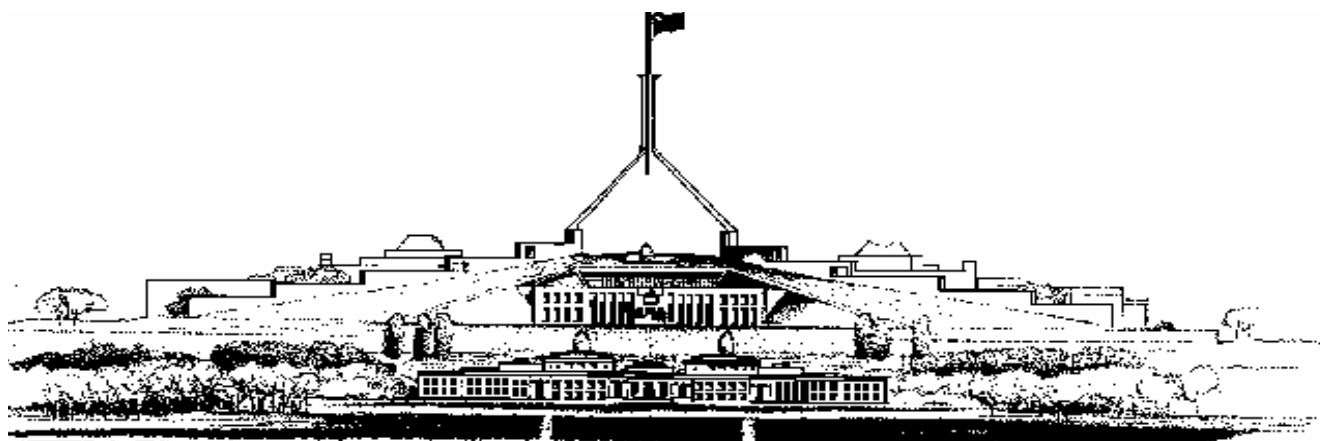


COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY DEBATES**



**Senate**

**Official Hansard**

**No. 7, 2010**

**Wednesday, 23 June 2010**

FORTY-SECOND PARLIAMENT  
FIRST SESSION—EIGHTH PERIOD

BY AUTHORITY OF THE SENATE



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### **SITTING DAYS—2010**

Month	Date
February	2, 3, 4, 22, 23, 24, 25
March	9, 10, 11, 15, 16, 17, 18
May	11, 12, 13
June	15, 16, 17, 21, 22, 23, 24
August	24, 25, 26, 30, 31
September	1, 2, 20, 21, 22, 23, 28, 29, 30
October	25, 26, 27, 28
November	15, 16, 17, 18, 22, 23, 24, 25

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**FORTY-SECOND PARLIAMENT  
FIRST SESSION—EIGHTH PERIOD**

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Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

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*Deputy President and Chair of Committees*—Senator Hon. Alan Baird Ferguson

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*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 Stephen Shane Parry

*Deputy Manager of Opposition Business in the Senate*—Senator Mitchell Peter Fifield

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*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

*Leader of the Family First Party*—Senator Steve Fielding

*Chief Government Whip*—Senator Kerry Williams Kelso O'Brien

*Deputy Government Whips*—Senators Donald Edward Farrell and Anne McEwen

*Chief Opposition Whip*—Senator Stephen Shane Parry

*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

*Family First Party Whip*—Senator Steve Fielding

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### Members of the Senate

Senator	State or Territory	Term expires	Party
Abetz, Hon. Eric	TAS	30.6.2011	LP
Adams, Judith Anne	WA	30.6.2011	LP
Arbib, Hon. Mark Victor	NSW	30.6.2014	ALP
Back, Christopher John <sup>(3)</sup>	WA	30.6.2011	LP
Barnett, Guy	TAS	30.6.2011	LP
Bernardi, Cory	SA	30.6.2014	LP
Bilyk, Catryna Louise	TAS	30.6.2014	ALP
Birmingham, Simon John	SA	30.6.2014	LP
Bishop, Thomas Mark	WA	30.6.2014	ALP
Boswell, Hon. Ronald Leslie Doyle	QLD	30.6.2014	NATS
Boyce, Suzanne Kay	QLD	30.6.2014	LP
Brandis, Hon. George Henry, SC	QLD	30.6.2011	LP
Brown, Carol Louise	TAS	30.6.2014	ALP
Brown, Robert James	TAS	30.6.2014	AG
Bushby, David Christopher	TAS	30.6.2014	LP
Cameron, Douglas Niven	NSW	30.6.2014	ALP
Carr, Hon. Kim John	VIC	30.6.2011	ALP
Cash, Michaelia Clare	WA	30.6.2014	LP
Colbeck, Hon. Richard Mansell	TAS	30.6.2014	LP
Collins, Jacinta Mary Ann	VIC	30.6.2014	ALP
Conroy, Hon. Stephen Michael	VIC	30.6.2011	ALP
Coonan, Hon. Helen Lloyd	NSW	30.6.2014	LP
Cormann, Mathias Hubert Paul <sup>(2)</sup>	WA	30.6.2011	LP
Crossin, Patricia Margaret <sup>(4)</sup>	NT		ALP
Eggleston, Alan	WA	30.6.2014	LP
Evans, Hon. Christopher Vaughan	WA	30.6.2011	ALP
Farrell, Donald Edward	SA	30.6.2014	ALP
Faulkner, Hon. John Philip	NSW	30.6.2011	ALP
Feeney, David Ian	VIC	30.6.2014	ALP
Ferguson, Hon. Alan Baird	SA	30.6.2011	LP
Fielding, Steve	VIC	30.6.2011	FF
Fierravanti-Wells, Concetta Anna	NSW	30.6.2011	LP
Fifield, Mitchell Peter	VIC	30.6.2014	LP
Fisher, Mary Jo <sup>(1)</sup>	SA	30.6.2011	LP
Forshaw, Michael George	NSW	30.6.2011	ALP
Furner, Mark Lionel	QLD	30.6.2014	ALP
Hanson-Young, Sarah Coral	SA	30.6.2014	AG
Heffernan, Hon. William Daniel	NSW	30.6.2011	LP
Hogg, Hon. John Joseph	QLD	30.6.2014	ALP
Humphries, Gary John Joseph <sup>(4)</sup>	ACT		LP
Hurley, Annette Kay	SA	30.6.2011	ALP
Hutchins, Stephen Patrick	NSW	30.6.2011	ALP
Johnston, Hon. David Albert Lloyd	WA	30.6.2014	LP
Joyce, Barnaby Thomas Gerard	QLD	30.6.2011	NATS
Kroger, Helen	VIC	30.6.2014	LP
Ludlam, Scott	WA	30.6.2014	AG
Ludwig, Hon. Joseph William	QLD	30.6.2011	ALP
Lundy, Kate Alexandra <sup>(4)</sup>	ACT		ALP
Macdonald, Hon. Ian Douglas	QLD	30.6.2014	LP

Senator	State or Territory	Term expires	Party
McEwen, Anne	SA	30.6.2011	ALP
McGauran, Julian John James	VIC	30.6.2011	LP
McLucas, Hon. Jan Elizabeth	QLD	30.6.2011	ALP
Marshall, Gavin Mark	VIC	30.6.2014	ALP
Mason, Hon. Brett John	QLD	30.6.2011	LP
Milne, Christine Anne	TAS	30.6.2011	AG
Minchin, Hon. Nicholas Hugh	SA	30.6.2011	LP
Moore, Claire Mary	QLD	30.6.2014	ALP
Nash, Fiona Joy	NSW	30.6.2011	NATS
O'Brien, Kerry Williams Kelso	TAS	30.6.2011	ALP
Parry, Stephen Shane	TAS	30.6.2011	LP
Payne, Marise Ann	NSW	30.6.2014	LP
Polley, Helen Beatrice	TAS	30.6.2011	ALP
Pratt, Louise Clare	WA	30.6.2014	ALP
Ronaldson, Hon. Michael	VIC	30.6.2011	LP
Ryan, Scott Michael	VIC	30.6.2014	LP
Scullion, Hon. Nigel Gregory <sup>(4)</sup>	NT		CLP
Sherry, Hon. Nicholas John	TAS	30.6.2014	ALP
Siewert, Rachel Mary	WA	30.6.2011	AG
Stephens, Hon. Ursula Mary	NSW	30.6.2014	ALP
Sterle, Glenn	WA	30.6.2011	ALP
Troeth, Hon. Judith Mary	VIC	30.6.2011	LP
Trood, Russell Brunell	QLD	30.6.2011	LP
Williams, John Reginald	NSW	30.6.2014	NATS
Wong, Hon. Penelope Ying Yen	SA	30.6.2014	ALP
Wortley, Dana Johanna	SA	30.6.2011	ALP
Xenophon, Nicholas	SA	30.6.2014	IND

- (1) Chosen by the Parliament of South Australia to fill a casual vacancy vice Amanda Eloise Vanstone, resigned.  
(2) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Ian Campbell, resigned.  
(3) Chosen by the Parliament of Western Australia to fill a casual vacancy vice Christopher Martin Ellison, resigned.  
(4) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.

#### PARTY ABBREVIATIONS

AG—Australian Greens; ALP—Australian Labor Party; CLP—Country Liberal Party;  
FF—Family First Party; LP—Liberal Party of Australia; NATS—The Nationals

#### **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

## RUDD MINISTRY

Prime Minister	Hon. Kevin Rudd MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion	Hon. Julia Gillard MP
Treasurer	Hon. Wayne Swan MP
Minister for Immigration and Citizenship and Leader of the Government in the Senate	Senator Hon. Chris Evans
Minister for Defence and Vice President of the Executive Council	Senator Hon. John Faulkner
Minister for Trade	Hon. Simon Crean MP
Minister for Foreign Affairs and Deputy Leader of the House	Hon. Stephen Smith MP
Minister for Health and Ageing	Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs	Hon. Jenny Macklin MP
Minister for Finance and Deregulation	Hon. Lindsay Tanner MP
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House	Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate	Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research	Senator Hon. Kim Carr
Minister for Climate Change, Energy Efficiency and Water	Senator Hon. Penny Wong
Minister for Environment Protection, Heritage and the Arts	Hon. Peter Garrett AM, MP
Attorney-General	Hon. Robert McClelland MP
Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate	Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry and Minister for Population	Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism	Hon. Martin Ferguson AM, MP
Minister for Human Services and Minister for Financial Services, Superannuation and Corporate Law	Hon. Chris Bowen MP

**[The above ministers constitute the cabinet]**



**RUDD MINISTRY—*continued***

Minister for Veterans' Affairs and Minister for Defence Personnel	Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women	Hon. Tanya Plibersek MP
Minister for Home Affairs	Hon. Brendan O'Connor MP
Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery	Hon. Warren Snowdon MP
Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs	Hon. Dr Craig Emerson MP
Assistant Treasurer	Senator Hon. Nick Sherry
Minister for Ageing	Hon. Justine Elliot MP
Minister for Early Childhood Education, Childcare and Youth and Minister for Sport	Hon. Kate Ellis MP
Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency	Hon. Greg Combet AM, MP
Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery	Senator Hon. Mark Arbib
Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government	Hon. Maxine McKew MP
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water	Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Western and Northern Australia	Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children's Services and Parliamentary Secretary for Victorian Bushfire Reconstruction	Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance	Hon. Bob McMullan MP
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade	Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for Voluntary Sector	Senator Hon. Ursula Stephens
Parliamentary Secretary for Multicultural Affairs and Settlement Services	Hon. Laurie Ferguson MP
Parliamentary Secretary for Employment	Hon. Jason Clare MP
Parliamentary Secretary for Health	Hon. Mark Butler MP
Parliamentary Secretary for Innovation and Industry	Hon. Richard Marles MP

## SHADOW MINISTRY

Leader of the Opposition	Hon. Tony Abbott MP
Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition	Hon. Julie Bishop MP
Shadow Minister for Trade, Transport and Local Government and Leader of The Nationals	Hon. Warren Truss MP
Shadow Minister for Energy and Resources	Hon. Ian Macfarlane MP
Shadow Minister for Employment and Workplace Relations and Leader of the Opposition in the Senate	Senator Hon. Eric Abetz
Shadow Treasurer	Hon. Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House	Hon. Christopher Pyne MP
Shadow Attorney-General and Deputy Leader of the Opposition in the Senate	Senator Hon. George Brandis SC
Shadow Minister for Defence	Senator Hon. David Johnston
Shadow Minister for Health and Ageing	Hon. Peter Dutton MP
Shadow Minister for Families, Housing and Human Services	Hon. Kevin Andrews MP
Shadow Minister for Climate Action, Environment and Heritage	Hon. Greg Hunt MP
Shadow Minister for Indigenous Affairs and Deputy Leader of The Nationals	Senator Hon. Nigel Scullion
Shadow Minister for Regional Development and Water and Leader of the Nationals in the Senate	Senator Barnaby Joyce
Shadow Minister for Agriculture, Food Security, Fisheries and Forestry	Hon. John Cobb MP
Shadow Minister for Small Business, Deregulation, Competition Policy and Sustainable Cities	Hon. Bruce Billson MP
Shadow Minister for Broadband, Communications and the Digital Economy	Hon. Tony Smith MP
Shadow Minister for Immigration and Citizenship	Mr Scott Morrison MP
Shadow Minister for Innovation, Industry, Science and Research	Mrs Sophie Mirabella MP
Shadow Minister for Finance and Debt Reduction and Chairman of the Coalition Policy Development Committee	Hon. Andrew Robb AO MP

**[The above constitute the shadow cabinet]**

## **SHADOW MINISTRY—*continued***

Shadow Minister for Tourism and the Arts and Shadow Minister for Youth and Sport	Mr Steven Ciobo MP
Shadow Minister for Employment Participation, Apprenticeships and Training	Senator Mathias Cormann
Shadow Minister for Consumer Affairs, Financial Services, Superannuation and Corporate Law and Deputy Manager of Opposition Business in the House	Mr Luke Hartsuyker MP
Shadow Assistant Treasurer	Hon. Sussan Ley MP
Shadow Minister for COAG and Modernising the Federation	Senator Marise Payne
Shadow Minister for Early Childhood Education and Childcare and Shadow Minister for the Status of Women	Hon. Dr Sharman Stone MP
Shadow Minister for Justice, Customs and Border Protection	Mr Michael Keenan MP
Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence	Hon. Bob Baldwin MP
Shadow Minister for Veterans Affairs	Mrs Louise Markus MP
Shadow Minister for Ageing	Senator Concetta Fierravanti-Wells
Shadow Minister for Seniors	Hon. Bronwyn Bishop MP
Shadow Special Minister of State and Scrutiny of Government Waste	Senator Hon. Michael Ronaldson
Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Parliamentary Secretary for Infrastructure and Population Policy	Senator Cory Bernardi
Shadow Parliamentary Secretary for Northern and Remote Australia	Senator Hon. Ian Macdonald
Shadow Parliamentary Secretary for Roads and Transport	Mr Don Randall MP
Shadow Parliamentary Secretary for Regional Development and Emerging Trade Markets	Mr Mark Coulton MP
Shadow Parliamentary Secretary for Tourism	Mrs Jo Gash MP
Shadow Parliamentary Secretary for Education and School Curriculum Standards	Senator Hon. Brett Mason
Shadow Parliamentary Secretary for the Murray Darling Basin and Shadow Parliamentary Secretary for Climate Action	Senator Simon Birmingham
Shadow Parliamentary Secretary for Public Security and Policing	Mr Jason Wood MP
Shadow Parliamentary Secretary for Defence	Mr Stuart Robert MP
Shadow Parliamentary Secretary for Regional Health Services, Health and Wellbeing	Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector and Deputy Manager of Opposition Business in the Senate	Senator Mitch Fifield
Shadow Parliamentary Secretary for Families, Housing and Human Services and Shadow Parliamentary Secretary for Citizenship	Senator Gary Humphries
Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry and Shadow Parliamentary Secretary for Innovation, Industry, Science and Research	Senator Hon. Richard Colbeck

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*Wednesday, 23 June 2010*

**The PRESIDENT (Senator the Hon. John Hogg)** took the chair at 9.30 am and read prayers.

#### **OPENING OF PARLIAMENT**

**Senator CHRIS EVANS** (Western Australia—Leader of the Government in the Senate) (9.31 am)—I move:

That the Senate is of the view that the declaration of the opening of Parliament should be preceded by an Indigenous ‘Welcome to Country’ ceremony.

I seek the Senate’s support for the declaration that the opening of parliament should be preceded by an Indigenous welcome to country ceremony, which would take place at the first meeting of a new parliament after a federal election. The Rudd Labor government is committed to working with Aboriginal and Torres Strait Islander people to progress reconciliation and it is a key element of the government’s objective of closing the gap in Indigenous disadvantage. Increased investment and reform are important, necessary steps. But they are not sufficient for closing the gap.

We came to government knowing that change was needed on emotional as well as practical levels. We knew that for too long Indigenous people had felt like outsiders in their home. We recognise the great importance of pride in identity in shaping aspirations and choices. That is why the Rudd Labor government’s first official business in coming to government was to deliver the national apology to Australia’s Indigenous peoples, in particular to the stolen generations. The apology created the opportunity for a shared future and a fresh beginning for Indigenous and non-Indigenous Australians.

Being welcomed onto country by traditional owners is now acknowledged as an important gesture by many Australians. A

welcome to country is performed by the traditional owner of the land on which we stand. It is the act of welcoming others onto your traditional lands, to wish them safety and honour the history of a place. It is a long time honoured Indigenous tradition that predates the arrival of Europeans to Australia and was used between different groups of Australia’s first peoples.

Australia is a great nation and part of our greatness is our ancient and unique cultural heritage. We can feel proud of this. It is part of who we all are as Australians. It is a shame that the opposition do not seem able to support this resolution. Welcome to country recognises the role of Australia’s first peoples as custodians of the oldest continuing cultures in human history. It is a simple act but, at the heart of it, it is one of respect. I urge the Senate to support this resolution to formally commit to a welcome to country being part of the opening of a new parliament.

We were very proud to have a welcome to country to open this parliament, an event which received bipartisan support. At the event on the 12 February 2008 the Prime Minister, Kevin Rudd, said:

Exactly 100 years ago the land on which we stand was chosen as the site as the nation’s first capital. Eighty years ago, we built an old Parliament House and 20 years ago, we built this new great house of the Australian democracy. Yet the human history of this land stretches back thousands of years through the dream time. Despite this antiquity among us, and despite the fact that parliaments have been meeting here for the better part of a century, today is the first time in our history that as we open the parliament of the nation, that we are officially welcomed to country by the first Australians of this nation ... let us resolve here, as Members and Senators and Members of this great Parliament of the Commonwealth, that whoever forms future Governments of the nation, let this become a permanent part of our ceremonial celebration of the Australian democracy.

That was the government's commitment to try and enshrine welcome to country as part of the start of the new parliament to reaffirm that connection with the traditional owners and with our first peoples.

I note that then opposition leader Mr Brendan Nelson said at this event:

I join in supporting the remarks very strongly of the Prime Minister. I don't think the openings of our Parliaments will ever be the same again and that is good ... I assure you on behalf of the alternative government, in supporting the Prime Minister, that whatever happens in future parliaments, so long as I have anything to do with it, that we will have a welcome from Ngunnawal and their descendants.

Matilda House, the elder who delivered this welcome to country, said it was one thing: proper respect. So I hope that all senators will support this motion and support giving a welcome to country ceremony a formal place in the opening of all future parliaments.

Those of us who have visited the New Zealand parliament understand the important role the Maori culture is given in the operation of their parliament. One of the few things that are unique about our democracy is our Indigenous people. The connection with them in the opening of parliament reflects the development and the continuity of Australian democracy.

This is an important motion for the Senate to support. The last opening of parliament was a much more significant event for the inclusion of the welcome to country. I urge the Senate to support this resolution that commits us to supporting such a welcome at the opening of every parliament.

**Senator ABETZ** (Tasmania—Leader of the Opposition in the Senate) (9.37 am)—I indicate that the coalition does not support the resolution. In saying that, we will not be opposing it by a formal division in this place. It is somewhat astounding that in the gov-

ernment's time today at the end of a very heavy legislative agenda—having criticised, as the Prime Minister has, the Senate delaying the government's legislative timetable—the Leader of the Government has gotten up in the Senate to take up time that could have been devoted to going through with the government's legislative timetable.

**Senator Chris Evans**—If you're not opposing it, just let it go through.

**Senator ABETZ**—It is quite clear now what is more urgent for this particular government. I cannot help but think that the urgency of dealing with this motion today comes from the government's embarrassment at having voted against the wild rivers legislation yesterday. We on the coalition side listened to the Indigenous people of Cape York and we supported their aspirations—

**Senator Chris Evans**—The mad right-wingers are in charge! The zealots are in charge!

**Senator ABETZ**—This, allegedly, was to be a debate that was going to lift the parliament, and the Leader of the Government, with his very divisive interjections, is just showing what this debate is all about from the government's point of view. It is to try to put a wedge into the Australian community over this issue. We in the coalition believe it should be a decision for each government to determine from time to time—

**Senator Chris Evans**—That's not what Brendan Nelson said. Brendan Nelson committed to it.

**Senator ABETZ**—This has just been a barrage of non-stop interjections from an embarrassed Leader of the Government in this place, out of control with his legislative agenda, trying to blame us for delaying procedures and then bringing on a motion such as this for no real reason. This is about the opening of the next parliament. Aren't we



resuming in August? What is the urgency of bringing this up on the very last day, in effect, that this Senate will be dealing with legislation?

You have to ask: what was the urgency of bringing it up today? I suggest the urgency is that the government knows that it is very much out of touch with the practical aspirations of the Indigenous people in this country, who wanted and want this parliament to pass the wild rivers legislation. We in fact have lived up to the expectations of the Indigenous people. We have sought to deliver for them in a very practical and real way which will benefit their communities in the Cape York area.

Yet the Labor Party and the Greens deliberately voted yesterday evening to seek to deny the aspirations of the Indigenous people in the Cape York area. They rush in here today to say, 'Aren't we really good fellows for you, because we want to have a welcome to country at the beginning of each parliament?' What will be for the true long-term welfare of the Indigenous people: a welcome to country on each occasion the parliament opens or giving the wild rivers back to the Indigenous people so that they can actually live with their country and get some economic benefit and return from their country?

**Senator Moore**—Your position on native title?

**Senator ABETZ**—I hear an interjection, unfortunately, from one of the Labor senators. As a former chair of the Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund, I know the very good work that I was able to do with my good friend and colleague Senator Minchin. He put through this parliament the Indigenous land use agreements. They were fought by the tokenism of others in this place, but they have been of very real, prac-

tical application and benefit to Indigenous communities.

If we want to talk about the aspirations of the Indigenous community, I ask those opposite to listen to the views of an Aboriginal leader who is their former federal president in relation to the impact on Indigenous employment of their mining tax. Being confronted with Mr Mundine pointing out to them the difficulties that will be visited upon the Indigenous community by the mining tax and being confronted with having voted against the wild rivers legislation—both major issues in the Indigenous community absolutely undermining its right to self-determination and to fulfil its aspirations—what does the Labor Party do? Rush in this morning and say the issue of the day has to be a welcome to country ceremony once every three years.

I think the Indigenous community and the vast majority of Australians will see through this motion by the Leader of the Government in the Senate when it is seen in the context of what Labor has been doing in relation to Indigenous aspirations just yesterday with the wild rivers legislation and also in relation to the mining tax. I do not seek to delay the Senate any further.

*Senator Moore interjecting—*

**Senator ABETZ**—We have a Labor senator laughing about that. I am entitled to speak on this, Senator, for 20 minutes. I will not even take half my time because I am concerned—the government actually has convinced me about this—that there is a legislative agenda to get through and that is why I have truncated my remarks. Our view on the opposition side is this: we are not opposed to welcome to country ceremonies per se, but we believe it should be a decision for each government to determine the appropriateness of the ceremonies and other things before the

opening of each parliament without actually having a resolution from this Senate.

