maybe they disagreed with them. Maybe they considered the issues raised by the foundation to be either resolved or in the process of being resolved. But the key issues of working with forest-dependent communities have not been addressed.

The UN estimates that worldwide as many as 300 million people, most of them very poor, depend substantially on forest ecosystems for their subsistence and survival. The 60 million indigenous people who live in forest areas are especially dependent on forest resources and the health of forest ecosystems. REDD threatens their sovereign rights by imposing global commercial pressures on their local communities, denying them the right to self-determination.

The problem was summed up on the REDD-Monitor website. Many of the countries hoping to implement REDD are riddled with corruption, illegal logging and a failure to respect land rights and indigenous people's rights. The forestry ministries in these countries are often among the most corrupt institutions in the government. Pouring money into these countries in the hope that it will help reduce deforestation is like pouring water into a leaky bucket.

These problems raise the question of where REDD fits in the carbon credit aspect of Australia's new clean energy fund. There are too many problems with REDD for it to be accepted as a legitimate carbon reduction strategy under Australia's carbon price package. We need to take responsibility for our own carbon emissions and work in a constructive way with low-income countries rather than impose an unfair scheme on disadvantaged people in these countries. We need to significantly reduce our greenhouse gas burden before we start imposing such difficulties on these people.

Mental Health

Senator MOORE (Queensland) (22:25): On 5 October this year the first borderline personality disorder conference was held. A number of issues were talked about across the country, particularly understanding the need for awareness of borderline personality disorder. We first learnt about this condition when we were involved in the Senate Select Committee on Mental Health and then later, in 2008, the Senate Standing Committee on Community Affairs.

One of the real privileges of this position and working in this place is the people you meet and the people who are so prepared to give you great understanding of their own stories and pain. During the process of those committees, we were honoured to meet with Merinda Epstein from Victoria, a passionate advocate for consumer rights and also a woman who had struggled—finally, after 15 separate diagnoses in the mental health system—with the diagnosis of borderline personality disorder. Merinda is an artist. She confronts us with extraordinary cartoons and stories about the issues of living with mental ill health in our community. When she spoke to us in our committee, she led her evidence with the most confronting statement. It was not in her own words; it was one that she had heard from a group of young women who were working on the issues of mental health in Melbourne:

I thought I would write my life story but instead. I am just going to photocopy my arms.
This statement brought truth to the people who were on the committee about the issues of self-harm and pain caused to people who struggle with borderline personality disorder.

We know—and it is very important to know—that there is increasing understanding of the condition, but the history within the mental health system in Australia has been plagued by the most terrible examples of misdiagnosis, stigma, pain and victimisation of people who are struggling with this illness. Now we are fortunate that there is more understanding, and certainly the federal government has had a role to play with this. After considerable work by the Senate committees—who are raising the issues around this, drawn and directed by the people who gave us their stories—there has been action taken. On 29 April 2010, the Minister for Health and Ageing gave approval for the development of an Australian clinical guideline on BPD and also the development of a task force—an expert group to progress and oversee the initiative. The expert reference group has called together representation from mental health clinicians, GPs, psychologists, psychiatrists, researchers, carers and, most importantly, consumers. These people understand the issues and they know why we must change in our community.

The borderline personality disorder conference in Melbourne, which attracted over 300 people from the community to talk about these issues and to look at how we can progress change, had a number of recommendations that came out of the meeting. Critical amongst them was the need for training and skill development, and also increased community awareness and campaigning. I want to pay real tribute to my friend Janne McMahon from South Australia, another woman I met through the Senate process, who has worked tirelessly in the area and has been such a champion to ensure that there is more awareness and acceptance within our community.

I know that I need to talk about the HYPE program at ORYGEN services in Melbourne. I have been privileged to visit there and to have a feeling of real hope about the future. We know we need to diagnose issues early, and we know that the issues around borderline personality disorder often are expressed earliest in adolescence—the issues around unstable emotions; problems with identity, self-image and thinking; difficulty with forming strong relationships; turbulent expressions of relationships with other people; and the impulsive nature of behaviour. These are all things that can lead to great judgment and victimisation from others.

There has been change. There must be more. We need to understand and listen to the people who give us their own experiences and to ensure that people who identify with borderline personality disorder are treated with respect and compassion rather than judgment and abuse.

**Senate adjourned at 22:29**

**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.*

Civil Aviation Act—Civil Aviation Safety Regulations—


Instrument No. CASA EX122/11—Exemption to produce a modification or replacement part [F2011L02203].

Customs Act—
Tariff Concession Orders—
1045786 [F2011L02205].
1052249 [F2011L02193].
1102849 [F2011L02197].
1106404 [F2011L02210].
1106938 [F2011L02189].
1106939 [F2011L02191].
1106940 [F2011L02208].
1107043 [F2011L02200].
1107178 [F2011L02202].
1107341 [F2011L02188].
1107342 [F2011L02187].
1107406 [F2011L02179].
1107493 [F2011L02212].
1107494 [F2011L02207].
1107613 [F2011L02194].
1108054 [F2011L02196].
1108413 [F2011L02215].
1108415 [F2011L02216].
1108447 [F2011L02199].
1108448 [F2011L02192].
1108450 [F2011L02190].
1108656 [F2011L02206].
1109094 [F2011L02186].
1109109 [F2011L02195].
1109122 [F2011L02247].
1109260 [F2011L02248].
1109614 [F2011L02184].
1109650 [F2011L02198].
1109850 [F2011L02219].
1110049 [F2011L02185].
1110460 [F2011L02232].
1110478 [F2011L02222].
1110717 [F2011L02213].
1110861 [F2011L02218].
1110927 [F2011L02226].
1111085 [F2011L02217].
1111086 [F2011L02235].
1111087 [F2011L02236].
Higher Education Support Act—VET Provider Approval No. 20 of 2011—Cornerstone Investment Aust Pty Ltd [F2011L02178].

Migration Act—
Migration Regulations—Instruments IMMI—
  11/070—Alternative English language proficiency tests to the International English Language Testing System for student visa purposes [F2011L02246].

Select Legislative Instrument 2011 No. 199—Migration Amendment Regulations 2011 (No. 6) [F2011L02239].

Private Health Insurance Act—
Private Health Insurance (Prostheses) Amendment Rules 2011 (No. 3) [F2011L02240].

Radiocommunications Act—
Radiocommunications (Spectrum Re-allocation) Declaration No. 1 of 2011 [F2011L02180].
Radiocommunications (Spectrum Re-allocation) Declaration No. 2 of 2011 [F2011L02181].

Telecommunications Act—Telemarketing and Research Calls Industry Standard Variation 2011 (No. 1) [F2011L02182].

Governor-General’s Proclamation—Commencement of provisions of an Act


Departmental and Agency Contracts Tabling

The following document was tabled pursuant to the order of the Senate of 20 June 2001, as amended:

The following answers to questions were circulated:

Broadband, Communications and the Digital Economy: Code of Conduct Investigations
(Question No. 1046)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 29 August 2011:

(1) How many Code of Conduct investigations have there been within the Ministers portfolio in the financial years: (a) 2010-11; and (b) 2011-to date.

(2) How many investigations established: (a) a breach; or (b) no breach of the Code of Conduct.

(3) In Each case, what provisions were thought to have been breached.

(4) What penalties were applied where the Code of Conduct was broken.