**Senator JOYCE** (Queensland—Leader of the Nationals in the Senate) (9.45 am)—Congratulations, Mr Acting Deputy President Ludlam. You are looking very proper up there. The National Party represents a large section of the Indigenous community. In fact one of our seats, namely the electorate of Parkes, has a larger number of Indigenous people than any other electorate. We are very aware of the fact that we want an engaged relationship with the first occupants of this nation. I have a great desire for the greatest form of inclusion of the Kamilaroi people and to the north of me the Mandandanji people but I do have an immense sense of cynicism about how this has found its way onto the agenda today.

What opportunity do I have to go back and talk to the Kamilaroi or Mandandanji people about this and deal with the issues? Maybe they would like to be involved in this process in some way, shape or form. But it is not about that. This is yet another form of tokenistic approach to Indigenous issues. I am sure that Indigenous people like the Murri people of my area would be far more engaged if the Labor Party were to come forward with a distinct program of regional development, with the securing of water rights so that they can have employment or with programs to economically advance them. Those are the sorts of programs that people want. Those are the sorts of programs that have a real aspect of bringing improvements to people's lives.

The National Party senators, such as Senator Scullion, Senator Nash, Senator Williams and me, who actually live in communities with Indigenous people, who do not live in the suburbs and just talk about them, would have appreciated more time to have a consultative engagement in this process. But this

has been brought in today not to help the plight of Indigenous people—and I acknowledge that there is much that needs to be done especially around empowering Indigenous people—but as a political stunt. By bringing it in as a political stunt you are actually ridiculing the whole process. Why did you do this? Why do we not have a more complete debate about the mechanisms and ways we can take the Indigenous people forward? I would like to see that.

What Labor governments around our nation have done is to use Indigenous people in many instances as a whipping post, locking up their access to the development of their wealth with things like the wild rivers legislation. What consultation did the Indigenous people of the Gulf have on that? What have you left those people except destitution in perpetuity? There is no point in having a welcoming ceremony and a sorry day and then in the next breath doing things like that to them. In my area you have created uncertainty over water rights. The greatest mechanism of social advancement for Indigenous people in my area has been compromised.

I would have liked the opportunity to go back and have a yarn to the elders in my town, including Poddy Waters, about this and ask him in what form and in what fashion he would like recognition of Indigenous people at the start of parliament. I would have liked the opportunity to have that discussion with him. But I do not. The National Party will be supporting this motion, but we will be supporting it in a fashion under duress because we are playing into your little political game, your little argument of division. Once more you are trying to use a foisted motion to garner a view that is not a true reflection of your actions.

This will be called for what it is. It is yet again a stunt because there was no form of wider engagement with the key stakeholders,

the Indigenous people. I would like to know what sort of engagement you had with them prior to this. I would like to see the discussions with the key stakeholders on this motion but there were none. You know the game you play. If we vote against it because we call it a disingenuous stunt, you will play the wedge politics and say the coalition does not have the views of Indigenous people at heart. You have been very mischievous in the process that has brought this motion about and you will be called as such.

We would like to say to the Indigenous people of my own area—to the Kamilaroi people, the Mandandanji people and the Murrin in general—that we want to have a form of engagement that goes beyond the tokenism to social advancement over the long term, because that is essential unless you want the ‘sorry’ statement and this statement to be the only things that you offer Indigenous Australia. Is that it? A highfaluting tokenism and a form of wedge politics is what the Labor Party intends to offer Indigenous Australia, and it thinks that we are all foolish enough to fall for this eleventh-hour, 59th-minute piece of wedge politics before the parliament rises.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (9.52 am)—The Australian Greens wholeheartedly support this motion for there to be a welcome to country at the start of parliaments. I am pleased to hear, even though I note the argument that went with it, that the Nationals will also support it. I was disappointed to hear that the Liberal Party will not. That said, I think the overwhelming support nationally for the ceremony which took place at the start of this parliament is an indication of the huge welcome there will be for this move that is being made by the government in the parliament today.

Senator Abetz said that the government should determine such matters. I would have thought that a Leader of the Opposition in the Senate would know that we are a democracy, where parliament makes decisions on its own processes. That is not a right, and never should be, handed across to the government executive. We are being asked here to mark the start of parliaments with a welcome to country from the first Australians. It can be seen as a ceremonial without effect on the true wellbeing of Indigenous people, but I believe that such symbolism, such recognition and the pride in country that comes from that are of themselves essential and important for all of us in recognising the extraordinary and at times devastating and harrowing history of the Indigenous people of this country since 1788. The welcome to country preceding parliamentary procedures is a very fitting way to take another step towards doing the best we can—though we can never make amends—to change the course of history from the past into a new future.

So the Greens welcome this proposal. It is a matter for parliament. While the government has brought forward this motion, it will be widely accepted by the public, including—if we take that reaction to the welcome to country back in 2007—Indigenous Australians. I think it is a pity it is being turned into a political debate. Maybe it is a pity that it has come so late in the procedures from the government, almost as an afterthought, but it is a very important and good afterthought. The process is right. It is the right thing to do. My colleagues wholeheartedly support this move, congratulate the government for bringing it forward and look forward to the next ceremony to begin the next sessions of parliament in this great democracy of ours.

**Senator BOSWELL** (Queensland) (9.56 am)—I have no problem with welcome to country ceremonies—in fact, sometimes they are initiated by the National Party when the

Aboriginal community want to do them—but what I do have a problem with is that this is a masterpiece of mistiming. How can the Labor Party and the Greens support this after trying to remove every right of the Aboriginal community in Cape York, depriving them of their land—not only native title land but deed of grant in trust land that was given to them by Joh Bjelke-Petersen when he was Premier? They came in and said: ‘You can’t use that land anymore. This is under wild rivers legislation. Sorry—you can’t even put in a market garden and clear land if it’s in a high-preservation area.’

The Aboriginals were told that this was wild rivers legislation. Wild rivers legislation became wild basin legislation, and wild basin legislation took in every creek, every river, every stream and every spring. It became not wild rivers—

**Senator Joyce**—Just wild!

**Senator BOSWELL**—It was just wild, and people have been deprived of their capacity to earn. I will get this right, because I do not want to mislead the parliament: the Bligh government has ruined the economic opportunities of Indigenous people by ignoring their rights and imposing unilateral development constraints across vast river basins covering 80 per cent of the cape.

You must totally underestimate the Aboriginal community. You want to give them beads and mirrors. That is past: they want education and they do not want welfare. They have had 80 years of welfare, and all it has led them to is total misery. You have deprived them of their livelihoods; you voted against them yesterday. You have deprived them of their livelihoods, you have deprived them of their land, you have deprived them of their rights and you want them to sit there and, as Noel Pearson said, pick berries in the sunset. That is what you have locked them into. Only yesterday you locked them into

that, and today you come in with a mealy-mouthed proposition to have welcome to country ceremonies. If there was ever an empty, clanging gong, that was it.

I do not know how you can have the audacity to put this proposition to the parliament after you completely took away every right that the Aboriginals had in Cape York. You ought to be ashamed of yourself. What makes it worse is that you are rubbing salt into the raw wound. If only you had any thought for Aboriginals; if only you ever considered Aboriginals and not just the preferences organised by the Wilderness Society and the Greens—you have lost the right to call yourself the political home of Aboriginals. You walked out on that last night. You do not deserve it and the Aboriginals will wake up to you. You give them clanging gongs and symbols. You do not give them a right to earn their own living. You do not give them a right to own their own land. You give them a right that is frozen in time—that they can have a ceremony on the land, they can fish and they can hunt.

That is all they can do with those millions and millions of hectares of land that were given to them by various governments. You have walked away from native title. You do not deserve ever to get another Aboriginal vote. You have sold out to the Wilderness Society for 30 pieces of preferences. You know, and it is well known and well documented, this Wild Rivers deal was done by the Wilderness Society to get preferences for Queensland Premier Anna Bligh. What a betrayal of the Aboriginal people. Do not come in here with this stupid, mealy-mouthed welcome to country, which we have no objection to. What you are trying to do is give them beads and mirrors and take away their right to earn a decent living.

You have closed down a mine that would give them 400 to 500 jobs if they wanted

them. That is not going to happen overnight, but there has to be a start somewhere. But you are driving them backwards. And you come in here and put forward a mirror and symbols. I cannot believe that you would ever do this, that you would have the audacity to do it. Surely you could have put this off for a couple of days or addressed it next term. The Labor Party and the Greens have no right to call themselves the friends of Aboriginals ever again.

**Senator XENOPHON** (South Australia) (10.02 am)—Mr Acting Deputy President Ludlam, this is the first time I have addressed you as that in your role and I congratulate you. I have a lot of regard for Senator Boswell—he is the father of the house—but, with the greatest respect to Senator Boswell, I think he is being unfair in the way that he has characterised this debate. This debate is about a welcome to country ceremony. The Wild Rivers legislation is a completely distinct issue and I would like to think that Senator Boswell may consider some common ground in relation to this. I think it is appropriate that the first Australians be acknowledged and be part of the opening ceremony of this parliament, and Senator Boswell agrees with that. Another important factor in relation to this, if it is passed as I hope it will be, is that it will drive home to each and every representative in this nation's parliament the importance of having Indigenous issues at the forefront of our minds because we know so much needs to be done.

**Senator Boswell**—But we're not doing it.

**Senator XENOPHON**—Senator Boswell is right in part in that we need to do much, much more. I think a welcome to country ceremony is not only appropriate from a symbolic point of view but also appropriate from a practical point of view because it will ram home every time this parliament opens

the role of the first Australians in this nation's history and the role that we need to play to ensure that levels of poverty and levels of deprivation in Indigenous communities are addressed as a matter of urgency. I support this motion, I believe it is appropriate and I would like to think that there is common ground in the chamber to say that this ceremony will have both symbolic and practical effects. I think that is a good thing

Question agreed to.

**RENEWABLE ENERGY  
(ELECTRICITY) AMENDMENT  
BILL 2010**

**RENEWABLE ENERGY  
(ELECTRICITY) (CHARGE)  
AMENDMENT BILL 2010**

**RENEWABLE ENERGY  
(ELECTRICITY) (SMALL-SCALE  
TECHNOLOGY SHORTFALL  
CHARGE) BILL 2010**

**In Committee**

Consideration resumed from 22 June.

**The TEMPORARY CHAIRMAN** (**Senator Ludlam**)—We are dealing with Greens amendments (4), (9) and (1) on sheet 6114.

**Senator MILNE** (Tasmania) (10.04 am)—I rise to respond to Senator Colbeck's analysis of these amendments to the Renewable Energy (Electricity) Amendment Bill 2010 and related bills. These amendments are to remove any view that native forest biomass can be used to generate renewable energy certificates. Yesterday Senator Colbeck mentioned that WWF Australia supported biomass energy. The report on Forestry Tasmania's website is a WWF report, but it refers to biomass in Europe not biomass in Australia and so WWF have put out a clarifying statement which says: 'No support for biomass burning of native forests'. Let us make it very clear that the European

situation is quite different from the situation here in Australia and WWF do not support burning of native forests for biomass in Australia.

Senator Colbeck really let the cat out of the bag yesterday when he talked about the extent to which the Tasmanian logging industry is depending on getting renewable energy certificates as a lifeline for logging native forests. He said here that he would expect they would get something like 3,000 gigawatt hours, but in Forestry Tasmania's own so-called fact sheet it says that it wants to build a 25-megawatt biomass plant at Southwood and that would generate 160,000 renewable energy certificates a year. So there is a full expectation that they would be getting RECs from their 25-megawatt biomass plant at Southwood.

We have this ludicrous situation where we are logging native forests without the emissions from those native forests being counted because the Kyoto accounting does not require it. So they log the carbon stores, the most important carbon stores. If the government really wanted to move on climate change then it would protect the carbon stores and it would support this amendment to get rid of any possibility that you can log a native forest and use the woodchips to go into a biomass furnace.

What this is going to come down to is the definition of 'waste', and that is why it is important to rule it out right now. Thirty years ago, the logging industry argued that the waste from sawmilling would be used as woodchips—that it would merely be the waste; it would not be the predominant industry, just the waste—and that the woodchips would be sent overseas. The upshot was that the native sawmilling industry was overtaken by the plantation sawmilling industry in 1993-94 and completely displaced in the market, and the woodchip industry has

been the major driver of native forest logging ever since. The woodchip industry has now collapsed and is looking for a make-work program to continue logging native forests when it needs to get out of native forests and downstream the plantation estate.

At the same time as the government is considering giving a further subsidy to native forest logging via this process, you have a 100 per cent tax deduction on the other side for establishing carbon sink forests. So we now have this ridiculous logic of subsidising logging established carbon stores, subsidising the establishment of carbon sinks over on the other side, subsidising managed investment schemes on the other side, and having photographs taken of putting in a few seedlings as some kind of carbon offset under the Carbon Pollution Reduction Scheme, whilst facilitating the logging of the great carbon stores. This is a ridiculous scenario in a climate sense. We should have full carbon accounting. We should have a recognition of the carbon stores. And now is the time to do it, because there is not a single native forest logging industry player around the country who can argue at the moment that there is any profitability, that there is any market, for logging native forests.

The point at which you have no market is the point at which you have opportunities. With this not being removed from the renewable energy target, the logging industry are going to make a pre-emptive strike to maintain this industry way beyond its use-by date via a government subsidy, effectively. It is not just the Southwood mill in Tasmania, the one proposed for Smithton, the Gunns one or those at Orbost and Eden; there is also a proposition for another one in Western Australia. Some 20 mills are on the agenda around the country. On television last week the proponent of the native forest burning furnace at Eden said that they were depending on renewable energy certificates for 50

per cent of their revenue—50 per cent. This is the government funded destruction of native forests, of biodiversity and of wildlife at a time when we have more and more species on the lists of not only threatened species but, in some cases, critically endangered species.

How is this justifiable? When Australia argues that we have the capacity to do full carbon accounting, why are we in the RET negotiations sticking with the old Kyoto accounting? I simply do not understand that and I hope that the minister can explain to me: since we say that we can do full carbon accounting in Australia, why aren't we arguing for that in international negotiations? Why are we sticking with the Kyoto definition which does not require us to account for the emissions from the logging of native forests? This is a huge loophole and a big problem. So I urge the Senate to recognise that now is the opportunity. If you do not remove this from the renewable energy target bill, you are creating a pre-emptive strike for ongoing logging of native forests where, just as the woodchip industry argued 30 years ago that it was simply dealing with the waste and then rapidly became the industry, now that woodchipping has collapsed the generation of biomass energy from logging native forests will be the industry.

And let us not pretend that this is about sawlog. Let us not even amuse ourselves with that notion or view. It is not. ABARE pointed out and agreed in Senate estimates that 1993-94 was when plantation timber overtook native forests in terms of the generation of sawlog. This is an industry in crisis, with nowhere to go, and the lifeline is here with this renewable energy target, with this burning of biomass—and it absolutely has to be stamped out now. We will end up in the courts here, because there will be a requirement to define what is 'waste' for a higher value purpose. Since when is wood-

chipping a higher value purpose? And there will be no standing up in court trying to argue that going in for a single stem of sawlog is going to result in the generation of hundreds of hectares of clear-felling of native forest as waste. What nonsense. No court will accept that, but of course we could end up with the Commonwealth joining the other state governments in retrospective legislation to suddenly make right what is clearly wrong and unacceptable. Unless we remove this now, we are going to end up in the courts, because there is no way that people around Australia are going to accept logging and burning of native forests—logging the carbon stores, not accounting for the carbon from those stores when they are logged and then trying to pretend that burning those forests is generating green energy. This is creating a major conflict, Minister, and you have the opportunity now to remove it as a loophole and remove any potential for a subsidy going to the burning of native forests for the generation of energy. This is the opportunity and I hope that the Senate will take it.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (10.14 am)—A number of the things that Senator Milne has put on the record do not relate whatsoever to the debate we are currently having, which is on the renewable energy target. I am not from Tasmania, but I do understand that this issue has been around in Tasmanian politics for a very long time. Last night we had Senator Milne, Senator Colbeck and, I think, some others having a long discussion—if I may say, with respect to both sides—often about issues which had nothing to do with things that were before the chamber. You are entitled to do that. I would ask that the Senate consider, at an appropriate time, whether there be some end point to a debate which is in fact in large part about many other issues.

I have a procedural request for us to consider. I jumped before Senator Birmingham—which might have been an error because he might have been about to address this—but I would invite the opposition to be clear on this. I understand that the opposition is proposing another amendment on this issue to expand the eligibility. The government will not be accepting that amendment and the government will not be accepting the Greens amendment. The government's position is that this is a definition that has been in place in the legislation for some time. We have been lobbied by both sides of the debate to expand the eligibility to enable more forest product to be used under the renewable energy target, as well as the perspective put by Senator Milne. I have indicated to both sides that the government's position is to retain the existing eligibility and press ahead with improvements to the bill.

Leaving that to one side, as a matter of process, I invite the chamber to consider that it would be sensible for us, if possible, to debate by leave the two amendments together because, once Senator Colbeck moves his amendment on native forest eligibility, we will be traversing the same debate as we have had today and did last night. So I would invite consideration of that for the efficacy of the debate. There are a range of other debates, including from Senator Xenophon. I know that Senator Xenophon's time constraints are substantial. Obviously, an independent senator does not have colleagues who can move his amendments, and Senator Xenophon has a number of other pressing issues that I know he wishes to attend to in relation to Productivity Commission reports. So I would invite the chamber to consider whether we could procedurally deal with the opposition's yet to be moved amendment on native forests and this amendment together. If the opposition's amendment is not ready, could we possibly defer this debate until

then, Senator Milne? If you could consider that and Senator Birmingham could respond, I would appreciate it.

**Senator BIRMINGHAM** (South Australia) (10.16 am)—Firstly, in relation to the matter raised by Senator Wong, Senator Colbeck does have some further amendments relating to issues around the treatment of biomass. I understand those amendments are being circulated as quickly as possible to senators present and the coalition is willing to have those debated, with the leave of the Senate, at the same time as the proposed Greens amendments. I note that the chamber has very limited time today to try to get through what are a lot of amendments on this issue. I hope that we can deal with this particular issue and all the other amendments, and the opposition certainly wants to do that with the government.

I would like to quickly address the Greens amendment whilst Senator Colbeck's amendments are being circulated. Senator Colbeck and Senator Boswell yesterday highlighted a range of issues in relation to this amendment. Senator Wong has rightly pointed out that much of the debate, particularly some of the comments from Senator Milne, has focused on the relevance of native logging and issues around logging and forestry that are not particularly relevant to renewable energy. The opposition will not be supporting this amendment. We think it is transparent from what Senator Milne has had to say so far that this is really all about the Greens opposition to the logging of native forests. That is what it is all about, that is what they are continuing to pursue and that is why we will not be supporting this amendment.

Senators Boswell and Colbeck highlighted some specific examples as to why we will not be supporting it, and I want to support one other example. In addition to the lobby-



ing I have had on this issue from my Tasmanian colleagues and others with a vested interest in this, I have had very strong representations made to me by the Liberal candidate for Eden-Monaro, David Gazard—and Senator Milne in her comments cited the Eden mill as one example. Mr Gazard has highlighted to me that the Eden mill is very important in terms of economic activity in that community and also in terms of what it contributes to the generation of renewable energy. It is a \$20 million investment in the community. It employs some 76 people directly plus contractors in a range of sectors, especially in the trucking and transport sector. Importantly, it generates some five megawatt hours of reliable baseload electricity that powers the local community and the local town. This is an important activity. All up, forestry is critical to that area. It employs around 830 people and locally supports around 3,000 jobs. Mr Gazard has presented to me in the strongest possible terms the importance of maintaining arrangements for the Eden mill, the importance of ensuring that the investment in that community is sustained going forward and the importance of supporting it within the context of the renewable energy that is generated.

The coalition, and the Liberal Party in particular, will be standing firm in support of Mr Gazard and what he has had to say on this issue. We will make sure we support that local community as of course we do those communities highlighted by Senator Colbeck, Senator Boswell and many others who have not spoken in this debate. Our opposition to this amendment remains steadfast. Senator Colbeck will in due course speak on his amendment as well.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (10.20 am)—What a shambles the opposition is. This legislation has been on the slate for a very long time indeed. The opposition have

just argued that that they cannot and should not be dealing with a welcome to country proposal that has effectively been there for three years. This legislation has not been there that long, but everybody knew it was coming for a long, long time. The opposition want us to wait while they circulate last-minute amendments, presumably generated by some logging industry factotums who, of course, always determine what the opposition's policy on such matters is going to be. Well, let the debate continue. If the opposition cannot get themselves into order that is their problem, not the chamber's problem.

The minister said she is in the middle: between the destruction of forests and the protection of forests. I do not actually know what that means. What we have in front of us is a proposal from Minister Wong to burn native forests in forest furnaces and beguile the community by selling that into the electricity grid as green power. Let us be direct about this. It means putting into furnaces, largely placed at current big industrial native forest logging sites, the habitat of many native species, including rare and endangered species, in potentially every state and territory of Australia, maybe the ACT excluded. She says that this is not going to affect Tasmania, and she is not aware of the situation down there, but that is largely because she has not engaged with the communities who are terribly alarmed about this proposal in Tasmania. Let me point to the biomass fact sheet, for which I am grateful to Senator Milne, from Forestry Tasmania itself. It wants a 25-megawatt biomass plant at Southwood, south of Hobart in the Judbury region near the Huon River and the Weld River. It has got a whole range of things on why this would be a marvellous environmental breakthrough, but when we get to the heart of the matter the minister was saying would not occur, here it is in black and white. Forestry Tasmania says that this plant,

burning native forest, would generate about 160,000 renewable energy certificates per year. That is under the legislation Senator Wong has before the parliament.

Senator Wong is a prodigious supporter of the destruction of Australia's native forests and woodlands, as is every member of the Labor Party here. Prime Minister Rudd in the run to the 2007 election said, 'I am 100 per cent behind John Howard's policy of logging forests in Tasmania.' A day later he followed that up with support for the then proposed Gunns woodchip mill, since repudiated by every thinking person around the country who cares about the environment. Nevertheless, the government's support for that woodchip mill as proposed continues, and that mill—Gunns's proposal—is to produce 180 megawatts of electricity per annum, which is as much as the Franklin Dam would have produced had it been built. That is as originally conceived, although Gunns meritoriously is changing direction from the destruction of native forest now that the old leadership of John Gay and Robin Gray is not there. We look forward with interest to see where that it goes. Nevertheless, the concept for that pulp mill which Senator Wong and Prime Minister Rudd and the opposition support still—no change there—is to generate power through the burning of native forest largely in the north-east highlands of Tasmania. Yes, these are real proposals and this is actually subsidising that destruction.

I ask Senator Wong a couple of direct questions because it is germane to this argument. She says it is not but I say it is. Can she guarantee that under this proposal the putative World Heritage area forests of Tasmania as outlined by the International Union for the Conservation of Nature—and I refer there to the Great Western Tiers, to areas of the Tarkine, the Styx Valley, the Weld Valley, the Upper Florentine, which Prime Minister Howard promised to protect but is now being

logged, and the Picton and Huon valleys—will not be fed into any of the proposed furnaces, including this one by Forestry Tasmania, under its biomass fact sheet awaiting this very legislation? Can the minister give us a clear statement that none of those putative World Heritage areas and high conservation value forests will be in any way a resource for this proposed 25-megawatt biomass plant at Southwood by Forestry Tasmania? If so, she has misled the Senate, and I do not want that to occur. This is a serious matter. We are talking about real on-the-ground proposals. We are talking about real national heritage forests in the wake of an opinion poll showing that 78 per cent or so of people in this country want these native forests protected. By the way, we are talking about a resource—native forests and woodlands across this country from Tasmania to Tiwi—which if it had been protected by the government would reduce greenhouse gas emissions in this country of ours by 20 per cent. The government CPRS is five per cent and that measure is 20 per cent.

I have got a second question. I do not want to delay the house but I ask the government and the minister, in relation to the proposed forest furnace at Eden that we have heard the opposition springing to the defence of: can the minister give a guarantee that that will not involve the removal of part or whole of old trees, primary habitat for rare and endangered swift parrots in Mumbulla or other components of the south-east forest, or of any real or potential koala habitat in those same south-east forests? Or is this legislation opening the way for those forests to be fed into a biomass plant that proposes to use 50 per cent native forests and then sell it to an unsuspecting public as green energy when in fact it is black and disgusting destruction of the natural realm in a world which is losing its biodiversity at the greatest rate in history

in this International Year of Biodiversity under the United Nations?

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (10.29 am)—Senator Brown is a very good politician and that was a good politician's speech. It was a speech that was designed to try and inflame this debate. It was a speech designed, as the Greens always do, to try and convince people that they should not vote for the Labor Party, they should vote for the Greens. It is always interesting to me that this supposed left-wing party is quite happy not to seek coalition voters, you only want to convince people who vote for the Labor Party. Your real enemy, Senator Brown, has always been the Labor Party, and you would rather see Tony Abbott in the Lodge than a Labor government which has done so much for the environment and so much on climate change since we came to government. But that is a matter for you, Senator Brown.

The only thing I am going to respond to is the personal attack. I always find it interesting that you feel the need to do that, Senator Brown. 'Penny Wong is a prodigious supporter of the destruction of native forests'—what an extraordinary inflammation of the debate without any factual basis. Senator Brown, it does you no credit in a debate like this where parties have negotiated with each other despite their divergent interests. We have moved amendments on the basis of those negotiations. We are accepting some from the opposition, we are accepting some from your spokesperson, Senator Milne, in the interests of cooperation and getting this legislation through because we believe it is in the national interest to get more investment in wind farms, in solar and, over the years, in tidal, geothermal and in all the rich renewable sources this country has. This is what this debate is about; you want to make it about Tassie forests. That is the reality.

I refute your personalisation of this debate. I refute what you have said. What we are saying is that we are retaining the existing regime, which includes specific eligibility criteria for the use of native forest biomass to ensure that only genuine waste from sustainable forestry operations is eligible to create renewable energy certificates. These regulations include a high-value test which is applied to avoid creating further incentives for clearing native vegetation.

I am advised that high-value processes include sawlogs, veneer, poles, piles, girders and wood for carpentry or craft uses or oil products. I am also advised that wood chipping, including for pulp waste, is ineligible. I am further advised that to date there has been virtually no eligible generation derived from native wood waste, although a number of power stations are accredited to use wood waste as a fuel source. According to the Office of the Renewable Energy Regulator's 2008 annual report, approximately 2.4 per cent of renewable energy certificates created to December 2008 were from general wood waste.

I cannot recall how many hours we have spent so far on this amendment with the same—but now perhaps a bit more inflammatory—speeches from Senator Milne and now Senator Brown. We can keep debating native forest issues all day and ensure that this was another day where we did not pass this legislation. I understand that Senator Colbeck's amendment has now been circulated. I invite the committee to consider whether we could have Senator Colbeck move that amendment now and have a cognate debate on this issue because otherwise I think we will have this debate again when Senator Colbeck moves the amendment. The issues raised by Senator Colbeck's amendment are fairly and squarely relevant to the issues raised by Senator Milne's amendment,

albeit that they are clearly from very different perspectives.

**The TEMPORARY CHAIRMAN (Senator Boyce)**—We are currently dealing with the Greens amendments. And then, if the chamber agrees, we could move straight onto those opposition amendments from Senator Colbeck. They could be debated cognately if the committee agrees.

**Senator COLBECK** (Tasmania) (10.33 am)—To facilitate the committee making a decision as to whether they do have a cognate debate on this, I seek leave to move my amendments so that they are on the table and we can continue the debate on that basis.

Leave granted.

**Senator COLBECK**—I move opposition amendments (1) and (2) on sheet 6158:

- (1) Clause 3, page 2 (lines 7 to 11), omit the clause, substitute:

**3 Schedule(s)**

- (1) Each Act, and each set of regulations, that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.
- (2) The amendment of any regulation under subsection (1) does not prevent the regulation, as so amended, from being amended or repealed by the Governor-General.
- (2) Schedule 1, Part 2, page 80 (after line 4), at the end of the Part, add:

*Renewable Energy (Electricity) Regulations 2001*

**137 Paragraph 8(2)(b)**

Repeal the paragraph, substitute:

- (b) a by-product (including thinnings and coppicing) of a harvesting operation that is carried out in accordance with ecologically sustainable forest management principles; and

**138 Subregulation 8(3)**

Repeal the subregulation.

**139 Subregulation 8(4) (definition of *high value process*)**

Repeal the definition.

**140 At the end of subparagraph 9(1)(b)(ii)**

Omit “;”, substitute “.”.

**141 Paragraph 9(1)(c)**

Repeal the paragraph.

I will not take too much of the chamber's time but I do want to speak to these amendments. It is pertinent that Senator Wong has said that there have been very few renewable energy certificates generated from the use of biomass under the current regulations. It is quite clear that the current regulations inhibit the generation of renewable energy through the use of biomass.

I think it is fairly obvious that I disagree with Senator Brown and Senator Milne that biomass is not a renewable energy source—it obviously is. That is even demonstrated by some of their pronouncements. I mentioned yesterday that I was in a forest six or eight weeks ago that Senator Brown and Senator Milne would have declared destroyed under the current logging regimes but they now claim that forest as a high conservation value forest.

Interestingly, I note that they also claim, under the maps issued by the Wilderness Society, some pine and eucalypt plantations, so perhaps there is some confusion in their minds as to what a high conservation value forest really is. But that is part of the forestry debate that we do not necessarily need to go through now because are debating renewable energy.

I am disappointed that Senator Brown again used the politics of personal denigration. I suspect I will cop the same but that is the stock in trade that he, disappointingly,

tends to operate under. We have seen that happen in Tasmania to senior figures in the forestry sector. The first task is to tear them down and tear down their credibility so that they cannot effectively make an argument. That is the way the Greens tend to operate.

I want to put on the record what is possible and what is happening in other parts of the world in the generation of energy from woody biomass. In 2008 about 27 per cent of Sweden's energy came from mainly woody biomass. At present the target is to increase this figure to 39 per cent by 2020. Sweden aims to use that to eliminate imports of fossil fuels by 2025.

So there are countries that are actually utilising woody biomass for energy generation. I saw it myself in Finland when I was there last year. The trimmings from their forestry operations are stacked on the sides of the coops, dried there for a couple of years and then used to generate energy in local communities—they do not have the distribution networks that we have here in Australia. In Finland approximately 20 per cent of electricity is produced from biomass derived almost entirely from forestry waste or from timber processing. About 23 per cent of the country's overall energy supply is now derived from this. Finland aims to meet 39 per cent of its national energy needs from renewable energy sources, including biomass, by 2020.

There is clearly an opportunity here for this. I understand that the Greens have a fundamental disposition against any form of native forest logging, and they put up distorted facts to push the argument that it can all come from plantations. I put on the record yesterday the fact that it cannot and I want to put another example on the table. Two weeks ago I was at a plant in New South Wales that could replace 75 per cent of their current fossil fuel energy source by using waste gen-

erated on-site. They are currently using coal in their boilers, unfortunately. They would like to change that. Seventy-five per cent of it can be replaced with bioenergy from wood waste generated on-site in their plant. They do not have to touch another tree; they do not have to touch another twig. That is what can occur in the here and now.

As I said yesterday, in terms of life cycle it is up to 56 times cleaner than emissions based on coal, so there really is an opportunity here for us to provide the opportunity to genuinely utilise biomass in Australia. The current regulations obviously are an inhibitor to that, which is demonstrated by the comments that Senator Wong put on the table. I do not need to go into a long dissertation about the misinformation that the Greens put on the table in relation to the forest industry. That is well understood by many. But I will talk about the opinion poll that Senator Brown talked about, which would have to be one of the most blatant examples of push polling that I have ever seen. Once you actually read what the Greens, through their pollsters, asked, you see that they start with a statement that talks about a certain perspective and then ask a question based on the statement. They do not necessarily just ask a question to get a result. It is very clearly push polling and it needs to be seen for that. It really is worthless in respect of the story that it tells except that it gives Senator Brown something that he can go out and publicly spout as supporting his argument. Quite frankly, it is completely and utterly worthless as an argument because it is quite clearly push polling.

I understand that most likely the chamber is not going to support this amendment, but it is an important amendment and it has been put up genuinely, not because I have been told to put it up by the forest industries, as Senator Brown might want to imply—again, the politics of denigration. It is because I

have been out and actually had a look around. I have been to other countries to see what is being done and what can be done. There is an opportunity here and it is going to take a change to the regulations for that to occur. I understand that the Greens do not like that and that they have this philosophical view—that is fine—but I think that there is an opportunity for us to do something positive here. That is why I have moved the amendment, not because somebody else wants me to do it. I have taken the opportunity to study it; I have actually worked in the timber and construction industry and I know that there are waste streams that can be very effectively put to use for the generation of renewable energy, just like they will be in the pulp mill in the Tamar Valley, proposed by Gunns. A significant amount of energy will be generated by that mill from waste product. Senator Brown still does not support the mill, even though it is being transformed from a mix of plantation and native product to purely plantation product. Any suggestion that the Greens will ever support a pulp mill in Tasmania I think is dancing with the fairies at the bottom of the garden. I do not believe that will ever occur, that they will ever support that, because they are philosophically opposed to it. I understand that; that is fine with me. But here is an opportunity for us to put on the table the opportunity to genuinely generate energy in a way that is being done in other places around the world and to make some amendments to allow that to happen in Australia.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (10.42 am)—The issue of the needless destruction of forests and their wildlife, against the rights of future generations and against the rights of our fellow species on this planet, is an emotional one, and I make no apology for the emotional component. We are human beings. Let me go a little further, because it

needs to be said every now and then. The forests are the cradle of our own species. We are made from our ancestry in forests. We put pictures on our walls because we respond to the beauty of forests as we see it. We do not put up pictures of chainsaws and bulldozers; we put up pictures of wildlife and beautiful vistas of forests—not clear-fell areas but forests.

What I see when I go to south-east New South Wales, to Gippsland and to the Central Highlands of Victoria—and of course in Tasmania—are areas that were beautiful forests last year but devastated this year, and with them the wildlife. Senators want to discuss the economic advantages of burning forests in forest furnaces, which we know cannot compete unless this legislation gets through, for one simple reason: those promoting these forest furnaces want to depend on the outrageous and blatant lie, given legislative cover under the government's proposals now before the Senate, that it will be green energy. That is what it is about.

We have argued in this Senate for many, many years against the existing legislation and now through this legislation the continuance of that lie that energy coming out of forest furnaces is no different to wind energy, solar power, wave energy or whatever the renewable source will be. It is not renewable energy. This is not renewing of native forests. It is destructive energy. It is destruction of native forests.

Senator Milne has brought in a 'clear the air' proposal that says that you cannot burn native forests and call that green energy, and every single member of the old parties yet again—not for the first time—will vote for this proposal to continue the destruction of Australia's wild forests, this time through forest furnaces under the lie that it will be green energy coming out of it. Senator Wong protests about that. Well, it is her legislation;

it is her doing. It is eyes wide open. Senator Milne has brought in the clarifying amendments, and I suspect—well, I know—that every Labor member of this place and every Liberal member of this place and every National Party member of this place will vote for that lie, will vote for that deception and will vote for that destruction.

If I am emotional about that it is because I am a human being—like every other person in this place. What I do not understand is why this is happening in this wealthy country, where we have two million hectares of plantations—which is more than enough to meet all our wood needs. Senator Colbeck may have been fed stuff from NAFI. It does not make any difference; that is the reality. We do not need to continue this destruction of an heirloom that belongs to this country.

If you want to further look at the economics of this, there is a forthcoming United Nations report, due in October. It is International Year of Biodiversity, and the topic here is biodiversity—burning biodiversity and calling it green energy. The fact is that the loss of biodiversity around the planet is going to hit the global economy by the end of this century to the detriment of that economy of US\$3 to US\$4 trillion per annum through loss of plant and animal diversity. I will repeat that: US\$3 to US\$4 trillion per annum. Who is factoring that into this forest furnace proposal? What they want here is public subsidy to give us a massive economic detriment to pass on to our grandchildren.

If you insist we be unemotional and non-human in here and not care about biodiversity and not care about our wild forests in this country, I do not care what Finland or Sweden—which have lost most of their native forests—or Russia, Cameroon, Indonesia, Brazil or anywhere else is doing in this regard. This is this nation's heirloom. And I do not care about Senator Colbeck saying

that there is a statement at the start of a question put to Australians—which there normally is in opinion polls. He should ring his pollster and find out how they put opinion polls. That opinion poll question is available freely—it has been released to the media. It is a genuine poll. If there is some other poll that shows an alternative result, let Senator Colbeck produce it. He cannot, because there is not one—because the Australian people feel very strongly about this matter. Will it be an election issue? Of course it will be. It has to be. We are talking about the nation's future here. We can do better with our heritage than be shovelling it into furnaces and under legislation like this, coming from the logging industry—through the big parties—giving a legal imprimatur to the lie that it will be green energy when it is not.

Senator Milne has brought forward amendments which we as the guardians of this nation's future should be flocking to support. I find it extraordinarily remiss that these amendments will not get the support that they should get in this Senate. But that is why we here. That is why we Greens are in this place.

**Senator XENOPHON** (South Australia) (10.49 am)—I indicate that I support the Greens' amendments. I do not support Senator Colbeck's amendments. I note that he has articulated the position very clearly in relation to his amendments, but I think it is important to take a more prudent approach in relation to this. Therefore, from my point of view, I think it is important to support the Greens' amendments in relation to native forests. Although I do acknowledge what Senator Colbeck has said, I think it is important that the Greens' amendments be considered and be supported in the context of this ongoing debate. But I do note that the government does have regulations that would restrict the use of native forests in the context of the REC scheme. I think the minister

is acknowledging that. If the Greens' amendments do not pass, as appears to be the case, the issue is: how effective will those regulations be to maintain those conservation values?

**The TEMPORARY CHAIRMAN (Senator Boyce)**—Thank you, Senator Xenophon. In view of what you have just said, I will put the question on the amendments in two parts. The first question is that the Australian Greens amendments (1), (4) and (9) on sheet 6114 be agreed to.

Question put.

The committee divided. [10.55 am]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes.....	5
Noes.....	<u>42</u>
Majority.....	<u>37</u>

**AYES**

Brown, B.J.	Hanson-Young, S.C.
Ludlam, S.	Milne, C.
Siewert, R. *	

**NOES**

Abetz, E.	Back, C.J.
Bernardi, C.	Bilyk, C.L.
Birmingham, S.	Bishop, T.M.
Boyce, S.	Brown, C.L.
Cameron, D.N.	Cash, M.C.
Colbeck, R.	Collins, J.
Coonan, H.L.	Crossin, P.M.
Eggleston, A.	Farrell, D.E.
Feeney, D.	Ferguson, A.B.
Fielding, S.	Fisher, M.J.
Forshaw, M.G.	Furner, M.L.
Hurley, A.	Hutchins, S.P.
Lundy, K.A.	Marshall, G.
McEwen, A.	McLucas, J.E.
Minchin, N.H.	Moore, C.
O'Brien, K.W.K.	Parry, S.
Polley, H.	Pratt, L.C.
Ryan, S.M.	Stephens, U.
Sterle, G.	Troeth, J.M.
Trood, R.B.	Williams, J.R. *
Wong, P.	Wortley, D.

\* denotes teller

Question negatived.

**The CHAIRMAN**—I now put opposition amendments (1) and (2) on sheet 6158. The question is that those amendments be agreed to.

**Senator Milne**—On a point of order, Mr Chair, I just seek clarification: is this Senator Colbeck's amendment?

**The CHAIRMAN**—I am told yes.

**Senator Milne**—I have a concern because we had an arrangement with Senator Xenophon that—sorry?

**The CHAIRMAN**—Senator Milne, I intend to make it another four-minute division if that may help you.

**Senator Milne**—Okay.

Question put.

The committee divided. [11.03 am]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes.....	33
Noes.....	<u>33</u>
Majority.....	<u>0</u>

**AYES**

Abetz, E.	Adams, J.
Back, C.J.	Bernardi, C.
Birmingham, S.	Boswell, R.L.D.
Brandis, G.H.	Bushby, D.C.
Cash, M.C.	Colbeck, R.
Coonan, H.L.	Cormann, M.H.P.
Eggleston, A.	Ferguson, A.B.
Fielding, S.	Fierravanti-Wells, C.
Fifield, M.P.	Fisher, M.J.
Humphries, G.	Joyce, B.
Kroger, H.	Macdonald, I.
Mason, B.J.	McGauran, J.J.J.
Minchin, N.H.	Parry, S.
Payne, M.A.	Ronaldson, M.
Ryan, S.M.	Scullion, N.G.
Troeth, J.M.	Trood, R.B.
Williams, J.R.	

**NOES**



Arbib, M.V.	Bilyk, C.L.
Bishop, T.M.	Brown, B.J.
Brown, C.L.	Cameron, D.N.
Collins, J.	Crossin, P.M.
Farrell, D.E.	Feeney, D.
Forshaw, M.G.	Furner, M.L.
Hanson-Young, S.C.	Hogg, J.J.
Hurley, A.	Hutchins, S.P.
Ludlam, S.	Ludwig, J.W.
Lundy, K.A.	Marshall, G.
McEwen, A.	McLucas, J.E.
Milne, C.	Moore, C.
O'Brien, K.W.K.	Polley, H.
Pratt, L.C.	Siewert, R.
Stephens, U.	Sterle, G.
Wong, P.	Wortley, D.
Xenophon, N.	

## PAIRS

Barnett, G.	Evans, C.V.
Boyce, S.	Carr, K.J.
Heffernan, W.	Conroy, S.M.
Johnston, D.	Sherry, N.J.
Nash, F.	Faulkner, J.P.

\* denotes teller

Question negatived.

**Senator MILNE** (Tasmania) (11.06 am)—For the benefit of the Senate, because we are trying to facilitate a lot of changes in a short time, yesterday I deferred consideration of my amendment which provides for a biennial review of operation of renewable energy legislation, because I was negotiating with the government and coalition for a word change. That word change is now reflected in No. R3, sheet 6114 revised. We are now bringing back something that was deferred yesterday, and it provides for a biennial review of the operation of the renewable energy legislation.

I think it is absolutely essential that we have a biennial review, because this industry sector is moving faster than the parliament can possibly keep up with. As I indicated yesterday, the price of solar panels has gone down 40 per cent since the legislation was introduced last year. There are new technologies coming on all the time and there

ought to be consideration of whether they should be included. Yesterday I did ask about why evacuated tube systems are not able to generate renewable energy certificates. Also, what about geothermal heat for individual residents? That is not currently included. We need to be constantly looking at new technologies and whether they would qualify or otherwise under the scheme.

Also, the adequacy of the target needs to be looked at. In my view, 20 per cent is nowhere near enough. But I accept that the Greens do not have the numbers at this point to increase the target. What is very clear is that the tenor of the debate is about dampening demand not actually driving massive expansion. A lot of the problems we are now trying to fix up would have been sorted if we had actually increased the target to 30 per cent or more. Clearly, we need to be constantly reviewing the target—as the technologies come on-stream and as the economic viability of those technologies and so on improves—and reviewing how the scheme is operating.

The minister and the coalition obviously reached an accommodation around the renewable energy certificates that can be created from the small-scale part of the scheme. The Greens do not support that. The amendment was delivered to this Senate very shortly before it was actually debated as the first amendment yesterday. I am worried about this because the whole point of us being here is to take out the uncertainty and to give long-term investment signals. We are now doing that in the large-scale part and we are making it very clear what will be there for them. Now, by introducing a soft cap of six million, the government and the coalition have effectively introduced uncertainty for the small-scale renewable energy providers. For example, last year in 2009, 19 million renewable energy certificates were created. Ten million of those were for solar renew-

able energy certificates—10 million out of 19 million.

Whilst the government have said this six million will not kick in until 2015, effectively what it has said is that you will get the \$40 price for small-scale renewables out to 2015. But, clearly, if the rate of growth is as anticipated based on what occurred last year and is replicated in coming years, the six million is going to act as a cap, and it is an indication that by 2015 the price that you would get for solar is likely to be reduced probably to \$20. If this happens, it is going to actually massively restrict the contribution that solar can make to a renewable energy future in Australia.

I have real concerns about this. This was not something that was canvassed with the industry. I understand the coalition wanted a hard cap. It would have been an absolute disaster, I have to say, Senator Birmingham, if that had been introduced. A hard cap would have meant everybody would run hard up to the cap and then there would be a complete collapse. By introducing this soft cap by 2015, the government have actually introduced uncertainty when the whole point was to give the industry, both large and small, certainty into the future.

How can you make a decision about investing in solar, when you know that in 2015 the price is likely to be halved? Given the current rate at which solar, and the number of certificates it is accessing, is expanding, what is going to be the situation then? I would like the minister to respond to that. The industry is now rather concerned because they thought the legislation was coming back to the Senate to be split, to give certainty to the large-scale sector and to make it unlimited for the small-scale sector. Now, having taken the uncertainty out of one end, the government have potentially introduced it at the other end.

I appreciate the government's support for this amendment. I think everybody in this chamber and in the industry generally recognise that things are moving so fast there has to be a regular review of everything about the operation of the renewable energy legislation. Hopefully, we will now be legislating for the review. But I take this opportunity to ask the minister to explain in more detail why the six million soft cap will not introduce uncertainty for the small-scale sector. Can the minister give some clarity around the government's thinking and provide some reassurance to that sector that the intent is not to cap the contribution that solar can make and that the effect will not be to do that?

I move Greens amendment R3 on sheet 6114 revised:

(R3) Schedule 1, item 99, page 59 (lines 16 to 21), omit the item, substitute:

**99 Section 162**

Repeal the section, substitute:

**162 Biennial review of operation of renewable energy legislation**

- (1) The Minister must cause an independent review of the following to be undertaken as soon as practicable after 30 June 2012 and every 2 years after that date:
  - (a) the operation this Act and the scheme constituted by this Act;
  - (b) the operation of the regulations;
  - (c) the operation of the *Renewable Energy (Electricity) (Large-scale Generation Shortfall Charge) Act 2000*;
  - (d) the operation of the *Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010*;
  - (e) the diversity of renewable energy access to the scheme constituted by this Act, to be considered with reference to a cost benefit analysis of the environmental and economic impact of that access.

- (2) A review must be undertaken by a person who, in the Minister's opinion, possesses appropriate qualifications to undertake the review.
- (3) The person undertaking a review must give the Minister a written report of the review before 31 December in that year.
- (4) The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the day on which the report is given to the Minister.
- (5) The report is not a legislative instrument.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (11.14 am)—I thank the Australian Greens for agreeing to various changes. We will not oppose Greens amendment R3. We are happy to support that amendment. In relation to the questions asked, which really relate to the discussion yesterday, first, let us discuss the policy parameters here. We have split the small-scale and large-scale sectors to better reflect the dual policy objectives under this legislation, which are to transform Australia's large-scale generating capacity and also to provide support for Australian households who want to do their bit to tackle climate change. Hence, we essentially have two schemes within one—the large-scale renewable energy target and the Small-scale Renewable Energy Scheme.

However, as Senator Milne has identified both in the contribution that she just made and elsewhere and as is reflected in one of her subsequent amendments, which I will come to, obviously the market in this area does shift over time. Sometimes we can predict that; sometimes we cannot. Sometimes different people predict different things. For example, as the senator would be aware, there has been a reduction in the unit cost in

some small-scale technologies. There has certainly been higher uptake in some areas than might have been anticipated. As she herself has said, what we need to look at is sustainable growth for the industry.