(5) How many investigations are ongoing.

Senator Conroy: The answer to the honourable senator’s question is as follows:

The response has been prepared in relation to portfolio agencies staffed under the Public Service Act 1999, and subject to the APS Code of Conduct as at 1 September 2011.

The Department of Broadband, Communications and the Digital Economy

(1) (a) 2010-2011 – Nil Code of Conduct investigations. (b) 2011- to date – Nil Code of Conduct investigations.

(2) N/A.

(3) N/A.

(4) N/A.

(5) N/A.

The Australian Communications and Media Authority


(2) (a) 2 investigations established a breach. (b) 1 investigation established no breach

(3) (a) Investigation 1.

Elements of the Code of Conduct thought to have been breached:
- Behave honestly and with integrity in the course of APS employment (s. 13(1))
- Comply with any lawful and reasonable direction given by someone in the employee’s Agency who has authority to give the direction (s. 13(5))
- At all times behave in a way that upholds the APS Values and the integrity and good reputation of the APS (s. 13(11))
- Comply with any other conduct requirement that is prescribed by the regulations (s. 13(13))

Investigation 2.

Elements of the Code of Conduct thought to have been breached:
- When acting in the course of APS employment, treat everyone with respect and courtesy, and without harassment (s. 13(3)).

Investigation 3.
Elements of the Code of Conduct thought to have been breached:
- When acting in the course of APS employment, treat everyone with respect and courtesy, and without harassment (s. 13(3)).

(4) Investigation 1: Termination of Employment.
Investigation 2: No sanction imposed.
(5) Nil investigations ongoing.

**Broadband, Communications and the Digital Economy**
(Question No. 1114)

Senator Humphries asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 12 September 2011:

(1) Have staffing numbers in agencies within the Minister's portfolio been reduced as a result of the efficiency dividend and/or other budget cuts; if so, in which areas and at what classification.

(2) Are there any plans for staff reduction in agencies within the Minister's portfolio; if so, can details be provided i.e. reduction target, how this will be achieved, services/programs to be cut etc.

(3) What changes are underway or planned for graduate recruitment, cadetships or similar programs, and if reductions are envisaged can details be provided, including reasons, target numbers etc.

Senator Conroy: The answer to the honourable senator's question is as follows:

The response has been prepared in relation to portfolio agencies staffed under the Public Service Act 1999.

**The Department of Broadband, Communications and the Digital Economy**

(1) The impact of the efficiency dividend, together with all other budget measures, are taken into consideration in developing the annual budget for the department. In aggregate, since its formation, the department's staffing levels have grown.

(2) There is no intention to reduce staff numbers.

(3) The university graduate program will increase participant numbers from six to ten in 2012. There are no plans to change the year 12 graduate program.

**The Australian Communications and Media Authority**

(1) Yes. The ACMA has reduced staffing by 20 to meet the 2011-12 budget. No programs or services have been reduced, and the reduction is widespread throughout the ACMA. The classifications affected are as follows:
- Executive Level 2 - 3
- Executive Level 1 - 8
- APS Level 6 - 5
- APS Level 5 - 3
- APS Level 4 -1

(2) It is possible that staff numbers will be reduced in the future in line with the overall budget for the ACMA. Specific reductions would not be detailed until the outcomes of the external budget process were finalised. Possible areas of impact could include activities that have specific funding and more general areas of activity in accordance with priorities and government policy.

(3) There are no changes anticipated in these areas.
Climate Change and Energy Efficiency: Staffing
(Question No. 1132)

Senator Humphries asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice, on 12 September 2011:

1. Have staffing numbers in agencies within the Minister’s portfolio been reduced as a result of the efficiency dividend and/or other budget cuts; if so, in which areas and at what classification.

2. Are there any plans for staff reduction in agencies within the Minister’s portfolio; if so, can details be provided i.e. reduction target, how this will be achieved, services/programs to be cut etc.

3. What changes are underway or planned for graduate recruitment, cadetships or similar programs, and if reductions are envisaged can details be provided, including reasons, target numbers etc.

Senator Wong: The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator’s question:

1. Staffing numbers have not been reduced as a result of the efficiency dividend and/or other budget cuts.

2. There are no plans for staff reductions.

3. The Department intends to increase the number of graduates recruited for 2012.

Broadband, Communications and the Digital Economy
(Question No. 1161)

Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 13 September 2011:

1. What was the total cost of allowances for government employees or contractors working at sea for the 2010-11 financial year.

2. What is the daily allowance for working at sea.

3. How many days in total were spent at sea in the 2010-11 financial year.

Senator Conroy: The answer to the honourable senator’s question is as follows:

The response has been prepared in response to agencies staffed under the Public Service Act 1999.

The Department of Broadband, Communications and the Digital Economy
(1) NIL.
(2) Not applicable.
(3) Not applicable.

The Australian Communications and Media Authority
(1) NIL.
(2) Not applicable.
(3) Not applicable.
Carbon Pricing
(Question No. 1219)

Senator Boswell asked the Minister representing the Minister for Climate Change and Energy Efficiency, upon notice, on 19 September 2011:

(1) Is the proposed carbon pricing scheme better described as a regulatory approach or a market-based policy.

(2) Does the Minister agree that carbon markets are regulatory interventions.

Senator Wong: The Minister for Climate Change and Energy Efficiency has provided the following answer to the honourable senator's question:

(1) The carbon pricing scheme is better described as a market-based policy.

The Clean Energy Future Plan puts a price on carbon pollution. Market participants factor in this price when making investment and consumption decisions. Business and consumers will respond to this carbon price incentive in a variety of ways, such as using new processes or technologies. This changes behaviour across the economy which means that least cost abatement options are able to be pursued in favour of higher cost abatement, when identified by businesses and households.

In contrast, regulatory approaches are characterised by a reliance on institutional bodies (such as the Government) to direct investment and consumption decisions of individuals and businesses, for example through subsidies or bans. The Government does not have as much information about the relative costs of abatement as individual firms and households, and would miss opportunities for cost-effective abatement if it were to rely solely on regulatory measures. This will impose higher costs than necessary on the economy.

(2) A carbon price is a market-based policy.

Families, Housing, Community Services and Indigenous Affairs
(Question No. 1232)

Senator Rhiannon asked the Minister representing the Minister for Families, Housing, Community Services and Indigenous Affairs, upon notice, on 21 September 2011:

(1) What action has the department taken to ensure the Cawarra Women's and Children's Refuge Aboriginal Corporation in Penrith, Sydney, is able to continue providing culturally appropriate support services to Aboriginal women and children.

(2) What is the annual amount of funding provided to the corporation.

(3) Have there been any funding changes in the past 5 years that threaten the ability of the corporation to continue providing services to Aboriginal women and children; if so, what are those changes.

(4) Have there been any been any changes in regulations that threaten the ability of the corporation to continue; if so, what are those changes.

(5) Is the department aware that the corporation has been defunded by the New South Wales Government; if so, what are the reasons for such defunding.

(6) What action has the department taken to ensure the corporation:

(a) has had access to due process to clarify the validity of any identified problems in their operations and can details be provided of that due process and any resulting outcomes; and

(b) has been able to access help to address such identified problems and can details be provided of that help.
(7) Will the Minister commit to consulting with the corporation about:
(a) how it can help fulfil the Government's Indigenous Family Safety Agenda by ensuring that additional supports are available for families in times of need or heightened vulnerability;
(b) the advice and support available to it from the department; and
(c) any funding options available to it to continue providing services to Indigenous women and children in the western suburbs area of Sydney.