In fact, the policy issues that we are attempting to grapple with are also those which lie behind the senator's own amendment in relation to the solar credits multiplier, which in effect enables the minister to alter the multiplier. That is in fact altering the cost of the subsidy. It is precisely the same policy issue, I would suggest, driving the senator's consideration of that as is driving the government in this clearing house price review process that was passed yesterday.

These are amendments agreed between the government and the opposition. It is true that some members of the opposition have publicly sought a hard cap in the small-scale sector. What 30LA, which we passed yesterday, does is set the clearing house price. It says, 'It is \$40 but the minister can specify a lesser amount in certain circumstances.' Then it goes through in very clear detail the sorts of things a minister must take into consideration—for example, any changes to the costs of small generation units such as solar hot water heaters, co-contribution, the impact of the clearing house price and electricity prices, which are obviously an important issue. We do need to balance the cost to consumers against the benefit of having a subsidy for these technologies under the scheme.

In relation to the six million to which the senator has referred, one of the things the minister has to do is look at whether or not the total value by 2015 of this part of the scheme is likely or expected to exceed six million. It is not a hard cap, but it is seeking to ensure that the scheme works efficiently and effectively and that there is the capacity, if required, to deal with a situation such as, for example, if the expected take-up of six

million is likely to be exceeded. It really deals with the same issues, Senator, you have raised and which your solar credits multiplier amendment which you will be subsequently seeking to move, depending on discussions, seeks to deal with.

**Senator BIRMINGHAM** (South Australia) (11.18 am)—I will touch on both the amendment under consideration and the earlier amendment that Senator Milne raised. Yesterday, as Senator Milne highlighted, we had the first parcel of amendments dealt with in the chamber. I am not sure that all of the comments I made at that time were necessarily totally germane to those amendments. The opposition support for them was very real and, as Senator Wong has alluded to, they were a point of negotiation between the government and the opposition.

We strongly endorse the soft-cap approach. In my speech in the second reading debate I spoke about a hope that somehow the government could find a way to limit the liability that liable entities face under the RET using a price mechanism. The RET has always worked on the basis of a variable product. That has been the way it has responded to market demand. The challenge with the SRES as proposed is that it fixes a clearing house price and therefore takes out that capacity, if there is a surge in generation certificates, for the price to drop back. The amendments proposed and accepted by the chamber yesterday in this regard allow the government to respond to those market factors. If there is excessive growth that is going to go well above six million then the government can adjust the price.

That will not necessarily cap at six million the number of certificates generated. It will simply reduce the cost to the liable entities. Yes, it will potentially reduce demand as well, but if that demand is growing because technologies have become more efficient and

because of their lower costs in and of themselves then the government will be able to step back the effective subsidy that electricity consumers are paying but allow the certificate generation to continue well above six million, if that is what happens, as long as the price is adjusted in accordance with the terms set out in the amendments made yesterday.

I welcome that. I think it is as close to an elegant solution as you can come to for the problem of the unlimited liabilities that are faced under the SRES by local entities. The coalition had genuine concerns about those unlimited liabilities and wanted to see some means by which they could be if not capped then at least given an element of certainty for the future that they were not going to be ever-increasing. This price mechanism provides for that and we think that is a useful step forward. We do not believe that it should create uncertainty for the generators of small-scale technology certificates. We think that a minister of the day should be able to handle the issue in a way that is consultative enough with industry, takes into account industry concerns enough and provides some certainty for the future so as not to see the type of on-again, off-again incentive, subsidy and rebate type of arrangements that have plagued the sector that Senator Milne and I and many others have spent so much time talking about in this chamber and elsewhere.

We think that the process that is set out forces the minister of the day to consider enough factors and take into account enough factors, and those need to be the ongoing stability of the small-scale technology sectors. I would expect the minister—and take her word—and future ministers to make sure that they did not dramatically alter the certainty around those sectors, but that any price changes to the clearing house price were done in a measured, moderate, considered and consultative fashion. We note that the

minister is required to provide not just for changes but reasons outlining the changes to that price under those amendments to the House as well.

We support the Greens' amendment under debate because we think it adds to and complements the amendments that I was just talking about—the amendments that allow for a change in the clearing house price. We think it will add transparency to any decisions that a future minister makes. We think it will hopefully inform the debate on any future decision a minister makes, and so in that sense having the biennial review, going through that process, will guarantee consultation and engagement. It will guarantee that there is a public statement of the government's thinking of the day at the end of that. It will guarantee that the future intentions of the clearing house price should be clear to all, and so it is a value add and we welcome the fact that the Greens have proposed this.

I understand there has been some negotiation around the terms of the amendment between the government and the Greens, but we think that overall the principle and the concept is an important one. It will add, I think, to the certainty for the industry but together these amendments will also allow the scheme to be as responsive as it needs to be. As Senator Milne alluded to, we see a dynamic and fast-changing industry sector around all of the renewable technologies. We all hope of course that this entire scheme drives change and advances, lowers costs and makes a dynamic sector even more dynamic, and therefore providing the government with capacity to respond to that in an open, transparent and thoughtful way is important. Together, we think these amendments make eminent sense.

**Senator MILNE** (Tasmania) (11.24 am)—Senator Birmingham has just clarified why the minister is actually wrong in assum-

ing that the intent of what was moved yesterday is what the Greens have in mind. They are two diametrically opposed positions. The Greens are coming from a perspective of wanting to make sure there is long-term sustainable growth in the renewable energy sector. The coalition's amendment which was agreed to by the government was not negotiated with the Greens because it is coming from the perspective of the aluminium sector and the big liable entities. They are required to take up the renewable energy certificates. They are worried that if the small-scale renewables explode and expand as we would like them to that will increase the liability for those large-scale industries, the aluminium sector et al, to have to take up those certificates. The perspective of the coalition is that they are trying to limit the liability of the aluminium sector to the detriment of the small-scale solar sector in particular.

This amendment is the aluminium industry amendment that came through here yesterday and it is vastly different from a perspective which says, 'We want to make sure that we don't overheat and have a debacle like the insulation debacle where shonks got into the market, where things were not regulated properly and it didn't lead to a sustainable industry' Our perspective is to grow the renewable energy sector as sustainably in a managed way so that there is certainty into the future and a pathway for expansion. What the coalition put to the government and was agreed to yesterday is an aluminium industry amendment to restrict the growth of renewables because the aluminium sector does not want to have to take up the increased liability that they are required to take up as liable entities. Let us get completely on the record what is going on here.

I will be interested to see what does happen when we get closer to 2015. The only thing I will say is that with these review processes and the rapid changes in the indus-

try there will be changes between now and 2015 obviously, and so to a certain extent it is academic. At this point, I want to make it very clear: our perspective is to grow the industry, not to provide surety to the aluminium sector.

**Senator BIRMINGHAM** (South Australia) (11.27 am)—I do not want to re-debate an amendment that was passed yesterday at great length; I want to respond very briefly to Senator Milne. There is a dilemma inherent within the way in which the SRES was proposed and created—that is, that it creates an unlimited liability for liable entities whomever they are whether they be aluminium or industries that you want to rail against, Senator Milne, or mum and dad electricity buyers at the end of the day. There is an unlimited liability that is created under the SRES. A hard cap, as Senator Wong, you and others have rightly pointed out—and that I certainly accept and have heard the message loud and clear from the industry—on the number of certificates that can be generated would create an edge-of-the-cliff scenario for small-scale technology certificate generators that could come about every year or at the end of the scheme.

I think this is an elegant compromise because it allows the industry to grow. It allows the industry to have certainty. It allows the industry to know that there will be ongoing support and for the government to flag any variations to that support with some notice, one would expect. It also provides a capacity where you can at least respond to the fact that if that unlimited liability keeps growing and growing you can manage to peg it back somehow. That is all it does. It does not mean the government will peg it back. It does not really provide any certainty to those liable entities in some sense but it provides a hope that the government will, within some parameters of six million certificates, respond to that. This was the No. 1 issue raised

during the Senate inquiry. Submission after submission highlighted concern about that unlimited liability.

That is what the initial amendment sought to do. It has passed, so I do not want to go on about it, but it was not the case that we wanted to put uncertainty into the renewables sector. That is why I said I thought it was an elegant solution. It provides a capacity to vary the price without capping certificate numbers and allows them to get on with advancing their technology in a slightly more responsive scheme than the one that was proposed with a fixed price.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (11.30 am)—I am going to write that down. Senator Birmingham just said that something we put forward is an elegant solution! I am very pleased and I thank him for the contribution. Senator Milne, we have sought in this debate to manage a range of policy objectives. What we are saying is that there is the capacity in this scheme to alter the price if required within certain circumstances. That is no different, Senator, to your amendment (8), which is to appoint a small-scale technology certificate advisory board and to give the power to the minister to alter the multiplier. If you think about the effective subsidy for Australian households, it is a product of the number of RECs times the price of the RECs times the multiplier. We are saying that we need some capacity to look at the price in the event that what is predicted is substantially wrong, if the number of certificates is over the six million that is predicted. You are saying the same thing, except you are choosing to look at the multiplier. They are the same policy issues. If you are critical of this position then you would withdraw that amendment, because it effectively does the same thing. I think this is a sensible arrangement. It seeks to give cer-

tainty to both sides and, for that reason, it is being supported.

Question agreed to.

**Senator BIRMINGHAM** (South Australia) (11.32 am)—by leave—I move opposition amendment (1) on sheet 6148:

- (1) Schedule 1, items 111 and 112, page 61 (lines 23 to 30), omit the items, substitute:

**111 Subparagraph 17A(1)(a)(i)**

Repeal the subparagraph, substitute:

- (i) starting on 1 July 2011; and

The opposition also opposes items 111 and 112 in schedule 1 in the following terms:

- (2) Schedule 1, items 111 and 112, page 61 (lines 23 to 30), items **TO BE OPPOSED**.

This amendment and the motion to oppose items in schedule 1 relate in particular to issues around the treatment of waste coalmine gas. When the changes to the renewable energy act were debated in this place last year, the coalition negotiated with the government. We negotiated outcomes to provide for the protection of waste coalmine gas to give that sector some certainty that they would be included under the renewable energy certificate scheme into the future. I do not want to go back over the merits or otherwise of the sector—that could be a lengthy debate.

The nature of the amendments we negotiated last year was that either the minister would have to, by 1 July 2011, prescribe a starting date for the inclusion of waste coalmine gas or else it would be included within the renewable energy trading scheme on 1 July 2011. In this legislation the government is seeking to remove that inclusion. We do not think that that is reasonable. We think that that removes certainty for that sector. In the end, that sector faces an uncertain future at present because of the uncertainty that surrounds the current GGAS. The current scheme in New South Wales was scheduled

to end at the introduction of the CPRS. There is no particular clarity now around when the CPRS will be introduced. Even in the modelling for this legislation the government has modelled alternative scenarios and, as a result of that uncertainty, there is a level of dysfunctionality in the GGAS market. So the coalition believes that the certainty for waste coalmine gas is best provided by allowing the sector to operate within the RET scheme, giving them that certainty for the future through till 2020.

As a result, there are two alternatives moved. Amendment (1) is simply to provide that waste coalmine gas be a prescribed inclusion in the RET on 1 July 2011, to bring it in then and give certainty about the starting date. That is our preference, given the fact that the government has now taken the CPRS off the table. We think it is reasonable to provide that certainty over the starting date. But, if that is not accepted by the chamber, then we will simply seek to remove the government's amendments from this bill and leave the deal that was negotiated last year intact.

We are very disappointed that the government has decided to go back on that deal, that it decided not to stand by amendments that were negotiated and put in this act only last year. We know circumstances in some ways have changed since then, but in other ways the reality is that this industry still generates as many jobs, still generates as much energy, still is just as important to the operation of the energy sector in Australia, still provides as much opportunity as it did last year and still faces uncertainty from the scheme that it used to operate under, the GGAS. So we would urge the government, urge the chamber and urge all senators to support amendment (1) in particular to give the sector the 1 July certainty. But, if that is unsuccessful, then at the very least I would

urge the chamber to stand by what it decided last year and leave last year's deal intact.

**Senator MILNE** (Tasmania) (11.36 am)—I rise to indicate that the Greens will not be supporting the opposition's amendment or motion to oppose items in schedule 1 in relation to waste coalmine gas. I would remind the chamber that the only reason this was even considered for the renewable energy target was that GGAS, the scheme in New South Wales, was to end when the CPRS was introduced, but the CPRS was not introduced and GGAS is not ending.

There is no place for waste coalmine gas in a renewable energy target. It is not a renewable source of energy and I object to having it there in the first place. To now argue that, even though the New South Wales scheme is continuing, they should get eligibility here is pure, utter, absolute rent-seeking, because the proposed price of the REC is higher than they will get in New South Wales under GGAS. They have looked at it and said, 'Oh! We can get more money under the RET than we can get in New South Wales with GGAS.' Their argument was, 'Oh dear, we will be left out in the cold; GGAS is ending, there is nothing to take its place and therefore we need to be considered,' so the government moved to put them in the RET, even though it is not renewable energy, above the target at that time. We now have a scenario where they can see a windfall gain at the taxpayer's expense. It is simply not on.

We should have a better mechanism for dealing with the established industries in the New South Wales scheme into the future than putting them in the renewable energy target, regardless of whether there is an emissions trading scheme or whatever arrangements are made in the future. What other industry can sit back and say, 'Oh well, we've got a choice of subsidies here; we will go for the Commonwealth subsidy because

it's higher'? That is all that is going on here. It is disgraceful. If this industry wants to have people listening to it in the future, it had better do better than just saying, 'We actually want more from the community than is a reasonable thing.' This started out as a gap in the proceedings because of the confusion around when GGAS would end and when the CPRS would start. The fact that a mechanism was put in place to try and plug the gap is not a reason to be back here opting for a higher paying scheme. I completely reject on behalf of the Greens these opposition amendments. The industry will be no worse off than it is now, because it will still be under the auspices of GGAS in New South Wales.

**Senator BIRMINGHAM** (South Australia) (11.39 am)—I will respond briefly to Senator Milne. The industry is already worse off. It is worse off because of the uncertainty in the way the GGAS market operates. If there is a challenge here, it is probably the challenge that Senator Milne highlighted, which is to find the means to reconcile the operation of this New South Wales scheme with the operation of the renewable energy target. That reconciliation should not mean that this chamber should at present say to industries like waste coalmine gas, 'No, we will leave you over there in an uncertain scheme with an uncertain future and an uncertain price, and you can deal with that because we are not going to make room to accommodate you.' A far better outcome would be to say we will accommodate them here and that we—in particular, the government—will negotiate with the New South Wales government about how they might adjust, fix, wind up or provide certainty, whatever is necessary, to GGAS to ensure that there is a complementary role for the schemes or that they work together or, indeed, if they do not work together, that either there should be a clear line between them or only one of them



should operate. But, at present, the uncertainty of having a scheme that is forecast to close at an unknown end date in New South Wales does not assist an industry like this.

There were government accepted coalition concerns regarding waste coalmine gas last year. I am sure they accepted it in part because there was recognition from their own side. Even Labor Senators Cameron, Feeney, Furner and Pratt had positive recommendations about the inclusion of waste coalmine gas last year when they were looking at this issue. They understand that this energy source, just like other waste energy sources, needs to be treated in an effective way. It may not be a renewable energy in the pure sense that we consider renewable energy, but it is nonetheless a by-product that can be used effectively—is being used effectively—to generate energy. There should be an incentive to make sure that by-product is captured and used rather than leaving it in some sort of limbo land, as would happen if it was left in GGAS.

**Senator MILNE** (Tasmania) (11.42 am)—The point is that waste coalmine gas is not renewable energy; it is fossil fuel generated. It is not renewable, so it should not be in this target. When we heard all that evidence in the Senate committee—I was there to hear it all as well as the other senators you named—it was agreed that something should be done about supporting it, but not in the renewable energy target. The point was that people could not work out what other scheme to use to support it. This was a stop-gap measure, but it does not justify it being in the target.

**Senator BIRMINGHAM** (South Australia) (11.43 am)—I will make only one point in response to Senator Milne. That point is that there are other forms of emissions, such as from landfill, that are captured and used for energy. They are included in the scheme,

validly so, because we should be utilising all of these things, even though they may not fit what any of us would accept to be a pure definition of renewable. This is the neatest way to ensure there is some incentive. If Senator Milne and others want to propose alternatives in the future—fabulous! But right now this is the only option on the table. It should be included and we should be making sure we provide some certainty for all of those sectors.

**Senator XENOPHON** (South Australia) (11.44 am)—I am not able to support these amendments moved by the government. I have had a number of representations in recent days—

**Senator Wong**—Moved by the opposition!

**Senator XENOPHON**—By the opposition, I am sorry. You are still the government; they are still the opposition. Let me get that straight.

**Senator Wong**—You sound like Tony Abbott!

**The TEMPORARY CHAIRMAN (Senator Carol Brown)**—Senator Xenophon, please proceed.

**Senator XENOPHON**—You should withdraw that, Senator Wong; it was quite offensive.

This is an important issue, and there have been a number of representations made to my office in recent days from the waste coalmine gas industry. Whilst I appreciate those representations, the reason that I cannot support this is primarily because the waste coalmine gas industry still gets the benefit of the New South Wales government's GGAS scheme. If we had a CPRS then obviously things would change because the GGAS scheme would fall off in relation to that, but whilst there is a GGAS scheme it is not appropriate to bring waste coalmine

gas into this particular scheme. It is true that it is not renewable but this scheme does have a number of other elements of it that could be seen as not pure and I think there is a policy difference between the circumstances surrounding landfill gas and waste coalmine gas. There is a fundamental difference between the two.

The GGAS scheme is already in place. I understand that the minister has also had a number of representations in recent days from the waste coalmine gas industry and, if there are genuine concerns about the impact on the industry as a consequence of this legislation then obviously I would appreciate an undertaking from the minister that those concerns will be monitored closely. But, given that the GGAS scheme is still in place and that it is there to give credits for this industry, I do not think it appropriate that they be brought within this scheme. I therefore cannot support this amendment.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (11.46 am)—The government will not be supporting this amendment, and I make three points. Senator Birmingham urges us to honour the deal. Well, Senator, the deal is intact. The agreement that the government came to was that, where there was a price on carbon through the CPRS which resulted in the end of the GGAS, we would include existing waste coalmine gas projects above the target, recognising the position that these companies were in. That remains the position, but what you are seeking is a different proposition.

Second, there were some comments made about uncertainty. I would make the point, Senator Birmingham, that if there is uncertainty in the GGAS market as a result of the CPRS, well, you did have the opportunity to provide that in December. But I will leave that point. My third point is this: in this de-

bate we are seeking to balance a range of policy objectives, and one of the things we have to balance is cost to electricity consumers. This is a subsidy. Through this scheme we deliver a subsidy to renewable energy and we do that because it is in the national interest to increase the amount of renewables that are feeding in to the grid. So we consciously set aside a market for those renewables and we say that we are going to make sure that at least 20 per cent of our electricity comes from these sources. But one of the things that we have to balance is ensuring that we do not impose unnecessary costs on electricity consumers.

The amendments to the RET are about unleashing the investment needed to supply renewable energy to Australians and to support the jobs of the future. The proposal to give more money to waste coalmine gas is about increasing the price of power to consumers for a non-renewable energy source and, whilst I understand what the opposition has said on this in relation to, I think, landfill, I agree with Senator Xenophon that there is a policy difference. We did come to an agreement and we will honour that agreement in the event that those circumstances arise.

Question put:

That the amendment (**Senator Birmingham's**) be agreed to.

The Senate divided. [11.53 am]

(The Deputy President—Senator the Hon. AB Ferguson)

Ayes.....	32
Noes.....	<u>33</u>
Majority.....	<u>1</u>

AYES

Abetz, E.	Adams, J. *
Back, C.J.	Barnett, G.
Bernardi, C.	Birmingham, S.
Boswell, R.L.D.	Boyce, S.

Brandis, G.H.  
Cash, M.C.  
Coonan, H.L.  
Eggleston, A.  
Fierravanti-Wells, C.  
Fisher, M.J.  
Kroger, H.  
Mason, B.J.  
Minchin, N.H.  
Payne, M.A.  
Scullion, N.G.  
Trood, R.B.

NOES

Arbib, M.V.  
Bishop, T.M.  
Brown, C.L.  
Collins, J.  
Farrell, D.E.  
Fielding, S.  
Furner, M.L.  
Hurley, A.  
Ludlam, S.  
Lundy, K.A.  
McEwen, A.  
Milne, C.  
O'Brien, K.W.K.  
Pratt, L.C.  
Stephens, U.  
Wong, P.  
Xenophon, N.

PAIRS

Heffernan, W.  
Johnston, D.  
Joyce, B.  
Nash, F.  
Ronaldson, M.

Bushby, D.C.  
Colbeck, R.  
Cormann, M.H.P.  
Ferguson, A.B.  
Fifield, M.P.  
Humphries, G.  
Macdonald, I.  
McGauran, J.J.J.  
Parry, S.  
Ryan, S.M.  
Troeth, J.M.  
Williams, J.R.

Bilyk, C.L.  
Brown, B.J.  
Cameron, D.N.  
Crossin, P.M.  
Feeney, D.  
Forshaw, M.G.  
Hanson-Young, S.C.  
Hutchins, S.P.  
Ludwig, J.W.  
Marshall, G.  
McLucas, J.E.  
Moore, C.  
Polley, H.  
Siewert, R.  
Sterle, G.  
Wortley, D.

Evans, C.V.  
Conroy, S.M.  
Hogg, J.J.  
Faulkner, J.P.  
Carr, K.J.

\* denotes teller

Question negatived.

Question put:

That schedule 1 stand as printed.

The committee divided. [12.00 pm]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes.....	33
Noes.....	<u>31</u>
Majority.....	<u>2</u>

AYES

Arbib, M.V.  
Bishop, T.M.  
Brown, C.L.  
Collins, J.  
Farrell, D.E.  
Fielding, S.  
Furner, M.L.  
Hurley, A.  
Ludlam, S.  
Lundy, K.A.  
McEwen, A.  
Milne, C.  
O'Brien, K.W.K. \*  
Pratt, L.C.  
Stephens, U.  
Wong, P.  
Xenophon, N.

NOES

Abetz, E.  
Back, C.J.  
Bernardi, C.  
Boswell, R.L.D.  
Brandis, G.H.  
Cash, M.C.  
Coonan, H.L.  
Eggleston, A.  
Fierravanti-Wells, C.  
Fisher, M.J.  
Kroger, H.  
McGauran, J.J.J.  
Parry, S.  
Ryan, S.M.  
Troeth, J.M.  
Williams, J.R.

PAIRS

Carr, K.J.  
Conroy, S.M.  
Evans, C.V.  
Faulkner, J.P.  
Hogg, J.J.  
Sherry, N.J.

Bilyk, C.L.  
Brown, B.J.  
Cameron, D.N.  
Crossin, P.M.  
Feeney, D.  
Forshaw, M.G.  
Hanson-Young, S.C.  
Hutchins, S.P.  
Ludwig, J.W.  
Marshall, G.  
McLucas, J.E.  
Moore, C.  
Polley, H.  
Siewert, R.  
Sterle, G.  
Wortley, D.

Adams, J. \*  
Barnett, G.  
Birmingham, S.  
Boyce, S.  
Bushby, D.C.  
Colbeck, R.  
Cormann, M.H.P.  
Ferguson, A.B.  
Fifield, M.P.  
Humphries, G.  
Mason, B.J.  
Minchin, N.H.  
Payne, M.A.  
Scullion, N.G.  
Trood, R.B.

\* denotes teller

Question agreed to.