Senator Arbib: The Minister for Families, Housing, Community Services and Indigenous Affairs has provided the following answer to the honourable senator's question:

(1) to (3) These questions are best directed to the New South Wales (NSW) Minister for Family and Community Services and Minister for Women, the Hon Pru Goward MP.

(4) It is unclear which regulations Senator Rhiannon is referring to, however, in terms of registration the Cawarra Women's Refuge Aboriginal Corporation (ICN 2807) was incorporated on 2 September 1996 under the former Aboriginal Councils and Associations Act 1976. On 1 July 2007, it became a "transitional corporation" registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (the CATSI Act). The Office of the Registrar of Indigenous Corporations (ORIC) has confirmed the corporation is still registered and that it has lodged all necessary annual reports. The corporation currently has 103 members and five directors (Ruth Walker, Massie Cavanagh, Joann Delaney, Maria Wilson and Selina Griffin).

Based on records lodged with ORIC by the Cawarra Women's and Children's Refuge Aboriginal Corporation it was funded up to or about 30 June 2008 by the NSW Department of Community Services to manage and operate a women's refuge.

(5) and (6) (a) (b) The questions are best directed to the NSW Minister for Family and Community Services and Minister for Women, the Hon Pru Goward MP.

(7) (a) The Government has provided more than $8 million in 2011-12 under the Indigenous Family Safety funding stream to address Indigenous family violence.

(b) The Department is open to consulting with relevant organisations.

(c) When opportunities to apply for funding become available, they will be advertised widely in the press and on the Department's website at www.fahcsia.gov.au.

Avoidable Blindness Initiative
(Question No. 1251)

Senator Johnston asked the Minister representing the Minister for Foreign Affairs, upon notice, on 22 September 2011:

How many eye clinics have been established in the Asia-Pacific region as part of the Avoidable Blindness Initiative.

Senator Conroy: The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

As part of the Avoidable Blindness Initiative, thirteen eye clinics have been established or upgraded in the Asia-Pacific region:

In Cambodia, the Takeo Eye Hospital was established and a new eye unit was created at the Kampong Chhnang Provincial Hospital; in Fiji, a new Pacific Eye Institute was built; in Papua New Guinea, four vision centres were established; in Vanuatu, two new clinics were established and one was upgraded; and in Vietnam, three district eye care facilities were built or upgraded.
**Broadband, Communications and the Digital Economy**  
*(Question No. 1253)*

**Senator Birmingham** asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 22 September 2011:

(1) How many programs are there within the department.
(2) Can a breakdown be provided over the forward estimates of each program, including:
   (a) program title;
   (b) program summary;
   (c) whether the program is ongoing, lapsing or terminating;
   (d) administered and departmental costs; and
   (e) program staffing numbers and location.
(3) Are there any cross-portfolio programs within the department; if so:
   (a) what are the titles of these cross-portfolio programs and what departments/agencies are involved; and
   (b) what is the expenditure breakdown of the cross-portfolio programs (e.g. administered and departmental costs).

**Senator Conroy:** The answer to the honourable senator's question is as follows:

(1) There are three programs within the Department of Broadband, Communications and the Digital Economy as outlined in the 2011-12 Broadband, Communications and the Digital Economy Portfolio Budget Statements:
   (a) Program 1.1: Broadband and Communications Infrastructure;
   (b) Program 1.2: Digital Economy and Postal Services; and
   (c) Program 1.3: Broadcasting and Digital Television.
(2) Consistent with the information provided in the 2011-12 Broadband, Communications and the Digital Economy Portfolio Budget Statements, a breakdown of the requested information is provided, and is available from the Senate Table Office.
(3) There are no cross-portfolio programs in the Department.

**Australian Communications and Media Authority**  
*(Question No. 1254)*

**Senator Birmingham** asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 22 September 2011:

In regard to the Australian Communications and Media Authority (ACMA):

(1) How many divisions are there within the ACMA and what are their names.
(2) How many staff are there in each of these divisions and where is each division located.
(3) How many office locations are there within the ACMA and where is each located.
(4) What is the size of each of these offices and are they leased or owned.
(5) If the office is republican ted, what is the amount and what is the breakdown of rent per square metre.
(6) What is the value of the buildings owned and what is the depreciation of those buildings.
Senator Conroy: The answer to the honourable senator’s question is as follows:

The ACMA has provided the following information:
(1) As at 30 June 2011 within the ACMA there are seven divisions as follows:
- Authority
- Communications Infrastructure
- Content, Consumer & Citizen
- Digital Economy
- Digital Transition
- Legal Services
- Corporate and Coordination

(2) As at 30 June 2011 the number of staff on a head count basis in each division is as follows:

<table>
<thead>
<tr>
<th>Division Name</th>
<th>Staff numbers</th>
<th>Division location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td>26</td>
<td>Melbourne, Canberra &amp; Sydney</td>
</tr>
<tr>
<td>Digital Transition</td>
<td>90</td>
<td>Melbourne, Canberra &amp; Sydney</td>
</tr>
<tr>
<td>Communications Infrastructure</td>
<td>179</td>
<td>Melbourne, Canberra, Sydney, Parramatta, Brisbane &amp; Hobart</td>
</tr>
<tr>
<td>Digital Economy</td>
<td>107</td>
<td>Melbourne, Canberra &amp; Sydney</td>
</tr>
<tr>
<td>Content, Consumer &amp; Citizen</td>
<td>113</td>
<td>Melbourne, Canberra &amp; Sydney</td>
</tr>
<tr>
<td>Corporate Services and Coordination</td>
<td>116</td>
<td>Melbourne, Canberra &amp; Sydney</td>
</tr>
<tr>
<td>Legal Services</td>
<td>28</td>
<td>Melbourne, Canberra &amp; Sydney</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>659</strong></td>
<td></td>
</tr>
</tbody>
</table>

(3) There are six ACMA office locations as follows:
(i) Level 44
Melbourne Central Tower
360 Elizabeth St
VIC

(ii) Purple Building
Benjamin Offices
Chan St
Belconnen, ACT

(iii) Level 5
The Bay Centre
65 Pirrama Rd
Pyrmont NSW
(iv) Level 3
100 George St
Parramatta NSW
(v) 424 Upper Roma St
Brisbane, QLD
(vi) 601 Back Tea Tree Rd
Richmond, TAS

Note: There are five office locations and one manned monitoring site. The offices are located in Sydney, Melbourne, Canberra, Brisbane, Parramatta and the manned monitoring site is located at 601 Black Tree Road, Quion Ridge, Richmond in Tasmania.

(4) The size of the ACMA’s offices are as follows:
Sydney-Leased 3,289 sqm
Melbourne-Leased 4,668 sqm
Canberra-Leased 5,774 sqm
Brisbane-Leased 355 sqm
Parramatta-Leased 146 sqm
Quion Ridge- Owned 366 sqm

(5) The rental amount as at 30 June 2011 on a per annum basis, and the breakdown of rent per square metre is as follows:

<table>
<thead>
<tr>
<th>Office</th>
<th>Annual Cost</th>
<th>Cost per/sq/m</th>
<th>Office</th>
<th>Annual Cost</th>
<th>Cost per/sq/m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sydney</td>
<td>$1,677,390</td>
<td>$510</td>
<td>Melbourne</td>
<td>$2,334,000</td>
<td>$500</td>
</tr>
<tr>
<td>Parramatta</td>
<td>$49,640</td>
<td>$340</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parramatta</td>
<td>$49,640</td>
<td>$340</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parramatta</td>
<td>$49,640</td>
<td>$340</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(6) The value of the buildings owned and depreciation as at 30 June 2011 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Asset Cost</th>
<th>Accum Depr</th>
<th>Written Down Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Quion Ridge, Tasmania</td>
<td>190,725.00</td>
<td>(8,292.32)</td>
<td>182,432.68</td>
</tr>
<tr>
<td>Building Brooklyn Park, Adelaide</td>
<td>45,350.00</td>
<td>(2,273.70)</td>
<td>43,076.30</td>
</tr>
<tr>
<td>Building South Morang, Melbourne</td>
<td>24,000.00</td>
<td>(2,406.60)</td>
<td>21,593.40</td>
</tr>
<tr>
<td>Building Birkdale Park, Brisbane</td>
<td>27,572.45</td>
<td>(1,856.80)</td>
<td>25,715.65</td>
</tr>
<tr>
<td>Building Birkdale Park, Brisbane</td>
<td>287,647.45</td>
<td>(14,829.42)</td>
<td>272,818.03</td>
</tr>
</tbody>
</table>

**Australian Communications and Media Authority**

**Question No, 1256**

**Senator Birmingham** asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 23 September 2011:

(1) How many programs are there within the Australian Communications and Media Authority (ACMA).
(2) Can a breakdown be provided over the forward estimates of each program including:
(a) program title;
(b) program summary;
(c) whether the program is ongoing, lapsing or terminating;
(d) administered and departmental costs; and
(e) program staffing numbers and location.
(3) Are there any cross-portfolio programs within ACMA; if so:
(a) what are the titles of these cross-portfolio programs and what departments/agencies are involved;
and
(b) what is the expenditure breakdown of the cross-portfolio programs (e.g. administered and departmental costs).

Senator Conroy: The answer to the honourable senator's question is as follows:
(1) The ACMA has two ongoing programs:
- Communications regulation, planning and licensing;
- Consumer safeguards, education and information.
(2) (a) See the Broadband Communications and the Digital Economy Portfolio Budget Statements (PBS) 2011-12 page102-108.
(b) See the Broadband Communications and the Digital Economy PBS 2011-12 page102-108.
(c) Ongoing.
(d) See the Broadband Communications and the Digital Economy PBS 2011-12 page102-108.
(e) The staffing level of 625 employees (BCDE PBS 2011-12 page 102), are engaged across both the programs. The ACMA is unable to quantify the staff numbers per program, as they perform duties across both the programs and can be located anywhere within Australia.
(3) The ACMA does not have any cross-portfolio programs.

Broadband, Communications and the Digital Economy
(Question No. 1257)

Senator Birmingham asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 23 September 2011:

(1) Within the department, how many divisions are there and what are their names.
(2) How many staff are there in each of these divisions and where is each division located.
(3) How many office locations are there within the department and where is each located.
(4) What is the size of each of these offices and are they leased or owned.
(5) If the office is rented, what is the amount and what is the breakdown of rent per square metre.
(6) What is the value of the buildings owned and what is the depreciation of those buildings.

Senator Conroy: The answer to the honourable senator’s question is as follows:
(1) There are eight divisions within the department:
Broadcasting and Digital Switchover
Chief Financial Officer
Corporate & Business
Digital Economy Services
(2) Please see Attachment 1.

(3) The department is presently accommodated at two locations in Canberra and one location in Sydney.

38 Sydney Avenue, Forrest ACT
44 Sydney Avenue, Forrest ACT
31-33 Market Street, Sydney NSW

(4) Office size details.

38 Sydney Avenue, Forrest ACT: leased - 8,975.2 m²
44 Sydney Avenue, Forrest ACT: leased - 2,628 m²
31-33 Market Street, Sydney NSW: leased – 1,877.5 m²

(5) 38 Sydney Avenue, Forrest ACT, leased, 8,975.2 m². $410/sqm
44 Sydney Avenue, Forrest ACT, leased, 2,628 m².
Level 1 Suite 3 (626sqm) $399.36/sqm
Level 1 Suite 2 (1024sqm) $462.53/sqm
Level 2 Suite 2 (978sqm) $462.53/sqm
31-33 Market Street, Sydney NSW: leased, 1,877.5 m².
Level 9 (139 sqm) $455/sqm
Level 11 (644sqm) $460.58/sqm
Level 14 (384.5sqm) $495/sqm
Level 18 (710sqm) $501.98/sqm

(6) Not Applicable.

Attachment 1

<table>
<thead>
<tr>
<th></th>
<th>Broadcasting &amp; Digital Switchover</th>
<th>Chief Financial &amp; Business Officer</th>
<th>Digital Economy Services</th>
<th>Digital Economy Strategy</th>
<th>Digital Services</th>
<th>Legal Services</th>
<th>NBN Implementation</th>
<th>Networks Policy &amp; Regulation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canberra</td>
<td>81</td>
<td>45</td>
<td>143</td>
<td>114</td>
<td>88</td>
<td>27</td>
<td>75</td>
<td>29</td>
<td>602</td>
</tr>
<tr>
<td>Darwin</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gawler</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South West</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gippsland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mount Isa</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shepparton</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sydney</td>
<td>73</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>74</td>
<td></td>
</tr>
<tr>
<td>Townsville</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
Innovation, Industry, Science and Research  
(Question No. 1259)

Senator Ryan asked the Minister for Innovation, Industry, Science and Research, upon notice, on 22 September 2011:

(1) In regard to Small Business Division: Budget:
   (a) for each year of the forward estimates please provide:
      (i) departmental expenditure; and
      (ii) administered program expenditure.
   (b) within the department, what is the divisions total budget for the 2011-12 financial year and what component of this is:
      (a) departmental expenditure; and
      (b) administered expenditure.

(2) In regard to Small Business Division: Staff:
   (a) what is the total staff headcount in the division;
   (b) what is the total equivalent full-time staff in the division;
   (c) can details be provided of each location where staff members of the division work;
   (d) can a breakdown be provided of staff in the division by APS classification, including APS levels 1-6, EL levels and SES levels;
   (e) how many staff are currently working on contract for the division;
   (f) how many contract staff were engaged by the division in the 2010-11 financial year;
   (g) can details be provided of the value of contracts for engaging staff for the division;
   (h) for each branch in the division, please provide:
      (i) number of staff allocated and APS level,
      (ii) number of departmental-provided mobile telephones and the total budgeted cost for these for the 2011-2012 financial year, and
      (iii) budgeted amount for travel allowance for the 2011-12 financial year.
   (i) what is the divisions annual budget for recruiting;
   (j) what is the divisions annual budget for personal development/staff coaching and development/training/workshops and like services.