**Senator XENOPHON** (South Australia)  
(12.03 pm)—I move amendment (1) stand-  
ing in my name on sheet 6116:

(1) Schedule 1, item 96, page 58 (lines 28 to 30), omit subparagraph 141AA(c)(ii), substitute:

- (ii) a statement that the certificate was created in relation to a solar water heater other than an air source heat pump water heater, or that it was created in relation to an air source heat pump water heater, or that it was created in relation to a small generation unit (as appropriate)

The amendment relates the publication of information about certificates for air source heat pump water heaters. This amendment addresses the need for clear information to be published about the uptake of renewable energy certificates for small-scale technologies. Currently, the information provided includes both solar and electric heat pumps within the one group. I believe it would be useful for further assessment of the RECs scheme to see how many certificates are allocated to various technologies and in what amounts.

I am grateful to Minister Wong's office for providing details of the proportion of the historical and projected REC creation for small-scale technologies such as heat pumps and solar hot water heaters, but that information is not readily available. From a public policy and public interest point of view, I believe that information ought to be published. We now have the information about the RECs created for small-scale technologies but it is not broken down into electric heat pumps and solar hot water heaters. That is what this amendment is about. It is a transparency measure and I urge my colleagues to support it.

**Senator BIRMINGHAM** (South Australia) (12.05 pm)—On behalf of the opposition, I indicate our support for Senator Xenophon's amendment. As he said, it is simply an amendment about providing

greater information and greater transparency. The opposition thinks that is a wise thing and welcomes it.

**Senator MILNE** (Tasmania) (12.05 pm)—The Greens also support this amendment.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (12.06 pm)—Senator Xenophon, I understand this amendment is only seeking to require the publication of information and I think the government is in a position to agree to that aspect of your amendment. I understand the proposition you are putting about the utility of having the two separate aspects of solar water heater information disaggregated.

Question agreed to.

**Senator XENOPHON** (South Australia) (12.07 pm)—I move amendment (2) on sheet 6116 standing in my name:

(2) Schedule 1, page 60 (after line 2), before item 100, insert:

**99A Subsection 5(1)**

Insert:

*air source heat pump water heater* means a device that uses a vapour compression cycle incorporating a compressor, an evaporator that collects energy from the latent and sensible heat of the atmosphere and a condenser that delivers heat either directly or indirectly to a hot water storage container.

This amendment provides for a definition of air source heat pump water heaters as being 'a device that uses a vapour compression cycle incorporating a compressor, an evaporator that collects energy from the latent and sensible heat of the atmosphere and a condenser that delivers heat either directly or indirectly to a hot water storage container'. This makes air sourced electric based heat pumps distinctly separate from other, more efficient, heat pumps, such as solar, for ex-

ample, so that they can be individually considered against other technologies.

**Senator BIRMINGHAM** (South Australia) (12.08 pm)—The opposition believes this seems to be a common-sense amendment. Unless we hear advice to the contrary, we would indicate our support for it. Obviously, it is being implemented to assist with further amendments as well.

**Senator XENOPHON** (South Australia) (12.08 pm)—I am grateful to Senator Birmingham for setting that out. I ought to have done that. This amendment sets the scene for other amendments, but I point out to my colleagues that they could support this amendment and not necessarily be committed to supporting other amendments. It is a precursor to further amendments but it is not contingent on the further amendments.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (12.08 pm)—The government does not oppose this amendment.

Question agreed to.

**Senator BIRMINGHAM** (South Australia) (12.09 pm)—I move opposition amendment (2) on sheet 6154 revised:

- (2) Schedule 1, page 62 (after line 26), after item 116, insert:

**116A At the end of section 21**

Add:

- (4) If a solar water heater is an air source heat pump water heater, certificates may only be created for the installation of such an air source heat pump water heater if it has a volumetric capacity of not more than 425 litres.

This amendment quite simply seeks to put in place a cap for the eligibility of heat pump water heaters and places that cap at 425 litres. This figure has been agreed to on the basis that it provides a differential between commercial installations and residential installations. Most of these incentives around

hot water services, solar systems and the like are targeted at residential installations, and we believe that is reasonable here. All senators would be aware that there are concerns about the extent to which heat pump water heaters have contributed to the generation of RECs and whether they have contributed unreasonably at the expense of others. That is not a debate I want to buy into on this one in particular, but we are seeking here very clearly to set a limit, and 425 litres is one that we have discussed with industry. We have engaged in consultation in that regard to attempt to find a reasonable point and we think that this is a reasonable point for such a cap to be put in place.

**Senator MILNE** (Tasmania) (12.11 pm)—The Greens will be supporting the coalition's amendment. I think it is really important that we separate out the commercial and residential, and even the industry itself recognises that the time has come for action on this.

**Senator XENOPHON** (South Australia) (12.12 pm)—I know that the running sheet indicates that this amendment is in conflict with my amendment below it. Whilst that is the case in the respect that I will be moving an amendment to get rid of air sourced electric heat pumps altogether, having that limit would still be an improvement on the status quo. I am already on the record—in the previous debate, back in August—about my concerns about electric heat pumps being part of this scheme, but the cap of 425 litres would be an improvement. We know how they were rorted previously in terms of commercial heat pumps. In that respect the government's changes to the regulations were welcome, but there is still an issue of the auditing of it. The government's moves in that regard were welcome, but this makes it absolutely clear that you cannot have commercial heat pumps larger than 425 litres, so I think it is a welcome development.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (12.13 pm)—The government does not support this amendment. We have had a long debate previously about heat pumps. They have obviously been included in the renewable energy target since 2001. They do use a renewable energy source to heat water and to displace conventional fossil fuel energy. We will not be supporting this amendment or, I foreshadow, Senator Xenophon's amendment. However, I understand from Senator Milne's contribution that the opposition has the support of the chamber in relation to this amendment. The Greens are supporting the opposition's amendment and therefore the government obviously will not have majority support in the chamber for our opposition, so in the interest of the efficacy of the debate I put that on record but will not be seeking to call a division.

Question agreed to.

**Senator XENOPHON** (South Australia) (12.14 pm)—I withdraw amendment (3) on sheet 6116 because it has effectively been dealt with by Senator Birmingham's amendment. I move amendment (4) on sheet 6116:

(4) Schedule 1, page 63 (after line 29), after item 119, insert:

**119A At the end of Subdivision B of Division 4 of Part 2**

Add:

**23AAA Regulations to phase out air source heat pump water heaters from scheme**

- (1) The regulations must provide for air source heat pump water heaters to be phased out of the scheme constituted by this Act by the end of 31 December 2012.
- (2) For the purposes of subsection (1), the regulations must provide that, after the commencement of this section, each month the number of certificates that

can be created for the installation of an air source heat pump water heater are proportionally reduced, so that no certificates can be created for such an installation after the end of 31 December 2012.

This amendment provides for electric heat pumps to be phased out of the renewable energy target by the end of 2012. I believe it is somewhat of a contradiction that electric heat pumps are eligible for renewable energy certificates. They can certainly be considered as energy efficient, but not renewable.

I know Senator Milne's contribution on this—on a number of occasions—is that we ought to be looking at a separate energy efficiency scheme with respect to electric heat pumps in particular. I would urge the government to establish a separate energy efficiency scheme to deal with subsidising such technologies and leave the RET scheme to deal purely with renewable technologies.

I am also a realist, and I do have an alternative amendment in relation to the deeming rate for electric heat pumps. I will not be seeking to divide on this, but I would be grateful if my colleagues could indicate their views on this. I think there are some important principles at stake here with respect to electric heat pumps and whether they ought to be included in a renewable energy scheme as distinct from an energy efficiency scheme in the first place.

**Senator BIRMINGHAM** (South Australia) (12.16 pm)—The opposition welcomes the withdrawal of amendment (3) and thanks the chamber and particularly the Greens and Senator Xenophon for their support of our previous amendment. With regard to amendment (4), it is not the intention of the opposition to support this phase-out. We do recognise the validity of this industry and of this technology. We think the technology does have a valid place and provides an important alternative for households in terms of

their choice of hot water service—a service that can reduce their energy consumption, and is therefore a positive in that sense and valid under this scheme. Equally, and importantly for households, it is a product that can be delivered and provided quickly in emergency situations. Regrettably, the time involved in installing, for example, solar hot water services is more difficult and more expensive and requires longer planning by households—which, when replacing a hot water system, is not always possible. At present, given current technology and current options, we think there is an ongoing place for the inclusion of heat pumps.

I also note that the chamber has already carried amendments facilitating a biennial review of the operation of the entire scheme and that Senator Xenophon and those elsewhere who share his concerns about this issue would be able, under that biennial review, to advocate for a phase-out or closure of heat pumps at some later stage.

**Senator MILNE** (Tasmania) (12.18 pm)—I indicate to Senator Xenophon that the Greens will not be supporting his amendment (4). Senator Xenophon asked for an indication on his amendment with respect to the deeming period for air source heat pump water heaters, and I indicate that we will not be supporting that either. But I want to make a few remarks as to what the thinking is. The problem we have here—which, as Senator Xenophon indicated, I have spoken about endlessly and I will raise it again to put it on the record—is that we ought to have a national energy efficiency target and we ought to have national energy efficiency schemes which support that target. If we did that, we would be taking out heat pumps from the renewable energy target and putting them where they should be, in an energy efficiency scheme—and the same with solar hot water. You would actually be making a really sensible division in looking at the ef-

fort that can be achieved from efficiency and the effort that can be achieved from the generation of renewable energy. We do not have that regime—and we ought to have one. We would have saved ourselves a lot of problems if indeed we had that scheme, but we do not.

We are facing a conundrum here, and the government will really have to engage very carefully in the next few years. With the phase-out of electric hot water in 2012, there will be quite considerable competition between heat pumps and solar hot water. If you take away the support for heat pumps—which the gas industry would very much like—it would mean that you would bring on instantaneous gas in approximately the same price range as heat pumps. And, as this phase-out of electricity goes on, it will change the mix in relation to solar hot water as well.

There is going to be a significant change after 2012 in Australia around hot water, and that is going to play out in this whole area of instantaneous gas, heat pumps and solar hot water units. That is something that the government is going to have to look at very, very carefully. But I do not think it is appropriate to effectively give gas a leg up by taking away the support for heat pumps in the meantime. I think heat pumps have a fantastic future. The possibility of being able to combine heating and cooling from this technology, in refrigeration and so on, into the future is fantastic. There are big opportunities coming down the line, and I think we are going to see radical changes in technology in the next few years.

So I wanted to put on the record that my concern with Senator Xenophon's proposal is the change in the mix that it will provide between gas and the heat pumps, but I am also worried about how heat pumps might crowd out solar hot water. We just do not

know what is going to happen here. That is why I am pleased that we have a review in place as a result of the support of the chamber for the amendment I put up earlier. That will give us a better handle on what is happening when that phase-out of electric hot water cylinders takes place.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (12.22 pm)—Sorry, Senator Xenophon; I thought I had responded in the previous amendment to your request for an indication. The government is not minded to support either your amendment (4) or amendment (5), for the reasons I have previously outlined.

Question negatived.

**Senator XENOPHON** (South Australia) (12.23 pm)—I move amendment (5) on sheet 6116 standing in my name.

(5) Schedule 1, item 117, page 63 (after line 6), after subsection 22(2), insert:

- (3) Without limiting subsection (1), regulations made for the purpose of that subsection must provide that, from 1 January 2013, the number of certificates that may be created in respect of the installation of any air source heat pump water heater are only to be created in relation to the first 6 years of operation of that heater.

I accept the Senate's vote that electric heat pumps will remain eligible under the RET and I appreciate the contribution of my colleagues; however, I still believe that we need to acknowledge that it is not the ideal technology that we should be supporting when it comes to renewable energy. As such, I propose this amendment, which will reduce the deeming period from 10 years to six years for electric heat pumps. In other words, it will mean there will be less of a subsidy, if you like. Given that it will restrict the period from 10 years to six years, it will not knock out heat pumps but it will make them less

attractive. Therefore, it will make solar heat pumps, as in using photovoltaic cells, more attractive than electric heat pumps.

Under this amendment, the deeming period will change effective from 1 January 2013, so there is, I believe, a very fair transitional period of some 2½ years before this would come into force, if it is passed. I understand the concerns of the industry about the impact this may have on their business but I believe it is vital that we strive to support renewable energy technologies, which is the intent of this legislation, as much as we can and that we encourage consumers towards these better alternatives. I note the pressure in recent times on the solar hot water heaters using solar panels. I know that in South Australia Rinnai laid off a number of workers—I think from 90 to 55 workers—and has been standing down people, not because they do not produce a good product—they do—but because the company has been crowded out in a sense by the electric heat pumps. This is about trying to redress that balance in a transitional way by adjusting the deeming period from 10 years to six years. I think it is a sensible compromise in the context of what we face as a policy dilemma.

I note Senator Milne's contribution on this and I value that, but I would urge her to reconsider her approach in relation to this, because reducing the deeming period will make electric heat pumps somewhat less attractive and encourage greener technologies such as solar water heaters. Therefore, this is a half-way house, if you like, but it will actually send a signal that solar hot water heaters rather than electric heat pump heaters will be somewhat more attractive in the market place. That is why I see this as an alternative approach. It is also a step-down in the sense of having a transitional period of some 2½ years. I would urge colleagues to seriously consider this amendment.



**Senator BIRMINGHAM** (South Australia) (12.26 pm)—The opposition is inclined to support Senator Xenophon on this amendment. We do so seeing it a compromise on some of the concerns that he and others have raised around this sector. We do so noting that the amendment provides for a start date from 1 January 2013—a reasonable period looking forward in terms of providing some industry certainty. Also, we do so noting once again the review mechanisms that have been put in place and that there will be a review, I think, likely to be undertaken prior to that time. Therefore, there is a capacity to reconsider. As I said before in relation to our previous amendment, we do this not in any way disputing the validity of heat pumps but, just as consideration has been given to the extent of the incentive and subsidy provided for some other products, such as solar PV, within the amendments under consideration today we think it is equally reasonable to give some consideration as to the size and extent of the incentive or subsidy that is there for heat pumps. We see this as hopefully a reasonable way to achieve that.

**Senator MILNE** (Tasmania) (12.28 pm)—I am really concerned about the principle here of intervening in this way on the deeming period, for one sort of technology, without really understanding what it is going to do to the mix in that sector. I understand Senator Xenophon believes that this will actually drive solar, but it will not; it will drive gas in this particular sector. That is not the outcome that we want to achieve here. I totally agree that we are in a conundrum, because we do not know what the hot water sector is going to look like post 2012. It is very hard to make judgments about that right now. I really do not think it is a good principle to intervene in this way without a sense of exactly what we are likely to be driving or otherwise. My sense of it is that it should be in an energy efficiency scheme. But it is not;

it is in this scheme. If you take away that support for heat pumps, then you drive gas. What that does to solar is hard to say, but it is not going to drive solar; it will drive gas.

**Senator XENOPHON** (South Australia) (12.29 pm)—I would like to briefly respond to Senator Milne. If this amendment drives part of the market towards gas, which is not a renewable fuel but which is a fuel with a lower greenhouse gas profile than electricity generated by coal fired power stations, then that would be a good thing. I see gas as an important transitional fuel in order to achieve the ambitious targets we need to achieve in terms of reducing greenhouse gases. This is a halfway measure that would drive greener technologies, in relative terms, than would be the case if this amendment did not pass. I cannot put it any higher than that. Again I urge my colleague Senator Milne to at least reconsider that, but it seems that we will need to revisit this sooner rather than later once we have had the two-year review, if this amendment does not pass.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (12.30 pm)—I make the observation that, on the basis of the indications to the chamber, this amendment stands or falls on the vote of Senator Fielding, so the chamber might have to test that. I already indicated our attitude to this amendment, Senator Xenophon, in my earlier contribution, but I want to make a brief response in relation to the interchange you just had with Senator Milne. What gas needed was a price on carbon. If you talk to the gas industry, you find out that the passage of the CPRS was what the gas industry, in its different forms, really required. Whilst it is still a fossil fuel, as you make the point, it is a less greenhouse intensive fuel than others—coal, for example. The government's preferred position was a price on carbon and a renewable energy target. That would have dealt with a number

of the issues you have raised far better than tinkering at this point with the renewable energy target.

Question put:

That the amendment (**Senator Xenophon's**) be agreed to.

The committee divided. [12.36 pm]

(The Chairman—Senator the Hon. AB Ferguson)

Ayes.....	33
Noes.....	<u>33</u>
Majority.....	<u>0</u>

AYES

Abetz, E.	Adams, J.
Back, C.J.	Barnett, G.
Bernardi, C.	Birmingham, S.
Boswell, R.L.D.	Boyce, S.
Bushby, D.C. *	Cash, M.C.
Colbeck, R.	Coonan, H.L.
Cormann, M.H.P.	Eggleston, A.
Ferguson, A.B.	Fierravanti-Wells, C.
Fifield, M.P.	Fisher, M.J.
Humphries, G.	Joyce, B.
Kroger, H.	Mason, B.J.
McGauran, J.J.J.	Minchin, N.H.
Nash, F.	Parry, S.
Payne, M.A.	Ronaldson, M.
Ryan, S.M.	Scullion, N.G.
Troeth, J.M.	Trood, R.B.
Xenophon, N.	

NOES

Arbib, M.V.	Bilyk, C.L.
Bishop, T.M.	Brown, B.J.
Brown, C.L.	Cameron, D.N.
Collins, J.	Crossin, P.M.
Evans, C.V.	Farrell, D.E.
Feeney, D.	Fielding, S.
Forshaw, M.G.	Furner, M.L.
Hanson-Young, S.C.	Hurley, A.
Hutchins, S.P.	Ludlam, S.
Ludwig, J.W.	Lundy, K.A.
Marshall, G.	McEwen, A. *
McLucas, J.E.	Milne, C.
Moore, C.	O'Brien, K.W.K.
Polley, H.	Pratt, L.C.
Siewert, R.	Stephens, U.
Sterle, G.	Wong, P.

Wortley, D.

PAIRS

Brandis, G.H.	Conroy, S.M.
Heffernan, W.	Hogg, J.J.
Johnston, D.	Faulkner, J.P.
Macdonald, I.	Sherry, N.J.
Williams, J.R.	Carr, K.J.

\* denotes teller

Question negatived.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (12.39 pm)—I move government amendment (1) on sheet CA252:

(1) Schedule 1, page 63 (after line 29), after item 119, insert:

**119A Subsection 23B(2)**

After “multiplied by”, insert “a number that does not exceed”.

This is an amendment which enables the alteration, in certain circumstances, of the solar credits multiplier. It is in step with some of the amendments which have previously been dealt with. This amendment allows for the solar credits multiplier for small generation units to be reduced in circumstances specified in regulations. It is the intention that solar credits would be able to be reduced if the Renewable Energy Regulator determines there is systemic evidence of a range of issues, including relatively small or no out-of-pocket expense. We intend to consult industry on draft regulations that will come into force in the future in relation to this issue, so this amendment is to enable such regulations to be made.

**Senator MILNE** (Tasmania) (12.40 pm)—This goes to the issue of the dilemma that is out there at the moment, because we do not have a national gross feed-in tariff, so each state has different levels of support and different schemes in place such that we have the two extremes. We have New South Wales with a very generous feed-in target, Tasma-

nia with nothing and everyone else somewhere in between.

**Senator Birmingham**—Aren't you afraid of the government of Tasmania?

**Senator MILNE**—I will take the interjection from Senator Birmingham. I trust that Tasmania, being such a laggard, can improve its position now that we have a couple of Greens in the cabinet. I certainly hope that is going to be the case, but I just use this at the moment, not particularly because I am a senator for Tasmania but, more particularly, to demonstrate to the Senate the range of different levels of support across the country. As a result of that, when you have a multiplier for the small-scale photovoltaic system at five and you have a cap limit at 1.5 kilowatts, you end up in a scenario where, in Tasmania, such a system installed would cost somewhere between \$2½ thousand and \$5,000, depending on the quality of the system and so on. In New South Wales there is evidence to suggest that, already, the same system would be free or almost free. We had a lot of evidence to the Senate inquiry, particularly from Solar Systems, Conergy and some of the big companies, that once you get down to a very small co-contribution from the household or it is free you get the same kinds of problems we had with the insulation program: the whole thing goes out of control and you end up with it being rorted. You can imagine how easily that could occur in this circumstance.

The issue is that if you do as those other companies suggested, and you increase the size of the system to, say, three kilowatts and reduce the multiplier to three, that would work in New South Wales, where it would still be a reasonable cost to households, but in Tasmania, as it currently stands, it would mean that the cost of a system would be somewhere between \$10,000 and \$15,000, putting it outside the capacity of an ordinary

householder to be able to access this technology. This is a real conundrum and it is made because, in many ways, we do not have the kinds of uniformity we ought to have around the country. Nevertheless, I appreciate the fact that we have had a lot of discussion with the government about how we might go about fixing this. Initially, I was attracted to the idea of going to the three-three proposal, but having talked a lot to the industry they say that it is wrong to assume that there is going to be an explosion in free systems that we are told are already available in New South Wales.

It seemed to us that the best idea would be to give the minister power, through the regulations, to be able to monitor this scenario and to be able to change the size of the system and the multiplier when it came to the photovoltaic systems. This is purely to make sure that you get sustainable growth in the industry to make sure that you maintain your quality controls and you get a steady development of the industry.

Progress reported.

Debate interrupted.

#### MATTERS OF PUBLIC INTEREST

**The ACTING DEPUTY PRESIDENT (Senator Ryan)**—Pursuant to order, I now call on matters of public interest.

#### Hospitals

**Senator POLLEY** (Tasmania) (12.45 pm)—I rise today to speak on matters of public interest and certainly matters which are initiating topical debate around this country. Indeed, it is not a simple task to overhaul years of neglect by the former Liberal government as far as the health system is concerned, but our Labor government has shown the intellect and resolve to tackle the monumental task of reforming Australia's ailing health system from the ground up.

In attempting to reinvent the failing, disillusioned and fragmented health system that we inherited from Tony Abbott in 2007 a complex process of research, consultation, planning and budgeting was initiated. Amazingly, the essential task of government consultation around the country attracted criticism from those opposite, not the least from Senator Fierravanti-Wells, who alluded to the government 'spruiking the new system around the country'. She made this assertion during a recent Senate inquiry into the COAG health reform. Such attitude typifies how dangerous it could be putting health responsibility back into the hands of those who inflicted so much damage to the system over such a long period of time.

Imagine the complexities facing those charged with overhauling an outdated, poorly funded and underperforming service. Each and every area of health provision requires attention from aged care, health generally, hospitals and mental health through to the training of doctors and nurses. Australia's young and old alike have been let down over a long period of time. Those opposite had 11½ years in government to reform health but what did they do? They did nothing. The one constant running through the Senate hearing that I alluded to earlier was the unanimous agreement by all the witnesses that the Australian health system had not just collapsed and faced difficulties in the last 2½ years. There were many experts who gave evidence to that committee about the unprecedented lack of attention given to it by the previous government. This was another repetitive note of agreement. As I said, it was acknowledged that it was due to the total neglect of the previous government that we inherited this system. In fact, the witnesses were very supportive of the Prime Minister and Minister Roxon's task of going around this country consulting with those that work in the health system to ensure that when we

made the reforms that were necessary we had the foundations that were needed.

Increased funding and centralised administration of these moneys will provide a more streamlined and efficient use of available finances. This is long overdue as was highlighted by the Australian Healthcare Association way back in 2005. They said that inefficiencies due to cost-shifting and funding duplication were reducing the efficiencies and effectiveness of our system.

It has taken a new government and a new health minister to formulate a clear plan and policy that is integral to reforming our health system. At the same time as noting such positive support for the National Health and Hospitals Network reforms I wish to highlight the differences in attitude and policy between the opposition and the government. I would like to pre-empt these points with a quote from Tony Abbott printed in the *Sydney Morning Herald* attacking the Prime Minister even before an announcement concerning the National Health and Hospitals Network reforms was made. Referring to the Prime Minister, Mr Abbott said:

I think it is hugely improbable he is going to come up with a policy that we are going to support.