(3) In regard to Small Business Division: Facilities:
   (a) the 2009-10 Annual report listed 44 departmental office locations across Australia, and 3 around the world; can details be provided of each current office location used by the department, domestic and international;

*Please note that the Secretary, Deputy Secretaries and their support staff (8 in total) are not included as divisional staff.*
(b) for each facility, domestic and international, can details be provided of:
(i) which offices are solely used by the Small Business Division of the department and which are used for other purposes, and
(ii) for those offices that are used for other purposes, please specify what the facilities are used for.
(c) for each facility used by the division, can the following details be provided:
(i) location,
(ii) whether the facility is owned by the department, or rented,
(iii) at what cost the facility is rented each year,
(iv) floor space (sq m) occupied by the division,
(v) small space occupied by other departmental divisions, and
(vi) the number of staff at each location and division staff work in.
(d) does the division use the international offices; if so, what for;
(e) what are the annual departmental costs of the international offices;
(f) can a breakdown be provided of the departmental costs of each of the international offices $AUD;
(g) across all departmental facilities, how much office space (sq m) is used by the Small Business Division; and
(h) can a breakdown be provided of expenditure within the division for implementing new projects to which the government has committed (for example Small Business Dispute Resolution Tribunal)

(4) In regard to Small Business Division: Outsourcing:
(a) the 2009-10 annual report states that for the 2009-10 financial year, the department engaged in new outsourced consultancy contracts worth $4 642 758 (GST inclusive), as well as ongoing outsourced consultancy contracts valued at $2 287 456, combining these gives a total of $6 930 214 spent on outsourced contracts, can the department confirm this amount is correct;
(b) what amounts has the division budgeted for consulting contracts (new, ongoing and total) for the 2010-11 and 2012-13 financial years; and
(c) in the 2009-10 financial year, the departments annual report outlines that $680 533 (9.8%) was spent on small business contracts; how much was spent in the 2010-11 financial year and what is budget for the:
(a) 2011-12; and (b) 2012-13 financial years, and how many such contracts have been let.

(5) In regard to Enterprise Connect Centres:
(a) what are the administrative costs borne by the department in administering this project for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this project;
(c) can details be provided of the location of each Enterprise Connect Centre and the funding allocated to it (including costs such as lease, insurance, staff, maintenance and utilities);
(d) are these locations additional to those listed as the departmental office locations;
(e) please outline the office space (sq m) of each Enterprise Connect Centre;
(f) how many division staff and contract staff work at each Enterprise Connect Centre; and
(g) are these staff members of APS, and are they included in the department staff breakdown.

(6) In regard to Small Business Advisory Services (Business Enterprise Centres (BEC)):
(a) what are the administrative costs borne by the department in administering this project for the
2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this project;
(c) can details be provided of the location of each BEC and the funding allocated to it (including costs
such as lease, insurance, staff, maintenance and utilities);
(d) are these locations additional to those listed as departmental office locations;
(e) can the department outline the office space (sq m) of each BEC.
(f) how many division staff and contract staff work at each BEC; and
(g) are these staff members of APS, and are they included in the departmental staff breakdown.

(7) In regard to Small Business Support Line:
(a) what are the administrative costs borne by the department in administering this program for
the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this project;
(c) how many staff and contract staff work on the small business support line;
(d) do the staff involved in this project all work from the office locations from which this project
is run; and
(e) how many calls has the Support line received in each year since the project was launched.

(8) In regard to Business.gov.au:
(a) what are the administrative costs borne by the department in administering the business.gov.au
website for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this program;
(c) from which departmental office is the program administered; and
(d) how many staff and contract staff work on the website.

(9) In regard to Business Names Registration System:
(a) what are the administrative costs borne by the department in administering the Business
Names registration system for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this program;
and
(c) from which departmental office is the program administered.

(10) In regard to Commercialisation Australia:
(a) what are the administrative costs borne by the department in administering Commercialisation
Australia for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this program;
(c) from which office locations is the program run; and
(d) how many staff and contract staff work on the program.

(11) In regard to Australian Growth Partnerships (AGP):
(a) what are the administrative costs borne by the department in administering the AGP for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this program;
(c) from which office locations is the program run; and
(d) how many staff and contract staff work on the program.
(12) In regard to Venture Capital Limited Partnerships:
(a) what are the administrative costs borne by the department in administering this program for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this program;
(c) from which office locations is the program run; and
(d) how many staff and contract staff work on the program.
(13) In regard to Trade Measurement:
(a) what are the administrative costs borne by the department in administering this program for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this program;
(c) from which office locations is the program run; and
(d) how many staff and contract staff work on the program.
(14) In regard to Supplier Access to Major Projects:
(a) what are the administrative costs borne by the department in administering this program for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this program;
(c) from which office locations is the program run; and
(d) how many staff and contract staff work on the program.
(15) In regard to National Measurement Services:
(a) what are the administrative costs borne by the department in administering this program for the 2011-12 and 2012-13 financial years;
(b) can a breakdown be provided of the departmental administrative expenditure for this program;
(c) from which office locations is the program run; and
(d) how many staff and contract staff work on the program.

Senator Carr: The answer to the honourable senator's question is as follows:

The Industry and Small Business Policy Division (I&SBP) provides advice to develop an internationally competitive, innovative and sustainable business environment in Australia. It provides advice on a wide range of policy issues affecting the competitiveness and growth of Australian businesses, and while it has specific responsibilities for policies relating to small business and independent contractors, the following numbers provided in response to parts (1) (2) (3) and (4) are for the entire division which is much broader than "small business".
(1) (a) Forward estimates at a divisional level are only budgeted for two years beyond the current financial year (2011-12) and as such the 2014-15 financial year is unavailable.

   (i) The anticipated departmental expenditure budgets for the I&SBP division are below. These are indicative only for planning purposes, as Divisional allocations are received on a biannual basis, to reflect departmental priorities.

   
<table>
<thead>
<tr>
<th>2012-13 $000</th>
<th>2013-14 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,183</td>
<td>$11,850</td>
</tr>
</tbody>
</table>

   (ii) Administered expenditure budgets for I&SBP division are:

   (Reference: Portfolio Budget Statement 2011-12, Innovation, Industry, Science and Research, pg 30)

<table>
<thead>
<tr>
<th>2012-13 $000</th>
<th>2013-14 $000</th>
<th>2014-15 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$485</td>
<td>$490</td>
<td>Nil</td>
</tr>
<tr>
<td>Enhanced and amalgamated mediation services for the Franchising Code of Conduct, the Horticulture Code of Conduct, the Oilcode and the Produce and Grocery Industry Code of Conduct</td>
<td>Enhanced and amalgamated mediation services for the Franchising Code of Conduct, the Horticulture Code of Conduct, the Oilcode and the Produce and Grocery Industry Code of Conduct</td>
<td>Nil</td>
</tr>
<tr>
<td>$48</td>
<td>$490</td>
<td>Nil</td>
</tr>
<tr>
<td>Food Industry Policy</td>
<td>Food Industry Policy</td>
<td>Nil</td>
</tr>
</tbody>
</table>

   (b) (a) Departmental expenditure budget for I&SBP division is:

   2011-12 $000
   $13,171

   (b) (b) Administered expenditure budgets for I&SBP division are:

   (Reference: Portfolio Budget Statement 2011-12, Innovation, Industry, Science and Research, pg 30)

<table>
<thead>
<tr>
<th>2011-12 $000</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>$480</td>
<td>Enhanced and amalgamated mediation services for the Franchising Code of Conduct, the Horticulture Code of Conduct, the Oilcode and the Produce and Grocery Industry Code of Conduct</td>
</tr>
<tr>
<td>$478</td>
<td>Food Industry Policy</td>
</tr>
</tbody>
</table>

   (2) (a) As of 17 October, 105 staff (includes staff taking leave) in the I&SBP division.
   (b) As of 17 October, the full-time staff equivalent is 101.43 in I&SBP division.
   (c) As of 17 October, there were 104 staff located in Canberra and 1 staff member in Brisbane.
   (d) Refer to Attachment A.
   (e) As of 17 October, I&SBP had no staff working on contract.
   (f) There have been three contract staff engaged during the 2010-11 financial year in I&SBP.
   (g) The value of the three contracts totalled $65,970.53.
   (h) (i) Refer to Attachment A.
   (ii) There are 39 department-provided mobile phones. Mobile telephone budgets are included in an overall IT and telecommunications budget and as such can not be individually reported.
   (iii) Travel allowance is included in an overall travel budget and as such can not be individually reported.
   (i) Nil. Recruitment is undertaken on a needs basis and a budget is not allocated.
   (j) The total budgeted cost for staff development for 2011-12 is $216,673.

   (3) (a) The only departmental office location used by I&SBP is 10 Binara Street, Canberra ACT 2601.
(b) (i) No offices are solely used by I&SBP.
   (ii) Offices are used for other departmental divisions.
(c) (i) 10 Binara Street, Canberra ACT 2601.
   (ii) Rented.
   (iii) Total rental cost for 10 Binara Street, Canberra ACT 2601, including the portion that relates to I&SBP, is $11,297,049 for 2010-11 financial year.
   (iv) Approxiately 1100sq m.
   (v) Not applicable.
   (vi) 10 Binara Street, Canberra ACT 2601 – approximately 100 staff.
(d) No.
(e) Not applicable.
(f) Not applicable.
(g) Approximately 1100sq m.
(h) I&SBP have no expenditure for implementing new project facilities.

(4) (a) The department can confirm that this amount is correct. Noting that this is the total consulting cost for the department for the 2009-10 financial year.
(b) and (c) There were a total of six consulting contracts I&SBP division entered into in 2010-11, totalling $647,234.06. The actual expenditure in 2010-11 relating to these contracts was $316,175 and the remainder will be expensed in future years.

The total budget for 2011-12 is $595,474 for five consultancy contracts entered into. At this stage there is no budget for consultancy contracts for 2012-13.

(5) (a) and (b) The 2011-12 and 2012-13 departmental appropriation for Enterprise Connect is:

<table>
<thead>
<tr>
<th></th>
<th>2011-12 $000</th>
<th>2012-13 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$26,373</td>
<td>$26,373</td>
</tr>
</tbody>
</table>

This appropriation funds the operational costs of the Enterprise Connect program including expenses such as staffing, travel, ICT, property and administration costs for the delivery of the program elements.

(c) The Enterprise Connect program has a single appropriation and all centres are managed within the appropriation. There are no specific allocations for each centre:

<table>
<thead>
<tr>
<th>Property</th>
<th>Lease cost 2010-11</th>
<th>Maintenance and Utilities 2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW State Centre, North Ryde, NSW</td>
<td>$211,803</td>
<td>$11,713</td>
</tr>
<tr>
<td>QLD State Centre, Eight Mile Plains, QLD</td>
<td>$121,846</td>
<td>$7,696</td>
</tr>
<tr>
<td>WA State Centre, Bentley, WA</td>
<td>$111,097</td>
<td>$37,707</td>
</tr>
<tr>
<td>SA State Centre, Mawson Lakes, SA</td>
<td>$73,305</td>
<td>$10,195</td>
</tr>
<tr>
<td>TAS State Centre, Burnie, TAS</td>
<td>$71,972</td>
<td>$10,816</td>
</tr>
<tr>
<td>Clean Technology Innovation Centre, Callaghan, NSW</td>
<td>$56,494</td>
<td>$19,449</td>
</tr>
<tr>
<td>Creative Industries Innovation Centre, Sydney, NSW</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Defence Industries Innovation Centre and VIC Manufacturing Centre, Dandenong, VIC</td>
<td>$112,922</td>
<td>$55,594</td>
</tr>
<tr>
<td>Innovative Regions Centre, Geelong, VIC</td>
<td>$39,034</td>
<td>$12,300</td>
</tr>
<tr>
<td>Innovative Regions Centre—Remote Office,</td>
<td>$6,290</td>
<td>$0</td>
</tr>
</tbody>
</table>
Rockhampton, QLD
Innovative Regions Centre—Remote Office, Wollongong, NSW
Remote Enterprises Innovation Centre, Alice Springs, NT
Resources Technology Innovation Centre, Mackay, QLD

(d) No

(e) Please find outlined below, the office space for each Enterprise Connect Centre:

<table>
<thead>
<tr>
<th>Property</th>
<th>Sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW Manufacturing Centre, North Ryde, NSW</td>
<td>522</td>
</tr>
<tr>
<td>QLD Manufacturing Centre, Eight Mile Plains, QLD</td>
<td>370</td>
</tr>
<tr>
<td>WA Manufacturing Centre, Bentley, WA</td>
<td>278</td>
</tr>
<tr>
<td>SA Manufacturing Centre, Mawson Lakes, SA</td>
<td>286</td>
</tr>
<tr>
<td>TAS Manufacturing Centre, Burnie, TAS</td>
<td>283</td>
</tr>
<tr>
<td>Clean Technology Innovation Centre, Callaghan, NSW</td>
<td>210</td>
</tr>
<tr>
<td>Creative Industries Innovation Centre, Sydney, NSW</td>
<td>156</td>
</tr>
<tr>
<td>Creative Industries Innovation Centre—Remote Office, Magill, SA</td>
<td>13</td>
</tr>
<tr>
<td>Defence Industries Innovation Centre &amp; VIC Manufacturing Centre, Dandenong, VIC</td>
<td>489</td>
</tr>
<tr>
<td>Innovative Regions Innovation Centre, Geelong, VIC</td>
<td>263</td>
</tr>
<tr>
<td>Innovative Regions Innovation Centre—Remote Office, Rockhampton, QLD</td>
<td>8</td>
</tr>
<tr>
<td>Innovative Regions Innovation Centre—Remote Office, Wollongong, NSW</td>
<td>16</td>
</tr>
<tr>
<td>Remote Enterprise Innovation Centre, Alice Springs, NT</td>
<td>265</td>
</tr>
<tr>
<td>Resources Technology Innovation Centre, Mackay, QLD</td>
<td>188</td>
</tr>
</tbody>
</table>

(f) Enterprise Connect – Staff as at 12 October 2011:

<table>
<thead>
<tr>
<th>Centre</th>
<th>Staff</th>
<th>Centre Director</th>
<th>Business Adviser*</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Office (Canberra)</td>
<td>46</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NSW State Centre</td>
<td>6</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>QLD State Centre</td>
<td>3</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>WA State Centre</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>SA State Centre</td>
<td>8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>VIC State Centre</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>TAS State Centre</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Clean Technology Innovation Centre</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Creative Industries Innovation Centre</td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Defence Industries Innovation Centre</td>
<td>3</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Innovative Regions Centre</td>
<td>3</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Remote Enterprises Innovation Centre</td>
<td>4</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Resources Technology Innovation Centre</td>
<td>4</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>
* Business Advisers may be located at a site other than the Centre in which they report.

(g) No. Not all Enterprise Connect staff are members of the APS. Contractors are also included in the table above.