That was from the Leader of the Opposition, from the leader who has no policies and, in fact, no credibility when it comes to his record in health.

Such negativity is reflected by the following figures. In 2003 Mr Abbott cut \$108 million from public hospitals. In 2004 he cut \$172 million. In 2005 he cut \$264 million, in 2006 a further \$372 million and even more in his final year as the minister for health. That is more than \$1 billion slashed from our hospitals in five short years. Imagine the number of Australians that money could have assisted—\$1 billion slashed. No wonder Tony Abbott is considered such a risk to

our health system, let alone to the Australian economy. In the time that Mr Abbott was the health minister he relinquished his federal funding responsibilities and the states were forced to fund the 10 per cent discrepancy. This is another example of Phoney Tony disappointing the country's health community. Mr Abbott has a record of failure as the minister for health. Why would you trust him as a leader? That is why the community see him as a risk. Mr Abbott—

**Senator Bernardi**—Mr Acting Deputy President, I rise on a point of order. If the Senator is going to refer to the Leader of the Opposition I would ask that he be referred to by his correct title.

**The ACTING DEPUTY PRESIDENT (Senator Ryan)**—That is quite correct. Senator Polley I would ask you not to use that terminology when referring to a member of the other place.

**Senator POLLEY**—Thank you, Mr Acting Deputy President, but as you just heard I said Mr Abbott continues to blame everyone else for his mistakes, his blunders, his inefficiencies, his lack of consultation and his slashing of funding. That blame game can no longer continue. Let's hail Prime Minister Rudd and health minister Roxon for their efficiency in working quickly to make the reforms that Australia has been waiting for.

If we were to include all the cuts over every facet of the health system that the opposition would be making under the commitments that they have already made, they would come to \$820 million from the health sector. The opposition have indicated that under an Abbott government—God forbid—the investments in GP practices and advances in e-health would be discontinued. The final total of slashed funds could be well over another billion dollars under Mr Abbott. I think Mr Abbott actually likes the billion-dollar slashing out of health; it must be a quirk in

his policymaking. He has also committed to reviewing the diabetes funding—quite a questionable decision, as the funding has been hailed by those within the medical fraternity, let alone the community, as being a fantastic initiative of this government.

Ultimately, this will destroy families and their children, who will suffer from the opposition's lack of interest in properly funding health in this country. After all, they had 11½ years, and what sort of reform did we see? We saw no reform at all. In contrast, the Rudd government is investing heavily in ensuring that we have a workable and efficient health system now and into the future. There will be more specialist doctors available through a \$145 million education program. We have improved access to physicians and expanded clinical capacity, courtesy of a \$632 million package aimed at training more general practitioners. A further \$148 million has been made available to assist junior doctors in early stages of their career. At a recent Senate inquiry on COAG, Senator Fierravanti-Wells asked:

Why were the Prime Minister and his health minister travelling the country consulting health professionals?

That, I think, sums up the opposition. Why would you want to consult those people who are at the coalface, treating our patients and looking after the health welfare of all Australians? That is obviously why those opposite have no policy at all. That is what they have to do: they have to go out and consult and demonstrate that they have the capacity to come up with policies. We are doing that. I know it is a novel idea for those people opposite to get out and talk to real Australians, but that would be my tip to them.

The 250,000 diabetes sufferers will be relieved to see a \$436 million injection to keep them healthier and out of hospital. This comprehensive National Health and Hospitals

Network reform package will total \$7.3 billion over five years, a commitment which will benefit all of us.

There are three specific areas I would like to comment on further today: e-health, aged care and mental health. E-health is the establishment of a secure national electronic personal health record system. It is one of the most fundamental and substantial reforms of the National Health and Hospitals Network package. As Minister Roxon explained yesterday in her speech:

E-health will save lives, reduce medical errors, keep people out of hospital and save money for the taxpayer.

E-health has been widely supported by doctors, nurses and health experts. Its benefits include improved safety and quality of care as well as reducing adverse outcomes by eliminating errors. Some major stakeholders have publicly recognised the importance of this aspect of the National Health and Hospitals Network reform when forwarding submissions to the COAG health inquiry held this month. As well as citing the Australian Medical Association, I would like to quote others. Mr Vern Hughes, a committee member of the Australian Health Care Reform Alliance, said at this same Senate inquiry:

... the flagged introduction of a person controlled electronic health record is fundamentally important to any kind of health reform. If you imagined a banking system trying to do banking operations without an electronic system, it would be laughable; yet we have exactly that in health. So in my book—and certainly from the point of view of parents, families and carers of people with complex conditions, whom I represent—it is the most fundamental requirement of reform.

That is one of the elements of this reform that the Leader of the Opposition has canned. We could go on talking about aged care. Before I do that, I remind those in the chamber of one of Mr Abbott's comments back when he was Minister for Health and Ageing, in

November 2003. He set a five-year deadline for establishing 'an integrated electronic health record and for paperless Medicare claiming'. This quote on Open Forum in 2008 is just amazing:

The inability of ministers, public servants, managers, IT experts and health professionals as yet to move the health sector into the modern world, at least in this one critical respect, constitutes an important systemic failure.

Tony Abbott is demonstrating that his attitude to health policy today is basically what he showed Australians when he was in office as Minister for Health and Ageing: cut funds and don't support the health system. That was his mantra as minister for health. I cite several other clear examples. Between 2003 and 2007, Mr Abbott cut funding for GP training places despite a massive shortage, he cut funding to our private hospitals by \$1 billion, as I alluded to earlier, and as health minister he left a national shortage of 6,000 nurses.

Unfortunately, when it comes to aged care, it is incredible that time after time those opposite come in and lecture us about the need to act now. If we go back to their record of almost 12 years—11½ very long years—they did nothing except go from one crisis to another when it came to aged care. We know that there is still more to be done, but there is no way that any government can come into office and, in 2½ years, clean up a mess that was left by those opposite over such a long period of time, as they expect. I remind those in the chamber and those listening that during the years from 2000 to 2007 there were no fewer than five different ministers for ageing in this very important area: Bronwyn Bishop, Kevin Andrews, Julie Bishop, Santo Santoro and Christopher Pyne. Do you know what they were responsible for? They were ministers for crisis after crisis after crisis in the aged care sector. It is once again left to us to clean up that mess.

There has been criticism about mental health. We as a government acknowledge that there is more to be done, but it might be an opportunity for those opposite, who come into this chamber day after day trying to lecture us about aged care, mental health, health and the economy, to reflect on the 11½ years that they had in office to make these sorts of reforms.

Nobody that came before the Senate Standing Committee on Finance and Public Administration Inquiry into COAG reforms relating to health and hospitals laid the blame for the issues and the challenges that we as a country are facing in health at the feet of the Rudd government. So it is unrealistic for those opposite to expect us to clean up their mess in such a short time. But what we are doing is ensuring that there is proper consultation and that the foundations are built strongly for a robust and healthier health system that is governed by local hospital networks which I, as a Tasmanian, can assure you are widely welcomed by my community. I look forward very much to the time when we can discuss this issue further and bring about the sorts of reforms that this country deserves and that are essential for the Australian community. I also lay down the challenge to those opposite to come up with a policy. Tony Abbott is a risk to health, he is a risk to be Australian community's health, he is a risk to their jobs and he is a risk to the economy. I urge those opposite to go out and consult to find out what is really happening in the community. (*Time expired*)

#### **Mental Health**

**Senator BOYCE** (Queensland) (1.00 pm)—I have the opportunity to follow on from Senator Polley's contribution in this matters of public interest debate because I was intending to speak on the topic of mental health. I find it interesting that Senator Polley can talk about health and hospital reform

but neglect to mention that none of that health and hospital reform inquiry or review included the topic of mental health. Apparently, mental health has nothing to do with health, according to the Labor government. It gives me no pleasure whatsoever to speak on the topic of mental health. The reason I am, and the reason that many distinguished people in this area have raised this topic in the last few weeks, is the Rudd Labor government's complete absence of any action on, any interest in or any funding for the area.

My personal interest in mental health follows from my interest in disability. Many years ago I realised the issues that affect people with disabilities and the families and others who care for them were very similar to those that affect people with mental health problems—the sense of powerlessness; the sense that you should be grateful for the very few crumbs that drop from the table; and the sense that, if you do not make yourself fit the system, too bad, the system will punish you for not fitting in with what it suggests or offers. There is no sense of what people want and no sense of asking consumers or those who care for them what they need—just a few crumbs off the paternalistic table that people are supposed to be grateful for. The issues are very much the same in mental health as they are in disability, and it is very sad that the issues for people in the mental health area are getting worse.

One would have thought that perhaps we had finished this debate. In 2006, the Howard-Costello government moved to introduce the Personal Helpers and Mentors scheme and they introduced the Better Access to Mental Health Care scheme. For perhaps the first time, people in the mental health area had the sense that at last a government got it—a government that was prepared to meet their needs and to listen to what they wanted, not simply offer a few bureaucratic crumbs from the table. There was a sense of hope in

the sector that things had started to change, that at long last the needs of people with mental health problems would be put ahead of government budgets when policy was being developed.

This year's appointment as the Australian of the Year of Professor Patrick McGorry, an outstanding expert and advocate in the field of mental health, gave further hope that mental health would be at the forefront of the thinking not just of the Labor government but also of politicians in general. How disappointed can everybody be—and bitterly disappointed. I would like to be apolitical on this topic, but it is not possible. I think we need only go back to the comments of Professor John Mendoza last weekend when he resigned as Chair of the National Advisory Council on Mental Health. Professor Mendoza was appointed to that position by Prime Minister Rudd and the Minister for Health and Ageing, Ms Roxon. He was their hand-picked person to advise them on mental health issues. So it is somewhat shocking that a very short time into his role as the Chair of the National Advisory Council on Mental Health Professor Mendoza has seen fit to resign. I quote some of the reasons that he gave for resigning:

It is now abundantly clear that there is no vision or commitment from the Rudd Government to mental health. The Rudd Government is publicly claiming credit for the increased investment in mental health when almost all of this is a consequence of the work of the Howard Government.

Professor Mendoza went on to say:

This coming financial year total spending on mental health will fall to below less than 6% of all health funding ... This fall in investment simply beggars belief ... The Prime Minister has clearly decided there are no votes in mental health ...

The bitter disappointment those words echo is supported throughout the mental health sector. There are no votes in mental health,

according to the Labor government, and there is no money for mental health. Professor Mendoza made the point that mental health funding has fallen below six per cent of all health funding this year and yet the government's own statistics show that mental health is responsible for 13 per cent of health problems. At least 13 per cent of the health-care burden is attributable to mental health issues and yet only six per cent of healthcare funding is going into this area.

Annually, mental illness costs the Australian economy just on \$30 billion. It is the highest area of disability covered by the health budget, yet the government's response to Professor Mendoza's resignation has been extraordinarily disappointing for the mental health sector. 'We wish Professor Mendoza well' was pretty much what they said: 'There is new funding there.' Well, sorry, there isn't new funding there. The increase in funding has led to an overall decrease. They put some more funds in, but only enough to half keep up with what needs to be done.

We have the situation, as Professor Mendoza outlined very clearly, that about 330 Australians who present to emergency departments with serious mental illness are turned away, and fewer than one in 15 are referred. So, if you go to an emergency department with a mental illness, you have a one in 15 chance of getting some further support for your problem. Otherwise, you are just sent home—if you have a home to be sent to. More than 1,200 Australians a year are refused admission to a public or private psychiatric unit. At least seven people die of suicide in Australia every day, and another 180 Australians attempt suicide. That is one every eight minutes. The lack of interest that this government has in this area goes on and on.

I would be the first to admit that the coalition government did not get mental health all



right, but we made a good start, and the expectation was that that start would be supported and followed up. It was not; it has not been. Let us add to Professor Mendoza's criticisms of this government and its actions the criticisms of Australian of the Year Professor Patrick McGorry. He has said:

The system is absolutely on its knees. We have a famine-like situation and the mental health system is getting the scraps from the table.

Professor McGorry said that in his view this was because mental health did not have the cachet it had five years ago.

Yes, mental health is not a 'sexy' area. It is not an area that is found attractive for funding. There are very few cute kiddies and dogs to have your photo taken with in the mental health area. Nevertheless, it is an extraordinarily important area, a view that was apparently shared by Minister Roxon and the Prime Minister before the last election. At the national mental health conference just before the 2007 federal election, Minister Roxon told the conference delegates that Kevin Rudd had put mental health:

... high on his personal agenda of issues.

Well, we have seen what happens to the great moral challenge of our times when it is left in the hands of Prime Minister Rudd. It is even more disappointing to see what has happened to mental health and mental health funding left in the hands of Prime Minister Kevin Rudd.

I would like to briefly talk about two of the programs that were started by the Howard government and have good support within the mental health sector but are in the process of being emasculated by this government. The first of those is the Personal Helpers and Mentors Program, which was a five-year program designed, in the end, to provide the equivalent of 900 full-time workers to assist people with mental illness with the day-to-day tasks that can become

insurmountable when you have a mental illness. The program has been very successful but it is getting to the end of its five-year life. Where is the funding for the next five years? Where is the funding to extend this? Currently, only 900 workers are employed in this area. It is a capped program. There is nothing proposed to continue this. There are some small trials in other areas and a little fooling around at the edges, but a program that has been considered one of the most successful ever in the mental health area is in limbo, waiting for the government to work out what to do about the cash situation.

The other program, the Better Access initiative of the Howard government, allowed for mental health treatment plans and programs to be developed and funded through the MBS. It is quite true that there was \$500 million in the Better Access program under the last government and it has now gone up to \$1.1 billion. This is because the government have not worked out how to cap it. It is an entitlement program under the MBS, and it is interesting to note that since the program started in 2006 there have been more than 1.9 million GP mental health consultations through to the end of March 2010. The number of plans that were in place as at the end of March is 4,583,979. This suggests that there is a very strong need for this program. But, rather than work out how to assist this program, how to support it and how to develop it, the government are working out how to move funds and move entitlements out of this uncapped funding area into areas where they can be as stingy and parsimonious as they like with their funds. I said in Senate estimates that the fact that the funding has doubled into the Better Access program has simply been because of the popularity of the program. All this government have done is met costs. They have not put new money in or expanded the services. The response I got from a department of health public ser-

vant was: 'The services available under the program are the same as when the program commenced.' Great! The services are still available, but all this government can do is try to work out ways to stop them being available.

I would also like to point out that the national Mental Health Council of Australia made their assessment of the budget and the spending on mental health very early. They said:

The Rudd Government today claimed that this is a "good budget for mental health". The Government is wrong. There is no significant increase in funding for mental health.

How many experts, people who have dedicated their lives to working in this area, do this government need to tell them that they have got it wrong before they can do a little bit better than wish Professor Mendoza 'all the best'? The first-ever national mental health summit will be held at the University of the Sunshine Coast tomorrow and on Friday. The guest speakers will include Professor McGorry, Professor Peter Bycroft and of course Professor Mendoza. The government will not be there, I am sure, but the government must listen.

### **Food Labelling**

#### **Water**

#### **Gambling**

**Senator XENOPHON** (South Australia) (1.15 pm)—As an Independent senator, matters of public interest speeches are a rare treat indeed. For me they happen only twice a year, and so I intend to speak on not one, not two but three issues of public interest, indeed public importance, within my allocated 15 minutes—on food labelling laws, on water and on poker machines.

The first is an issue of national importance and relates to the erosion of Australia's food security. As many of you know, along with Senator Barnaby Joyce and Senator Bob

Brown I have co-sponsored two private senators' bills that relate to food labelling. This is an issue that goes beyond politics and beyond ideology in dealing with food labelling. Our current food labelling laws are a disgrace. They fail consumers; they fail food producers. The only people our current laws seem to help are food manufacturers who want to pass off foreign foods as Australian foods. That is not acceptable.

Under the current regime, the term 'made in Australia' is inherently deceptive. It means merely that 50 per cent of a product has been 'substantially transformed' in Australia. So, under current laws, orange juice which is made entirely of Brazilian concentrate but has had Australian water added to it and been packaged here can be called 'Australian made'. I do not know about you, Mr Acting Deputy President, but I do not eat the waxy cardboard container of orange juice which is labelled 'made in Australia' when in fact it is something that is far from it. As the Riverland fruit growers in my home state of South Australia know from bitter experience, when foreign foods are passed off as Aussie foods, as they are in that orange juice example, Aussie farmers lose their jobs.

I noted that during the public debate on the truth in labelling bill some of the most vocal opposition came from the Australian Food and Grocery Council. This is a group that represents so-called Australian companies such as the Philip Morris-owned Kraft, Colgate-Palmolive, Nestle and Coca-Cola. These companies are as dinky-di as baseball and hot dogs, and yet these are the companies that are fighting change. Their spokesperson, Kate Carnell—I note she is a former Chief Minister of the ACT—puts up examples like Bickford's cordial, arguing that they could not call their product 'Australian made' under the proposed private senators' bill because they have to buy vanilla from overseas. Vanilla could easily be grown in

Queensland, for example, but currently it is not, because there is not a sufficient market for it. I will tell you why: because right now you can pass off foreign vanilla as Australian, so we do not need to grow our own.

That said, I acknowledge that there may be some products which may require the smallest of ingredients from overseas. I understand some cheeses, for example, require an enzyme which is currently available only overseas. The private senators' bill I introduced, with both Senator Barnaby Joyce and Senator Bob Brown, in its current form says a product has to be 100 per cent Australian made to be called 'made in Australia'. Perhaps it could be 99 per cent or 95 per cent. Let us have that debate—but it should not be 50 per cent.

There are other labelling issues that affect Australia producers and consumers. With olive oil, for example, there are no restrictions on what exactly constitutes 'extra virgin' olive oil. This means imported blends can be sold as 'extra virgin' when they are blends of all sorts of things. This puts genuine Australian producers at a significant disadvantage. There is a similar issue with honey. Imported honeys are currently being blended with Australian honey and then sold as Australian produce overseas and in our marketplace. That is wrong. Surely it is misleading, and yet under current laws it is allowed. I acknowledge there is currently a government review into food labelling being conducted by the former federal health minister, Dr Neal Blewett, and I look forward to its findings. That is at least a step forward. But we do not need a review to know consumers are confused. They need and deserve honest labelling and so do our farmers.

The second food labelling bill relates to the need for palm oil to be clearly labelled on foods as palm oil. Currently palm oil can be legally labelled as vegetable oil, and this is

having all sorts of consequences for our planet. Palm oil is currently found in around 40 per cent of the foods on our supermarket shelves, and the cultivation of palm oil is having a devastating effect on many regions around the world. Eighty-five per cent of the world's palm oil comes from Indonesia and Malaysia, and palm oil production is the No. 1 cause of deforestation in Indonesia, for example. In South-East Asia alone, the equivalent of 300 soccer fields of forest is cleared every day because of palm oil production, and palm oil production costs the lives of around 50 orangutans each week. At this rate, orangutans will be extinct by 2013.

I believe Australian consumers would make the right choice if they were given a choice, but right now you cannot avoid palm oil because, thanks to our weak labelling laws, you usually do not know you are buying it or eating it—and, being saturated fat, palm oil is not good for our health either. This needs to change, and I call on the Senate to support the two private senators' bills relating to food labelling. I note that Senator Boswell, the father of the Senate, is in the chamber right now. I think Senator Boswell would acknowledge that it is a rare thing indeed to have both Senator Joyce and Senator Bob Brown co-sponsoring a bill. I think it shows that this is something that goes well beyond ideology. It is not about party politics; it is about a common-sense approach, and a fair approach, to food labelling for our consumers and for our farmers.

The second topic I wish to address relates to water. In my home state of South Australia there is no bigger issue than the issue of water and, more specifically, the future of the Murray-Darling Basin. Just a few days ago, Deputy Premier Kevin Foley revealed just how dysfunctional the federal government's much-touted intergovernmental agreement on the Murray-Darling Basin is. You will remember, Mr Acting Deputy President, that

this is the scheme that was meant to sort out the squabbling of water in the Murray-Darling Basin once and for all. I think the Prime Minister described it as a historic agreement that would lead to a fair national plan for the Murray-Darling Basin. Certainly the South Australian Premier, the Hon. Mike Rann, said very much the same thing. That was on 3 July 2008 and, despite what the South Australian Premier said about this being such a historic agreement, we now find that the South Australian government has had to take the Victorian government to court over the whole issue of caps and water allocation. That agreement took place almost two years ago.

But just a few days ago we had the Deputy Premier, in his capacity as Acting Premier, saying that if any agreement did not suit South Australia they would ignore it. The agreement relates to the Murray-Darling Basin being looked at by the Murray-Darling Basin Authority in terms of sustainable diversion limits. The Hon. Mr Foley said, 'We will not automatically agree to anything that is in the plan that we think is unfair and damaging to our state's interest.' In other words, this agreement is no agreement at all. I can understand why Mr Foley, as Acting Premier, said that but it contradicts what the Premier has previously said—that this was a historic agreement.

It is easy to make the Murray-Darling Basin issue seem dauntingly complex. It is easy to get bogged down in claims and counter-claims and a detritus of bureaucratic negotiations whereby we fail to see the more obvious truth and the more obvious solution. For more than a century individual states have put their self-interest and their parochial interests ahead of the national interest; I am willing to say that, given the chance, they will continue along this ruinous path for another century. For one river system we need one set of rules. And that is why I believe the

only thing that will save the rivers and will save South Australia is a full and immediate national takeover of the Murray-Darling Basin so that, for the first time in this nation's history, the Murray-Darling can be run in the national interest. The federal government has trusted the states with the chance to reach agreement and, sadly, the states have proven they cannot be trusted. We need a national takeover and delays are destructive.

Finally, I want to finish up by talking about the release today of the Productivity Commission's final report into gambling. Firstly, I should point out that the government's response has been nothing short of abysmal. It has been pathetic. The government have had this report for almost four months and what is their plan? Their plan is to stage yet another meaningless talkfest with the states, no less. How can you trust the states on gambling when state governments rake in over \$4 billion a year in state taxes from poker machines alone? It is not as though the states want to do anything about problem gambling, because they are so hopelessly compromised by their reliance on gambling revenue. And when you consider that 50 per cent of gambling taxes come off the backs of problem gamblers they are completely and hopelessly compromised on this.

The federal government stated today that they support the precommitment of smart card technologies. Can I suggest that precommitment is the most far-off recommendation put up by the Productivity Commission because the fact is that, with precommitment, it will take time and so much negotiation with the states. It can be incredibly complex. It could be effective but it is not a solution that we can deal with here and now. If the government were serious they would start with a recommendation to cap the maximum bet at \$1, although I want to quickly add that while I welcome the Pro-

ductivity Commission's recommendation to cap maximum bets at \$1 a spin I would argue that that is not enough to protect problem gamblers. The fact is that, even with \$1 bets, because of the volatility of the machines, a player will still be able to lose up to \$1,200 an hour in New South Wales, Victoria and Queensland and around \$1,000 an hour in my home state of South Australia. That is completely unacceptable. We need to cap the losses as well as the bets.

In its draft report, the Productivity Commission suggested aiming for an hourly loss rate of around \$120. This could be achieved simply by reprogramming the machines to adjust volatility. The industry claims that they return something in the order of 90c in the dollar to players, but this is incredibly misleading. The fact is that, in many cases, that rate of return is over the life of the machine—over millions of spins and over millions of dollars poured into the machine. It is estimated that to achieve anything approaching that level of return you would need to play a machine nonstop for almost a year. So if we are serious about protecting problem gamblers, we need to reprogram the machines to reduce the volatility. There should be a 90c in the dollar return to every player, even if they gamble as little as \$20 or \$50.