Business Enterprise Centres (BEC) are funded under the Small Business Advisory Services grant program. Thirty-six BEC receive grants over four years from 2008 to 30 June 2012. A further BEC is funded until March 2013. All BEC organisations have entered into a Funding Agreement with the Commonwealth. BEC organisations and their staff are not part of the department.

(6) (a) and (b) The Departmental budget to deliver the Small Business Advisory Services program for the financial years 2011-12 and 2012-13 is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$275,000.00</td>
</tr>
<tr>
<td>2012-13</td>
<td>$0</td>
</tr>
</tbody>
</table>

(c) See table below. Funding is provided to each BEC to expand and strengthen their capacity to provide low cost advisory service to small businesses. Compliance during the funding period is monitored through performance reports and audit reports:

<table>
<thead>
<tr>
<th>BEC Location</th>
<th>Entity Name</th>
<th>Funding Amount (GST EX)</th>
<th>Funding Amount (GST inc)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT/NSW</td>
<td>Queanbeyan Enterprise Centre Inc</td>
<td>$1,400,000.00</td>
<td>$1,540,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>BEC St George &amp; Sutherland Shire Ltd</td>
<td>$600,000.00</td>
<td>$660,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>Central Coast Business Mentor Services Inc</td>
<td>$1,000,000.00</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>BEC Cabonne, Orange, Blayney Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>The Eastern Suburbs BEC</td>
<td>$1,400,000.00</td>
<td>$1,540,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>Hunter Region BEC Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>MacArthur BEC Ltd</td>
<td>$1,400,000.00</td>
<td>$1,540,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>Northern Rivers Enterprise Development Agency Inc</td>
<td>$1,000,000.00</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>Penrith City &amp; District Business Advisory Centre Ltd</td>
<td>$1,400,000.00</td>
<td>$1,540,000.00</td>
</tr>
<tr>
<td>NSW</td>
<td>Murray Hume BEC Inc</td>
<td>$600,000.00</td>
<td>$660,000.00</td>
</tr>
<tr>
<td>NT</td>
<td>BEC (Darwin Region) Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>QLD</td>
<td>Thuringowa Enterprise Centre Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>QLD</td>
<td>Caboolture BEC Assoc Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>QLD</td>
<td>Ipswich Shared Workspace Ltd</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>QLD</td>
<td>Advance Cairns</td>
<td>$500,000.00</td>
<td>$550,000.00</td>
</tr>
<tr>
<td>SA</td>
<td>Eastside BEC Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>SA</td>
<td>Inner Southern BEC Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>SA</td>
<td>Inner West BEC Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>SA</td>
<td>North West Business Development Centre Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>SA</td>
<td>Northern Adelaide BEC Inc</td>
<td>$1,000,000.00</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td>BEC Location</td>
<td>Entity Name:</td>
<td>Funding Amount (GST EX)</td>
<td>Funding Amount (GST inc)</td>
</tr>
<tr>
<td>-------------</td>
<td>--------------</td>
<td>-------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>SA Mawson Lakes</td>
<td>City of Salisbury</td>
<td>$1,000,000.00</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td>SA Morphet Vale</td>
<td>Southern Success BEC Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>SA St Agnes</td>
<td>North East Development Agency Inc</td>
<td>$1,000,000.00</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td>TAS St Helens</td>
<td>Break O'Day Business Enterprise Board Inc</td>
<td>$400,000.00</td>
<td>$440,000.00</td>
</tr>
<tr>
<td>TAS Devonport</td>
<td>Community Potential Foundation Ltd</td>
<td>$712,000.00</td>
<td>$783,200.00</td>
</tr>
<tr>
<td>TAS Launceston</td>
<td>Community Potential Foundation Ltd</td>
<td>$1,288,000.00</td>
<td>$1,416,800.00</td>
</tr>
<tr>
<td>TAS Deloraine</td>
<td>Meander Valley Enterprise Centre Inc</td>
<td>$400,000.00</td>
<td>$440,000.00</td>
</tr>
<tr>
<td>VIC Ballarat</td>
<td>Ballarat Business Centre Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>VIC Box Hill</td>
<td>Box Hill Institute of TAFE</td>
<td>$1,400,000.00</td>
<td>$1,540,000.00</td>
</tr>
<tr>
<td>VIC Wodonga</td>
<td>Murray Hume BEC Inc</td>
<td>$600,000.00</td>
<td>$660,000.00</td>
</tr>
<tr>
<td>WA Belmont</td>
<td>Belmont BEC Inc</td>
<td>$1,000,000.00</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td>WA Bunbury</td>
<td>Leschenault Enterprise Centre Inc</td>
<td>$1,000,000.00</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td>WA Fremantle</td>
<td>Coastal Business Centre Inc</td>
<td>$1,000,000.00</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td>WA Midland</td>
<td>Swan Region BEC Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>WA Welshpool</td>
<td>South East Metro BEC Inc</td>
<td>$1,000,000.00</td>
<td>$1,100,000.00</td>
</tr>
<tr>
<td>WA Rockingham</td>
<td>South Coast Business Development Organisation Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td>WA Balcatta</td>
<td>Stirling BEC Inc</td>
<td>$1,200,000.00</td>
<td>$1,320,000.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL FUNDING</td>
<td>$39,100,000.00</td>
<td>$43,010,000.00</td>
</tr>
</tbody>
</table>

(d) Yes. BEC offices are not part of the department.
(e) No. This is not required to be provided to the department as part of the funding agreement.
(f) Nil.
(g) Not applicable.

(7) (a) and (b) The departmental administrative allocation for the Small Business Support Line for the 2011-12 and 2012-13 financial years are as follows (a breakdown of the expenditure is not available):

<table>
<thead>
<tr>
<th>2011-12 $000</th>
<th>2012-13 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$400</td>
<td>$400</td>
</tr>
</tbody>
</table>

(c) The number of departmental staff allocated to the Small Business Support Line in 2011-12 is 3.0 ASL. In addition, a third party service provider has been engaged to provide the Small Business Support Line service. The provider is responsible for ensuring the support line is appropriately staffed to meet demand and service quality standards. On average, the SBSL has around 10 agents, one team leader and one team manager to deliver the service working for the provider.

(d) All departmental staff are located in Canberra. All third party service provider staff are located in Sydney.
(e) The number of calls received in each year since the program was launched in September 2009 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Calls Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>15,113</td>
</tr>
<tr>
<td>2010-11</td>
<td>19,063</td>
</tr>
<tr>
<td>2011-12 (as at 14 October)</td>
<td>6,587</td>
</tr>
<tr>
<td>Total</td>
<td>40,763</td>
</tr>
</tbody>
</table>

(8) (a) The departmental administrative allocation for Business.gov.au are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>2011-12 $000</th>
<th>2012-13 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$826</td>
<td>Not yet allocated</td>
<td></td>
</tr>
</tbody>
</table>

(b)

Salary (content and marketing) $608,000
Administrative $218,000
Total $826,000

(c) 10 Binara Street, Canberra ACT 2601.

d) 7.15 FTE. No contract staff work on this program.

(9) (a) and (b) As part of the COAG reform agenda and National Partnership to deliver a seamless national economy, a national business names registration system will be established. COAG signed an intergovernmental agreement for this project in July 2009.