The federal government need to take over the regulation of poker machine gambling and they can do it. It is clear that they have the constitutional power to do so. When it comes to regulating poker machine gambling the Commonwealth have corporations power, taxations power, and telecommunications and banking powers to intervene and take over from the states, because the states have failed. The government need to make these first two simple changes: cap the bets to \$1 and cut the volatility to guarantee a 90c in the \$1 return to every player. They need to cap the bets and cap the rate of loss. And if they do that they would actually make a sig-

nificant inroad overnight into the rates of problem gambling.

I entered politics because of this issue. When I ran for state parliament all those years ago in South Australia, politicians and the public were not really aware of the damage that is done by these dangerous machines—this is a dangerous product—but none of us has that excuse anymore. The evidence is there and it is clear. According to the Productivity Commission, there are upwards of 510,000 Australians with a gambling problem in this country, and we know from previous Productivity Commission work that each of those affects the lives of seven others, on average. The government must move immediately to protect the hundreds of thousands of Australians, and their families, who are suffering now because of poker machine addiction.

#### **Parkinson's Disease**

#### **Go Red for Women**

**Senator CAROL BROWN** (Tasmania) (1.30 pm)—I rise today in this matters of public interest debate to inform the chamber of two recent events. The first that I will speak about concerns Parkinson's Disease. As Convenor of Parliamentary Friends of Parkinson's I had the pleasure, along with the Deputy Convenor, the member for Gilmore, Mrs Joanna Gash, of conducting earlier this year the Living with Young-Onset Parkinson's Morning Tea, in conjunction with Parkinson's Australia. I would like to place on record our thanks to all of the parliamentarians who supported the morning tea and especially to the Parliamentary Secretary for Health, the Hon. Mark Butler, who attended in an official capacity on behalf of the Rudd Labor government.

The purpose of the morning tea was for three brave young Parkinson's sufferers to share their stories and experiences with parliamentarians and other invited guests to help

raise awareness of young-onset Parkinson's disease. It was also an opportunity for these young-onset Parkinson's disease ambassadors to present the federal government with a report about the issues and the impacts of living with young-onset Parkinson's disease, but I will touch further on this report later in my contribution.

It is a common misconception in society that Parkinson's disease affects only older people. However, increasingly, younger Australians are being diagnosed with Parkinson's disease. In fact, Access Economics tells us that approximately 18 per cent of people living with Parkinson's disease are of working age, which is about 10,000 people Australia-wide. It can also be said that one in 40 people with Parkinson's disease will be aged under 40 at diagnosis. People diagnosed with young-onset Parkinson's disease suffer from different degrees of the disease's debilitating physical and emotional effects. Access Economics also identifies that about one-quarter to one-third of those people diagnosed with young-onset Parkinson's disease will have moderate to high needs now and the remainder will develop high needs over time, probably at a younger age.

As I mentioned earlier, young-onset Parkinson's disease is often overlooked. The community often stereotype a Parkinson's sufferer as someone who is old, but statistics show this is not the case. So, as part of the Young-Onset Parkinson's Disease Morning Tea, Parkinson's Australia brought three young Australians to Canberra to speak about what it is like to live with young-onset Parkinson's disease. The morning tea was an excellent forum for the Parkinson's young ambassadors to share their experiences and tell the gathered parliamentarians and guests of what it is like to suffer from the disease.

I would like to take this opportunity to put on record my thanks to the three Parkinson's

young ambassadors: Nerissa Mapes, young ambassador for Parkinson's Australia; Richelle Fowler, young ambassador for Parkinson's South Australia; and Paula Argy, young ambassador for Parkinson's New South Wales. I would like to inform the chamber of the stories of these three brave young ambassadors. Firstly I would like to talk about Nerissa. Nerissa was diagnosed with Parkinson's disease at age 28, in September 2006, after suffering from declining motor skills and slowness of movement. Parkinson's disease means that Nerissa has difficulty with everyday tasks such as dressing and using a knife and fork. Since her diagnosis, Nerissa has actively been fundraising for Parkinson's disease, through her foundation Perspectives on Parkinson's, or POP. To date, POP has raised more than \$60,000. Nerissa has also taken an active role in the media, including appearances on *The 7.30 Report*, *9am with David and Kim*, *The Morning Show*, and numerous radio programs. Her story has also appeared in *New Idea* and *Woman's Day* to raise the profile of young sufferers of Parkinson's disease.

Secondly we have Richelle's story is one of a very extreme case. At the age of just 17, she developed a tremor whilst at school and she was diagnosed with Parkinson's disease. Richelle lives in South Australia with her husband, and she remains positive in her fight against Parkinson's disease, vowing not to let Parkinson's disease beat her. She is active in her role as young ambassador of Parkinson's South Australia.

Finally I want to talk about Paula. Paula first noticed symptoms at the age of 23; however, she was not diagnosed until she was 27 years old. Paula is now a full-time mother of two young children whilst also volunteering at the offices of Parkinson's New South Wales. Parkinson's New South Wales nominated Paula to be their ambassador for their major fundraising activity for

the year, Australia's Unity Walk for Parkinson's. As ambassador for the Unity Walk for Parkinson's, Paula was interviewed for newspapers, radio programs and television to tell her story and heighten the awareness of young-onset Parkinson's disease. Paula and her children have been very active in fundraising for Parkinson's New South Wales, through selling raffle tickets and through sponsorships, raising over \$7,200. Every day, Paula and her children are faced with the struggle of Parkinson's disease. It is tough, but they work together, confront Parkinson's disease head-on and live life to the full.

I want to again acknowledge the bravery of these three young women who took the time and had the courage to speak of their experiences of living with young-onset Parkinson's disease, to share their lives and to put themselves out into the public arena. They are all committed and work hard to raise awareness of young-onset Parkinson's disease, which is often overlooked when the community think of Parkinson's disease. The presence of these three fantastic young women at the morning tea was organised by Parkinson's Australia CEO, Mr Norman Marshall and the Parliamentary Friends of Parkinson's. I have had a productive association with Norman, through my role as Convenor of Parliamentary Friends of Parkinson's, and I would again like to place on the record today my thanks and appreciation for all the hard work and support Norman provides to raise the profile of Parkinson's sufferers. Norman is a tireless advocate for sufferers of Parkinson's disease and works passionately to raise the profile of Parkinson's disease.

Norman and I, along with the Deputy Convenor of the Parliamentary Friends of Parkinson's, the member for Gilmore, Mrs Joanna Gash, who was previously the convenor, have held a number of Parkinson's events around Parliament House over the

years. I am happy to report that the morning tea with the young-onset Parkinson's sufferers was very successful. We had an excellent turnout for the event, with many parliamentarians and community representatives attending to hear the touching stories of these three young women who suffer from Parkinson's disease. The three women featured in a number of media stories, presenting them with another platform to raise awareness of young-onset Parkinson's disease.

The young-onset Parkinson's ambassadors also used the occasion to present to the federal government a report conducted on behalf of Parkinson's Australia by Dr Chris Fyffe and Jeffrey McCubbery entitled *Living with young onset Parkinson's disease: the issues and impact of young onset Parkinson's disease in Australia*. That report states:

For the first time in Australia, people with young onset Parkinson's disease and their family members were asked to identify the issues and impacts arising from living with this condition and to make comment about the availability and appropriateness of current services and supports.

The report also identifies, similar to the stories told by Nerissa, Richelle and Paula, the impacts of living with young-onset Parkinson's disease. It highlights major disruptions to the young-onset sufferer's personal, work and family life. These effects are far-reaching—from debilitating physical effects to emotional cognitive effects. The report recommended the establishment of a national young-onset Parkinson's centre to provide peer support, service development and research about supporting young-onset sufferers' lifestyles, as well as coordination with Parkinson's associations, because they are well-placed to foster network development and partake in information exchange so that specific responses to issues can be developed. I would finally like to place on record my thanks to the Hon. Mark Butler, the Parliamentary Secretary for Health, who was

able to be with us to hear the stories from the young-onset Parkinson's ambassadors and receive the report on behalf of the Rudd Labor government.

I would also like to take this opportunity in my contribution today to highlight another important community issue—that is, Go Red for Women, the Heart Foundation's campaign to unite women in the fight against heart disease. The Go Red for Women campaign is helping to raise awareness of their risk and promote healthier choices. It is a common misconception that breast cancer is the biggest killer of Australian women. In fact, heart disease kills four times as many women as breast cancer does. This is over 11,000 women per year, and is nearly as many men who die from heart disease. In fact, heart disease is responsible for almost 16 per cent of all deaths in Australian women.

There are a number of reasons heart disease accounts for such a high rate of deaths in Australian women. Firstly, the percentage of Australian women who suffer from heart disease risk factors is quite high. The ABS tells us that 16 per cent of women aged 18 years and over are daily smokers, 15 per cent of women aged 25 years and over have high blood pressure, 10 per cent of women aged 35 years and over have high blood cholesterol, 55 per cent of women aged 18 years and over are overweight—that is, they have a body mass index, BMI, of 25 or more—and 24 per cent of women aged 18 years and over are obese, with a BMI of 30 or more.

Secondly, female attitudes and beliefs need to be targeted to better educate women on the dangers of heart disease. The Heart Foundation HeartWatch consumer survey identified some concerning revelations: 39 per cent of women aged 45 to 54 believe that breast cancer is the leading cause of death in women. Whilst women identified lifestyle

risk factors such as poor diet and lack of exercise, many failed to identify clinical risks such as high blood pressure and diabetes. And nearly one in five women thought it was difficult to find accurate and easy to understand information about heart disease and women. This concerning statistic goes to the heart of the Go Red for Women campaign. In June 2010 the Heart Foundation is aiming to increase awareness of the risk of heart disease to women and provide information about how Australian women can improve their heart health.

At the last parliamentary sitting, I was able to hear firsthand about the Go Red For Women campaign when I had the opportunity to attend the parliamentary event. It was a very informative and well-attended event with politicians gathering to lend their support to the Go Red for Women campaign. At the Go Red for Women campaign event in Canberra, a landmark report was also launched by the Minister for Health, the Hon. Nicola Roxon, and the Heart Foundation entitled *Women and heart disease*. The report focuses on the impact of heart disease on Australian women and presents data on a number of issues, including prevalence, deaths, hospitalisations, treatments, risk factors and health expenditure.

The Go Red for Women campaign has also announced that Jane Stephens will be the Tasmanian Go Red for Women ambassador. Jane has been surrounded by heart disease all her life. I congratulate Jane on her appointment and look forward to her work in my home state and raising awareness of the dangers of heart disease.

The Go Red for Women event was able to open my eyes to just how quickly without warning heart disease can strike. I was able to learn of the story of Juleen Cavanaugh, who, although she had a family history of vascular disease, heart attacks and strokes



had kept her cholesterol on the low side. In November last year, Juleen saw her GP for a routine check-up, the day before her heart attack. Everything was fine and Juleen had no idea anything was wrong. At dinner that evening, Juleen experienced severe discomfort in her chest as well as pains down her arms. Within a few short hours, Juleen was in surgery having a stent inserted. Juleen was lucky to have people around her who recognised the symptoms and acted quickly. She also had an expert team of cardiologists and nurses to perform her surgery and assist in her rehabilitation. Juleen is now reducing her stress levels, losing weight and getting a lot more exercise. She said, 'Surviving this event has given me a second chance.' This story highlighted how quickly and unexpectedly a heart attack can occur. I hope that the Go Red for Women campaign will play a role in educating women about heart disease so that stories like Juleen's can have a positive outcome.

The Go Red For Women campaign was not solely restricted to Canberra; events were held across the country. In Hobart, my colleague the federal member for Franklin, Ms Julie Collins MP, had the opportunity to speak at the Go Red for Women campaign breakfast. Ms Collins outlined to the breakfast a number of the Rudd Labor government's key health initiatives, including our focus on preventative health measures by increasing the cigarette tax and the introduction of plain packaging on cigarette packs—both designed to encourage people to quit smoking.

I encourage all women to take the time to educate themselves about the risk factors associated with heart disease, lead a healthy and active lifestyle, get regular checks from their local GP and, importantly, get involved in the Go Red for Women campaign. Check out their website. Go to

[www.heartfoundation.org.au](http://www.heartfoundation.org.au) and get involved.

#### **Australian Council of Trade Unions**

**Senator BOSWELL** (Queensland) (1.45 pm)—I rise to speak on a threat to the union movement's ability to look after the jobs of its members. Once that threat was communism; today it comes from an extreme greens agenda. Union leaders are joining forces with extreme greens policy. We saw it on the ETS and now we are seeing it on the mining tax. Union leaders, perhaps with an eye to Labor preselections in the future, are putting extreme greens policy first and their members' jobs last. For example, union members' dues are funding extreme policy reports that would undermine members' jobs. The ACTU and the Australian Conservation Foundation, ACF, produced a report in May that calls for a 50 per cent cut in emissions by 2030 at a cost to the economy of nearly half a trillion dollars in extra investment.

Senator Sherry, you would be alarmed, as deputy person in charge of the purse strings, that the ACTU and the ACF have put out a paper calling for half a trillion dollars in expenditure to reduce emissions by 50 per cent. Do union members know that their hard-earned money is going towards this extreme greens agenda? How much union money went towards paying for this report? Why aren't union leaders standing up for their members instead of selling them out for greens' fantasies? Earlier this year I listened to Senator Milne debating the renewable energy amendment bill. She said, 'We should be aiming to have 100 per cent renewable energy as fast as we can.' That is a totally irresponsible call. If implemented, it would send household and business power bills through the roof, whether covered with solar panels or not.

*Complementary policies for greenhouse gas emission abatement and their national*

*and regional employment consequences* is a report for the Australian Conservation Foundation and the Australian Council of Trade Unions prepared by the National Institute of Economic and Industry Research. The ACTU and ACF report recommends wonderful proven policies such as incentives for ceiling insulation. We know how that ended up—in tears. In order to pay the half trillion investment cost, the report says that:

Investment can only be resourced from savings, which can only be increased by consuming less.

That means:

... immediately-pleasing expenditures must be foregone: in the business case, profit distributions; in the government case, current services for the people; in the household case, current spending on consumption goods and services.

I am quoting from the report that, Senator Sherry, your union fees would have helped pay for.

In the report, the ACTU advocates that:

... an incomes policy is agreed between the major stakeholder groups in the Australian economy via tax/wage, tax/superannuation or wage pause agreements to limit the inflationary consequences of the aggressive CO2 reduction strategy ...

Do union members know that the ACTU wants to freeze their wages to fund emissions reduction? Have they held meetings with their members to discuss this? How did the plan go down? I bet no-one on the factory floor or in the mills or the mines knows anything about this deal on wage freezes to fund emissions reductions. Union leaders are treating their worker-members like mushrooms. I bet there were no items on the shop stewards' agenda to discuss with workers which government services should be cut or how every member will be forced to cut down their consumption of goods and services. No, the shop stewards would not even know themselves. The sell-out of their members' jobs has been done at the highest level by union leaders.

The ACTU-ACF report concludes that:

... the ratio of household debt to gross disposable income will stabilise at around 200 per cent—a very high ratio by historic standards.

The union leadership of Australia have seriously promoted such a state of affairs. Why have they not been held accountable and asked to defend such an unsustainable position? The ACTU report says that:

An important potential means of reducing emissions would be to switch production from the current mix of goods and services towards education and health services, both of which are low-emission.

Effectively they are saying, 'Out with mining, out with manufacturing.' Union leaders have sold out their workers in those industries. Perhaps that is why they have fallen for the 40 per cent mining supertax, because, for them, mining was on the way out anyway.

Then they want to increase public spending on top of all that. The report says:

To maintain the targeted GDP growth rate, public sector spending will have to increase. That is, the public sector will have to go into sustained deficit—

I am quoting from the report, Senator Sherry. I know it is embarrassing, and I know you would like to leave. I know this is tremendously embarrassing to you.

**The ACTING DEPUTY PRESIDENT (Senator Marshall)**—Senator Boswell, I would like you to address your remarks through the chair, if you would be so kind.

**Senator BOSWELL**—I am quoting the report. It says:

... the public sector will have to go into sustained deficit to offset the negative effects on the economy from a rise in the household savings ratio.

This report is highly critical of Australia's economic performance, saying:

If it does not come to an end from household debt saturation, the Australian boom from 1993 to date

could easily end in a crisis in financing the balance of payments deficit.

It seems that the ACTU and Senator Barnaby Joyce have something in common. He is always pointing out the debt. The report goes on:

This would rebound on the household sector by raising prices (through increased costs of imported consumers' goods due to devaluation) and by raising interest rates as well. The resulting fall in household incomes would reduce demand and generate unemployment.

Senator Arbib is here—and I hope he listens to this because he has some influence in the union movement. Here we have the industrial arm of the Rudd government saying that Australia faces rising prices, rising interest rates, lower incomes and higher unemployment—hardly a ringing endorsement of Rudd's economic management. Yet no-one has held the ACTU to account.

**The ACTING DEPUTY PRESIDENT**—Senator Boswell, I think you are aware that you are supposed to refer to the Prime Minister by his correct title.

**Senator BOSWELL**—The Prime Minister. I want Senator Sherry and Senator Arbib to listen to this statement from the ACTU-ACF report, which said:

Whether Australia continues to avoid the need for financial reconstruction is the elephant in the room.

It seems from this that the unions see the economy and its problems quite differently to the way the Rudd government sees them. The unions in fact are highly critical of Labor's economic management. Such a split between political partners would arouse enormous interest and coverage if it occurred between coalition partners, the Nationals and the Liberals. But because it is the ACTU and Labor, their differences are not talked about. I would like to know why that is.

Union leaders care more for extreme green policy than for the jobs of tens of thousands or hundreds of thousands of their members put at risk by Rudd's mining super-tax. The CFMEU says the superprofits tax is a modest one and boasts that it has the support of Ross Garnaut. The tax is as far from modest as a scene from Scores nightclub, and Garnaut's report canvassed replacing beef herds with kangaroo mobs to reduce carbon emissions. Blue-collar workers will not have much in common with that kind of thinking.

The only ones who win out of a superprofits tax are the extreme Greens because emissions will certainly go down as mining stops. In Queensland alone over \$50 billion of mining projects have been put on hold. Union leaders have sold out their members' jobs in these projects. It is astonishing to see the unions campaign so hard for a supertax that will reduce their membership by putting so many out of work. This comes after the unions cooperated fully with the Prime Minister's plan to introduce an ETS that would have increased mining and industry costs around the country leading to thousands of job losses.

The ETS and the mining supertax are anticompetitive. Union members understand this. The AWU's Paul Howes must be in cloud-cuckoo-land to claim as he did recently when he said:

We showed, during the debate over climate change, that we were not prepared to allow good Australian companies to go under at the altar of green utopianism.

But that is exactly what union leaders did on the ETS, and now they are helping those same companies go under with a superprofits tax. The ACTU joined with the ACF to plan the decarbonisation of Australia's economy. They want to reduce emissions by 50 per cent by 2030 at the cost of an extra half a

trillion dollars investment. That recipe would ruin Australian jobs and industry, and bankrupt us worse than Greece.

When history looks back at the actions of union leaders under the short-lived Rudd government, it will show enormous errors of judgment that led to a crisis of confidence in unions from their abused and neglected members. Not since communism threatened the unions has there been such an unholy alliance between union leaders and extremism. Throw in a secretary of the Treasury who suffers from a tax addiction and you have a recipe for economic mismanagement of the highest order. Workers are starting to realise this, especially as their electricity bills go up and up. Union leaders have not been straight with them. They have not told them that the side effect of decarbonising the economy is a huge cost that has to be paid for by the workers and their families in everyday living costs. If the government has its way on the ETS and the supermining tax, the cost will be jobs, jobs, jobs.

It is all right for union leaders who make it to the Senate or the other house. They can lounge round in their flash suits and reminisce about the days singing *Solidarity Forever* as though it really mattered. They come into this place and try to defend everything but put the jobs of the people who put them here on the line. No wonder you have got mining bosses at rallies while union chiefs and green mafia dons loiter in lobbies in their suits and ties. Unfortunately, these cosy deals at the top levels of power have serious ramifications down the chain where the real people live and try to make a living.

One small example, but a very serious one, is happening on the Wild Rivers in Cape York. As the Senate knows from its recent debate yesterday, the Queensland Labor government has cut a deal with extreme green groups to lock up entire river basins in the

cape. This has local Indigenous people very upset because they will be restricted from doing anything much with their land as far as making a living goes. Labor forced this on them because Greens preferences are more valuable to them these days than the black vote.

I heard many a Labor senator get up and protest that it is not true: that Indigenous people can still get developments through in Wild Rivers areas. I ask them to look at the latest evidence submitted to the Senate committee just before their report was tabled. That evidence is proof that Labor senators are entirely mistaken. The Queensland government has made it clear that the Indigenous community cannot have so much as a vegetable garden because it would be in a high preservation area of a wild river where no clearing is allowed. That is a direct result of the alliance between Labor and the Greens. Indigenous communities cannot even grow their own greens.

#### QUESTIONS WITHOUT NOTICE

##### Broadband

**Senator BRANDIS** (2.00 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. I refer to the non-binding agreement for Telstra to participate in the National Broadband Network. How can the government justify paying \$9 billion of taxpayers' money essentially in exchange for Telstra shutting down its existing business? What are Australian taxpayers actually getting for their \$9 billion?

**Senator CONROY**—That is a question that shows that those opposite, as usual, have failed to do basic research, to even read a press release from either Telstra or NBN Co. or look on the departmental website. It is very clearly spelled out what is being received in the deal between NBN Co. and the Telstra Corporation, which is who the con-

tract, the financial heads of agreement, has been signed with. It is a \$9 billion deal between NBN Co. and Telstra, and the \$9 billion refers to two or three different aspects but the vast bulk of it refers to access to Telstra's infrastructure—the ability to use existing infrastructure. This will lead to significant savings for the country and, more importantly, it will not lead to the debacle that took place under those opposite with the HFC cable, when we had Telstra and Optus trucks driving down the same streets stringing two cables up in front of everybody's houses, digging everybody's pavement up twice. That is what actually happened. That sort of duplication was a terrible waste of money for the Australian economy.

The other major aspect of the \$9 billion is the commitment to transfer all of Telstra's customer base onto the National Broadband Network. That is millions and millions of Telstra customers closing down the copper and moving across onto the fibre network. This is a win-win. (*Time expired*)

**Senator BRANDIS**—Mr President, I ask a supplementary question. How does the minister defend Labor's decision to spend another \$100 million a year of taxpayers' money on the universal service obligation—a cost that until now has always been met by the telecommunications industry, not by the taxpayer?

*Senator Lundy interjecting—*

**Senator CONROY**—Yes, they do think they are so clever, Senator Lundy. You are right. Tragically, the way networks work is they are connected together. Pieces of copper connect to pieces of copper; pieces of fibre connect to pieces of fibre. When you restructure the sector, when you pull the copper out of the ground and you close exchanges, what that means is that the copper network that extends out into the 10 per cent needs to be connected to something. The restructure that

we are engaged in is described by the *Australian* in its editorial today, where it says:

THE effective restructure of Telstra after two decades—

**Senator Brandis**—Point of order, Mr President. The minister was asked—

**Senator CONROY**—You don't know what you are talking about.

**The PRESIDENT**—Order!

**Senator Brandis**—Are you going to call him to order, Mr President?

**The PRESIDENT**—Senator Conroy!

**Senator Brandis**—Mr President, the minister was asked why the taxpayers rather than the telecommunications industry are now footing the annual \$100 million bill for the universal service obligation. It must be obvious to you that he has not gone anywhere near responding to that issue.

**Senator Ludwig**—On the point of order, the minister has been directly answering the question, quite frankly. He has been quite relevant to the point, and what we now have is the opposition simply seeking to raise the issue again during a point of order, which is quite inappropriate.

**The PRESIDENT**—The clock should have been held during the points of order. It has not been.

**Senator CONROY**—I'm a long way from finished, Mr President.

**The PRESIDENT**—Order, Senator Conroy. I believe it was at about the 34-second mark. On the point of order, I believe the minister is answering the question. He might not be answering it in the way that is desired, but I cannot tell the minister how to answer the question. I draw the minister's attention to the fact that there will be 34 seconds left on the clock to answer the question.