A referral of powers from the States to the Commonwealth is required. Pending passage of legislation, the national business names registration system is expected to be operational by mid next year. The Australian Securities and Investments Commission (ASIC) will be responsible for administering the system.

The funding allocation for the department as lead policy agency for the Project and with responsibility for delivering the business online services component, was outlined in two disclosures in the department's Portfolio Budget Statement (PBS) 2010-11, as follows:

Australian Business Number/Business Names Registration Project—Expansion

<table>
<thead>
<tr>
<th>$ m</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental expenses</td>
<td>0.000</td>
<td>13.604</td>
<td>12.438</td>
<td>11.425</td>
<td>10.785</td>
<td>48.252</td>
</tr>
<tr>
<td>Administered expenses</td>
<td>0.000</td>
<td>1.050</td>
<td>1.610</td>
<td>0.740</td>
<td>0.320</td>
<td>3.720</td>
</tr>
<tr>
<td>Total expenses</td>
<td>0.000</td>
<td>14.654</td>
<td>14.048</td>
<td>12.165</td>
<td>11.105</td>
<td>51.972</td>
</tr>
</tbody>
</table>

(c) 10 Binara Street, Canberra ACT 2601.

(10) (a) and (b) The departmental administrative allocation for Commercialisation Australia for the 2011-12 and 2012-13 financial years are as follows (a breakdown of the expenditure is not available):

<table>
<thead>
<tr>
<th>Year</th>
<th>2011-12 $000</th>
<th>2012-13 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,900</td>
<td></td>
<td>$7,000</td>
</tr>
</tbody>
</table>

(e) The program is managed from the department's Canberra office and delivered through AusIndustry State Offices in partnership with Commercialisation Australia Case Managers.
AusIndustry State Offices are located in Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart and Canberra.

(d) The number of staff allocated to Commercialisation Australia in 2011-12 is 54.6 ASL. In addition, there are 23 Case Managers, private sector contractors selected on the basis of their experience in commercialising innovation and growing start-up businesses, who deliver assistance and advice to participants. The Case Managers are funded from the administered allocation for the program.

(11) (a) AGP is not managed by the department. AGP is managed by CSIRO’s Intellectual Property and Licensing (IPL) team. The associated costs are absorbed by the IPL team and as CSIRO does not classify expenses for this program as a discrete item, any calculation of costs incurred would need to be undertaken manually and it would not be cost effective to do this.

(b) See 11(a).

(c) The program is managed from the CSIRO Parkville office in Melbourne, however, CSIRO Commercialisation Managers are located in Sydney at North Ryde and Melbourne at Parkville, and CSIRO Small to Medium Enterprise (SME) Managers are located in every state. All of these managers are involved in promoting and working with the SMEs.

(d) Approximately 12 people, however they spend a small fraction of time specifically on the management of AGP. It is estimated that the actual amount of time spent on the AGP is approximately equivalent to 1.5 FTE.

(12) (a) and (b) The departmental administrative allocation for Venture Capital Limited Partnerships for the 2011-12 and 2012-13 financial years are as follows (a breakdown of the expenditure is not available):

<table>
<thead>
<tr>
<th></th>
<th>2011-12 $000</th>
<th>2012-13 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>$100</td>
<td></td>
</tr>
</tbody>
</table>

(c) 10 Binara Street, Canberra ACT 2601.

(d) The number of staff allocated to Venture Capital Limited Partnerships in 2011-12 is 0.6 ASL.

(13) (a) The administrative cost for the Trade Measurement program for the 2011-12 and 2012-13 financial years are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011-12 $000</th>
<th>2012-13 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21,353</td>
<td>$22,207</td>
<td></td>
</tr>
</tbody>
</table>

(b) The expense is for general administrative staff and consists of:

<table>
<thead>
<tr>
<th></th>
<th>$11,984,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Expense</td>
<td>$4,490,000</td>
</tr>
<tr>
<td>Administration Expense</td>
<td>$3,046,000</td>
</tr>
<tr>
<td>Property Expense</td>
<td>$1,833,000</td>
</tr>
<tr>
<td>Overheads</td>
<td>$21,353,000</td>
</tr>
</tbody>
</table>

(c) The Trade Measurement program is run from 29 sites across Australia, including Regional Offices in each capital city other than Canberra. The program’s central administration is undertaken in Lindfield, NSW. All of NMI’s locations are listed in the 2010-11 Department of Innovation Industry, Science and Research Annual Report.

(d) Currently there are 106 staff (full time equivalents) for the Trade Measurement program.

(14) (a) The Supplier Access to Major Projects (SAMP) program is administered by Industry Capability Network Limited (ICNL). The department manages funding agreements with ICNL in relation to the SAMP program. The department’s administrative costs in administering SAMP is estimated as $101,367 for 2011-12. Budget allocations have not yet been made for 2012-13.
(b) 
Staff costs $86,367  
Administrative costs $15,000  
Total $101,367  

(c) 10 Binara Street, Canberra ACT 2601. 

(d) 0.9 ASL 

(15) (a) The budget funded activities for the division of the National Measurement Institute (less Trade Measurement and NETS programs) are. 

<table>
<thead>
<tr>
<th></th>
<th>2011-12 $000</th>
<th>2012-13 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$22,865</td>
<td>$23,780</td>
</tr>
</tbody>
</table>

It should be noted that NMI charges for the measurement services it provides, in accordance with the Government's Cost Recovery Guidelines and competitive neutrality requirements. 

(b) Breakdown for administrative expense: 

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Expense</td>
<td>$14,376,000</td>
</tr>
<tr>
<td>Administration Expense</td>
<td>$4,372,000</td>
</tr>
<tr>
<td>Property Expense</td>
<td>$3,237,000</td>
</tr>
<tr>
<td>Overheads</td>
<td>$879,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$22,865,000</strong></td>
</tr>
</tbody>
</table>

(c) The Measurement Services program is run from four locations: 

Lindfield, NSW  
Pymble, NSW  
Port Melbourne, VIC  
Kensington, WA  

(d) Currently there are 170 staff (full time equivalents) for the budgeted funded activities in the division of National Measurement Institute (less Trade Measurement and NETS programs). In addition, contract staff (non-APS employees) are used to meet demand for measurement services. The number of contract staff will vary across the year. In August 2011, 17.8 contract staff worked on the program. 

Attachment A  
I&SBP Division Staffing Classification Summary  
Actual Positions as of 17 October 2011  

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>Industry Policy &amp; Economic Analysis Branch</th>
<th>Small Business and Deregulation Branch</th>
<th>Food, Chemicals &amp; Deregulation Projects Branch</th>
<th>Business Conditions Branch</th>
<th>Executive Branch</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operative Staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SESB2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>SESB1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>EL2</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>EL1</td>
<td>16</td>
<td>13</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>44</td>
</tr>
<tr>
<td>APS6</td>
<td>6</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>APS5</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>APS4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
Senator Abetz asked the Minister for Broadband, Communications and the Digital Economy, upon notice, on 13 October 2011:

In regard to the answer to question on notice no. 1228 (Senate Hansard, 12 October 2011, p. 118), and in particular paragraph (2) referring to the draft answer and when it was first received in the Minister’s office, why was this question not answered and can an answer to the question be provided as to when a draft answer was first received in the Minister’s office.

Senator Conroy: The answer to the honourable senator’s question is as follows:

The administrative processes of managing responses to Questions on Notice are internal matters for the Department and the Minister’s Office.