**Senator CONROY**—As I was saying, the *Australian's* editorial today says the restructure is:

... a political win for the Rudd government, which can now point to the brave new world of competitive telecommunications that lies ahead.

I will finish the rest of the quote, but again, to come back to the embarrassing point that Senator Brandis does not seem to understand, the \$100 million is only part of the money. We will continue to have the industry levy, but because the structure of the sector is changing— (*Time expired*)

**Senator BRANDIS**—Mr President, I ask a further supplementary question. Why has the Rudd government decided to spend \$16 million of taxpayers' money advertising the National Broadband Network on television and radio and in the print media across Australia when, according to Labor's own statements, the building of the network will not be completed for at least eight years? Isn't this just another political stunt from an all-talk, no-action government?

**Senator CONROY**—On the question of all talk and no action, let's be very clear about this: 6,000 kilometres of backhaul is being constructed across Australia right now. In Tasmania the first real customers signed up will go live in just two or three weeks—real customers with a real network that is being built in the ground today. For the first five mainland release sites, construction starts next month. The embarrassment on the other side is that they do not actually understand anything about this sector. They do not understand that the first customers will be connected in Tasmania in a few short weeks.

**Senator Brandis**—Then why are you advertising on the mainland?

**Senator CONROY**—Senator Brandis, you are an embarrassment to yourself, all right? The advertising campaign has come because all around Australia people are ask-

ing for more information, because of the disinformation— (*Time expired*)

#### **Afghanistan**

**Senator HUTCHINS** (2.07 pm)—My question is to the Minister for Defence, Senator Faulkner. Can the Minister outline to the Senate the new leadership arrangements in Oruzgan province? Can he further inform the Senate whether he is satisfied that these arrangements will be in place before the Dutch troops start their withdrawal on 1 August this year?

**Senator FAULKNER**—I thank Senator Hutchins for his question. The Minister for Foreign Affairs and I have just announced the new arrangements for the international mission in Oruzgan province. The Australian government welcomes the decision by NATO to establish a new multinational command structure for Oruzgan province to replace the Netherlands contribution from 1 August this year. These new arrangements will see the United States lead a multinational 'Combined Team Oruzgan' under an ISAF flag. This approach will serve our interests well and will also provide a strategy that will allow us to continue to build on progress that we have made in Oruzgan.

We are pleased to announce that Australia will make a significant contribution to the integrated civilian and military provincial reconstruction team. This will include having an Australian civilian lead the provincial reconstruction team. Our mission in Oruzgan remains focused on training the Afghan National Army 4th Brigade so it is able to assume responsibility for security in Oruzgan province. I am very confident that NATO has found a solution that supports both Australia's interests and also the interests of Afghanistan and its people.

**Senator HUTCHINS**—Mr President, I ask a supplementary question. Can the minister advise whether the support we are receiv-

ing from our International Security Assistance Force partners will be adequate to replace the Dutch capabilities?

**Senator FAULKNER**—The details of the United States contribution are of course for the United States to announce, but I am confident that the proposed arrangements will more than adequately match the role previously performed by the Dutch. Australia is one of 46 countries contributing to ISAF. With 45 partners and the Afghan National Security Forces, we are playing our part in a coordinated and comprehensive campaign. In Oruzgan, Australia would be working with the United States as well as our ISAF partners Slovakia and Singapore and, again, the Afghan national security forces. Of course, Australia would welcome any ongoing contribution from our Dutch partners in Oruzgan province.

**Senator HUTCHINS**—Mr President, I ask a further supplementary question. Can the minister update the Senate on the time needed for Australia's training mission of the Afghan National Army to be completed?

**Senator FAULKNER**—I recently tasked Defence to provide updated advice on the time frame for our mission. CDF has advised me that, on the basis of solid progress in our training efforts to date, Defence now estimates that within two to four years we will be able to transition the main security responsibility for the province to the Afghan National Army. On completion of our training mission, I expect that we will adjust our force levels as the ADF training mission transitions into an overwatch role. Our troops, of course, performed this role in Iraq for some 12 months. While this is the best advice I can provide the Senate, timing the transition of security to the Afghan National Security Forces of course depends on the conditions that apply on the ground at the time.

### Broadband

**Senator IAN MACDONALD** (2.12 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Is it true that Telstra's HFC cables in Melbourne, Sydney and Brisbane could be upgraded and built to provide a better or equally as good network as the NBN to the majority of Australians at a fraction of the \$40 billion cost of the NBN?

**Senator CONROY**—In one word, and then I will explain why, the answer very simply is no. Let me explain to you the laws of physics. HFC is like wireless in a pipe. The more people who switch on and use HFC cable at the same time the slower the dedicated speeds become. Let us pretend you have a 100 meg speed connection. Unfortunately, with HFC, the words that must always be used because the law requires it are 'up to 100 meg'. Let us be very clear about this. 'Up to' means that as soon as two of you switch it on your speed starts to slow, if three of you switch it on your speed starts to slow more and if a whole street switches it on the speed really starts to slow. With a piece of fibre it is very simple: it is a dedicated connection which has no interference or impact if the person in the next house or the next street turns it on.

The other thing about the DOCSIS 3.0 upgrade of the HFC cable is that it has been configured at 100 megs down and two up. This cannot match a piece of fibre which can have a significantly greater degree of symmetry when it comes to uploads and downloads. So the very simple answer, Senator Macdonald, is no, it cannot, and Telstra themselves, as has been revealed in the agreement, are bringing their broadband customers off the HFC network and across onto the fibre network because ultimately they know that they cannot compete with a dedicated piece of fibre in the same street. That is

why this deal is a win-win. It is a win for Telstra shareholders and a win for the broader Australian community because it will take us into the leading edge of world technology capacity, and that is why this deal should be supported by those opposite. It particularly should be supported by those in the bottom corner down there in the National Party, because they are turning their backs on their own voters. They are condemning their— *(Time expired)*

**Senator IAN MACDONALD**—Mr President, I ask a supplementary question. I note that the minister's advice is contrary to that given to the Senate select committee on that subject, but I ask the minister why it is that in the deal—mind you, I emphasise that it is a non-binding deal—Telstra is forbidden to have infrastructure which can compete with the NBN. Is this a back-to-the-1950s, government owned monopoly? Is this deal all about killing competition in the name of promoting competition?

*Honourable senators interjecting—*

**The PRESIDENT**—I remind senators that the time for debating the issue is at the end of question time.

**Senator CONROY**—There are so many incorrect assertions in that question that it is hard to know where to start, but let me be very clear about this. Firstly, there is no conflicting evidence with testimony to the Senate select committee, because let me quote to you the chief technology officer for Telstra, Hugh Bradlow, who said that fibre to the home 'is the end game'. That is Telstra's chief technology officer and he said it many times. I will take his testimony over your assertions any day of the week, Senator Macdonald.

As for some of the other assertions, they are nonsensical. Some of them are so nonsensical that I do not know where to start with an answer. But this is a deal that is, as I

said, a win-win. This is a deal that creates a wholesale market and a retail market, because those opposite cannot get away from the fact that they privatised a vertically integrated monopoly— *(Time expired)*

**Senator IAN MACDONALD**—Mr President, I ask a further supplementary question. The minister's incompetence is clear for all to see, but I ask him now: why is it that Australia's fastest growing broadband provider said recently, as TPG Telecom's executive chairman did, that he is not convinced that demand for NBN services has matured and that deeper analysis is required before taxpayers' dollars are thrown into it? Does this prove that Mr Rudd—

**Senator Bob Brown**—Mr President, on a point of order: I ask if you would look at the introductory comments to this question from the honourable member and see if they are in keeping with the standing orders. I believe that they are not.

**The PRESIDENT**—I will look at the introductory comments and if necessary I will come back to the chamber.

**Senator IAN MACDONALD**—Regarding the point of order, I hope that the clock goes back to 10 seconds—where it was when I was interrupted?

**The PRESIDENT**—Yes, you will be given the opportunity to complete your question.

**Senator IAN MACDONALD**—Thank you, Mr President. It is always the case of the Greens coming to aid their allies in the Labor Party. Does this prove that Mr Rudd drove negotiations for an early and expensive deal to try to offset, and even influence, the next bad Newspoll—the political win that Senator Conroy actually spoke about in his answer to the first question today, demonstrating that clearly this is all about politics and not about a decent national broadband network?



**Senator CONROY**—Can I have two minutes to answer that? He had two minutes to ask it. I would just like to draw—

*Honourable senators interjecting—*

**The PRESIDENT**—Senator Conroy, resume your seat. I remind senators that it is disorderly to shout across the chamber and to interject during question time.

**Senator CONROY**—Thank you. Can I again go back to the editorial in today's *Age*, which states that the deal means an end to a flawed model of combined wholesale and retail operations that stultified our telco market for years. And on the point that you made about us rushing this at the end, in November, December, January, February, March and April I have been saying that we had to conclude this by the end of June. Well, guess what? It is the end of June.

*Opposition senators interjecting—*

**Senator CONROY**—You can check my public statements for the last six months. I have been saying the end of June. I would love to say that I pay that much attention to when the *Australian* is going to conduct a Newspoll—and I have seen some commentary about the *Australian's* view of its own self-importance that the whole world revolves around the *Australian* Newspoll—but what I said in November, December, January, February and March is that we would be finished at the end of June. I really assure you that I had no idea on which weekend Newspoll was conducting its polls. (*Time expired*)

#### **Aged Care**

**Senator SIEWERT** (2.21 pm)—My question is to Senator Ludwig, the Minister representing the Minister for Ageing. My question relates to the open letter to the PM today around aged care, one which concerns the widening gap between the cost of delivering aged-care services and the funding

provided by the federal government. I draw the minister's attention to the stark figures of the provision of a 1.7 per cent indexation rate at a time when CPI is 2.9 per cent, the minimum wage rise of 4.8 per cent, the rising of utilities costs—for example, in WA—of up to 10 per cent, and the current pay equity case before Fair Work Australia. My question is: will the government immediately restore the 1.75 per cent conditional adjustment payment supplement for residential care, and also extend it to community care from 1 July this year?

**Senator LUDWIG**—I thank Senator Siewert for her question. I know that Senator Siewert does have a continuing interest in this area. Can I also indicate that at the conclusion of question time I can also table a letter to Mr Rod Young, the chief executive officer of the Aged Care Association Australia from the minister, Justine Elliot, in response to that open letter.

The annual indexation of aged-care subsidies is based on a formula introduced in 1996. The formula reflects minimum wage decisions and movements in prices in the broader economy and, of course, given the decision of Fair Work Australia not to increase the minimum wage through 2009, the application of this formula would have resulted in an increase in subsidies of substantially less than one per cent. To lessen the impact on aged-care providers the government adjusted the formula, resulting in indexation of subsidies for 2010 to 2011 of 1.7 per cent. Of course, in accordance with the recent decision of Fair Work Australia to increase the minimum wage—which is the first since 2008 and which will benefit more than 1.45 million Australians who rely on awards to set their pay—and in accordance with long-standing practice, the most recent decision will be factored into future outcomes.

I also welcome the opportunity to look at our record as against the previous government's record on that. Under this government total funding for aged care and community care has increased by nearly 30 per cent, or more than \$2.4 billion. In 2010-11 total funding will increase again to \$10.8 billion, with nearly \$7.4 billion of that for residential aged care. The opposition do carp about their role— (*Time expired*)

**Senator SIEWERT**—Mr President, I ask a supplementary question. I note that the minister did not answer the question, which was: will the Rudd government restore the capped supplement of 1.75 per cent to the aged-care sector to acknowledge the crisis that is facing the sector and which was outlined in the open letter to the Prime Minister in most Australian papers around the country?

**Senator LUDWIG**—I did indicate in my answer that—

**Senator Abetz**—No, you bashed up the opposition and didn't answer the question.

**Senator LUDWIG**—I do have a letter from the honourable Justine Elliot MP, Minister for Ageing, which I intend to table at the conclusion of question time if I am permitted by those who are carping on the other side—the opposition, of course.

The Rudd government is engaged in fundamental reform of the health and hospital and aged-care systems. The government is taking a full policy and funding responsibility for aged care to build a national aged-care system. We are supporting that national system through—and these are the issues that we are trying to achieve for the aged-care system—better access to services by establishing one-stop shops for aged-care information assessment, more highly trained aged-care workers, more aged-care places, better access to GP and primary health services, greater choice through the introduction

of consumer-directed care and stronger protection for older Australians receiving care. The government welcomes, of course the aged-care sector commitment to— (*Time expired*)

**Senator SIEWERT**—Mr President I ask a further supplementary question. I will not waste my third question asking the same question again; I will take it that the answer to that question is no, they will not. Measures that the government have taken to date do not address the current crisis in aged care. Will the government acknowledge that the current system is unsustainable, and what do they intend to do about it?

**Senator LUDWIG**—Firstly, what I dealt with, in part, was the question and then supplementary No. 1 dealing with Minister Elliot's response. In addition, I have been adding what we have committed to, to assist the aged-care sector. Any of those questions I will also consider and take on notice, and see if the Minister for Ageing can provide any additional response to what I have already provided.

Can I add that this government is better integrating aged-care services with the rest of the health system through local hospital networks. And can I say to Senator Siewert that we are taking aged-care reform very seriously—to build a modern system that provides better support and better care to older Australians. The reforms that we are implementing will build the foundation for a modern aged-care system, and these are reforms that have been welcomed by the aged-care sector. (*Time expired*)

#### **Building the Education Revolution Program**

**Senator MASON** (2.27 pm)—My question without notice is to Senator Carr, the Minister representing the Minister for Education. Under the Building the Education Revolution Program how does the govern-

ment independently assure itself that an individual school building project is good value for money? That is, against what standard or benchmark does the Commonwealth government assess projects in relation to value for money?

*Honourable senators interjecting—*

**The PRESIDENT**—When we have silence we will proceed. The time to debate the issue is at the end of question time.

**Senator CARR**—I thank Senator Mason for his question. He would be only too well aware of the steps that are taken by the government—

**Senator Heffernan**—You don't know the answer.

**Senator CARR**—Sorry, what was that?

**The PRESIDENT**—Senator Carr, ignore interjections and address your comments to the chair.

**Senator CARR**—I thought I heard something from Senator Williams, who has been speaking at length of late on matters to do—

**The PRESIDENT**—Senator Carr, just address the question and address your comments to the chair.

*Honourable senators interjecting—*

**Senator Williams**—Mr President, I rise on a point of order: I was not saying a thing, and I ask that the minister retract that.

**The PRESIDENT**—There is no point of order. Senator Carr, you have a minute and 50 remaining to answer the question.

**Senator CARR**—Senator Mason is only too aware of the lengthy process the government has undertaken to ensure that there is value for money in the implementation of the Building the Education Revolution program. The Building the Education Revolution program is the largest single investment in public education the Commonwealth of Australia has ever seen. It has provided a

massive expansion in educational opportunities for every child in this country—a proposition that the Liberal opposition have opposed. They have opposed providing those opportunities to Australian students across the 10,000 schools in this country.

On top of the extraordinary length of measures that this government has taken, the BER Implementation Taskforce has been established to provide additional assurance to the Australian public that the BER program is being implemented in accordance with the guidelines that the government itself established for achieving value for money. This government is concerned about any allegations of any impropriety in the Building the Education Revolution program.

To date, widespread practices of over-quoting, over-charging or fraudulent behaviour have not been found. The evidence simply is not there for the claims that the opposition is making. Nonetheless, it is open to the taskforce to refer potential breaches of the law, regulations or guidelines to appropriate authorities for investigation. (*Time expired*)

**Senator MASON**—Mr President, I ask a supplementary question. Last night at a Senate committee hearing, the Commonwealth Department of Education, Employment and Workplace Relations gave evidence that, out of more than 10,000 school building projects, the department had never refused to approve a project on the grounds that it did not provide good value for money. Can the minister therefore guarantee that each one of the more than 10,000 approved projects is providing taxpayers with good value for money?

**Senator CARR**—In fact, there are 23,850 BER projects that have been approved in around 9,000 separate schools in Australia. As of 30 April, 8,092 projects were under construction at 6,121 schools around the country. Of course, there are some other pro-

jects that are yet to commence. I am looking forward to the answer to the question, 'Which of these projects is the Liberal Party going to stop?' Which ones are you going to stop? How many of the openings are you going to turn up to?

**Senator Heffernan**—Mr President, on a point of order, this is the greatest rort in Australia's political history.

**The PRESIDENT**—Senator Heffernan, that was not a point of order. Resume your seat.

*Government senators interjecting—*

*Opposition senators interjecting—*

**The PRESIDENT**—Order! There needs to be silence on both sides.

**Senator CARR**—The federal member for Calare, John Cobb, was recently photographed with our colleague Senator Hutchins at the opening of a school. It is quite clear that the opposition is only too happy—

**Senator Brandis**—Mr President, on a point of order: the answer is utterly irrelevant to the question that was asked. The question asked whether, in light of the evidence last night that there had never been a refusal, the minister would guarantee that every one of the projects provided value for money. Commenting on photographs being taken of members of parliament in front of buildings is completely irrelevant to that question and you know it, Mr President.

**Senator Conroy**—Mr President, I would like to respond to that point of order except I do not know what it was. For half a dozen times in a row Rumpole over there has stood up and decided to just give a speech, and you have Senator Heffernan interjecting while pretending to raise points of order. Mr President, I ask you to not only rule out these points of order but also ask them to actually raise a point of order before they start giving a speech.

**The PRESIDENT**—I remind senators that if they wish to debate these issues, the appropriate time to debate them is at the end of question time. The time is given to allow motions to take note of answers that are given and for people to make their appropriate points. I draw the minister's attention to the fact that there are 15 seconds remaining to answer the question.

**Senator CARR**—There were three rounds under the P3 element of the BER, during which there were initially hundreds of projects rejected, Senator Mason. These projects might have been rejected because the facilities were not eligible. *(Time expired)*

**Senator MASON**—Mr President, I ask a further supplementary question. Does the minister still have confidence in the government's hand-picked head of the BER Implementation Taskforce, Mr Orgill, when he admitted during last night's Senate hearing that, after seven weeks on the job, he has not even read the full report into the BER by the Auditor-General, which is crucial to his work given the conclusive and damning evidence by the Audit Office that the government has not been able to assure itself and taxpayers—*(Time expired)*

**Senator CARR**—What I can advise the Senate is that the BER Implementation Taskforce, led by Mr Orgill, is categorising complaints it has received and is undertaking an extensive school visits program to investigate those complaints. The task force returns its first report—

*Opposition senators interjecting—*

**The PRESIDENT**—Senator Carr, resume your seat. I remind senators that shouting is disorderly.

**Senator Ronaldson**—And so is this minister's answer.

**The PRESIDENT**—I remind senators that shouting is disorderly during question time.

**Senator CARR**—I can advise the Senate of the facts—not the opinions; the facts. The fact is that the task force returns its first report in August and it may of course lead to further ongoing recommendations to responsible authorities relating to the improvements or actions that need to be taken. The fact also is that the opposition has opposed this program, yet is only too happy to turn up to the openings and claim credit for any initiatives that are taken to improve opportunities for Australian children. It is time for the opposition to come clean. Which of these programs will they stop? Which schools will they prevent from getting access to the biggest program the Commonwealth has ever seen in terms of improving opportunities for the children of this country? It is time for the opposition to come clean. It is time for the opposition to state what its position is. Do you support children getting these services or not? (*Time expired*)

#### Digital Television

**Senator MARSHALL** (2.39 pm)—My question is to the Minister for Broadband, Communications and the Digital Economy, Senator Conroy. Given that in just one week the analog television signal in the Mildura-Sunraysia region will be permanently switched off, making that region the first in Australia to switch to digital-only television under the government's switch-over timetable, can the minister assure the Senate that the people of Mildura are ready for this historic event?

**Senator CONROY**—I am delighted to report that Mildura-Sunraysia is absolutely ready to switch to digital-only television in one week from today. At 9 am next Wednesday, 30 June, I will be in Mildura when we turn off the analog television signal forever.

The people of Mildura have, in the space of a couple of years, moved from having some of the worst television reception and the most limited choice of channels in the country to leading Australia in the move to 16 or more channels of clear pictures and crisp sound. Virtually 100 per cent of the households in Mildura are digital ready, according to the government's digital tracker survey. Over 2,300 households have been helped to convert to digital TV under the government's household assistance scheme. Broadcasters have also played their part, installing three new transmitters to serve known black spots in Ouyen, Underbool and Robinvale. Local antenna installer Rohan Gregg has described the new Ouyen transmitter as 'one of the best things we've had happen since the great Australian vanilla slice'.

The government has launched a new satellite service to serve viewers in remote Australia and regional black spots. This service is known as viewer access satellite television, or VAST, and it is transmitting in the Sunraysia region today. Steve Petschel, manager of Mildura's Teletune, has been out installing satellite receivers and told the *Sunraysia Daily* today:

It's all going according to plan, so we're quite confident and looking forward to next week.

(*Time expired*)

**Senator MARSHALL**—Mr President, I ask a supplementary question. I thank the minister for his answer and I ask: can the minister tell the Senate more about the satellite service that is being put in place for people in TV black spots? Are people in the Mildura-Sunraysia region signing up to receive the satellite service?

**Senator CONROY**—The government funded satellite service finally provides viewers in remote Australia and regional black spots with the same number of digital channels as are available in the capital cities.

It also features a dedicated local news service. This is the first time local news has been available to satellite viewers in regional and remote Australia. The new satellite service is on air in the Mildura-Sunraysia region now and is being warmly received. Patchewollock resident Terry Torney told the *Sunraysia Daily* this month that the service was great value for remote viewers. As he said:

It's a one-off payment for the box and card if you've already got the dish. Everyone's prepared to do that because we put up with very substandard TV here for a long time.

The Labor government is proud to have fixed this problem once and for all for people in regional, rural and remote Australia. (*Time expired*)

**Senator MARSHALL**—Mr President, I ask a further supplementary question. Again I thank the minister for his answer and I ask: could the minister remind the Senate why the switch to digital television is so important and what benefits, other than the obvious improvement in picture quality and channel choice, will the switch to digital bring to Australia?

**Senator CONROY**—I thank Senator Marshall for his ongoing interest in the good people of Victoria. The Rudd government is committed to building the infrastructure that will underpin the development of the digital economy. The switch to digital-only television is a crucial measure to support this objective. Spectrum currently used for broadcasting services is highly valued for delivering wireless communications services, including superfast mobile broadband. It is able to carry signals over long distances, penetrate buildings and carry large amounts of data. Once analog television signals have been completely switched off and the spectrum is subsequently cleared of other users, that spectrum will be released as a digital dividend. And releasing the digital dividend

is a historic microeconomic reform. It presents a once-in-a-generation opportunity to improve communications services in Australia. The Australian Mobile Telecommunications Association has estimated a \$10 million bonanza for the Australian economy— (*Time expired*)

### Budget

**Senator RYAN** (2.45 pm)—My question is to the Minister representing the Treasurer, Senator Sherry. I ask whether the government is aware of the comments of the Canadian Minister for International Trade in the *Financial Times* overnight where he stated that, 'We think lowering taxes attracts investment; we think higher taxes obviously discourage investment', and the comments of the chief executive of the Mining Association of Canada when he said the Australian tax 'probably makes Kevin Rudd the mining man of the year in Canada, because he'll bring a lot of investment our way.' Why is this government in denial that its great, big new tax on mining will be a bonanza for Australia's competitors while costing Australian jobs?

**Senator SHERRY**—No, I am not.

**Senator RYAN**—I thank the minister for the short answer. My supplementary question is: given this tax was announced without any prior consultation with industry, does the government stand by its commitment of August 2008 to act on the recommendations of the report of the Tax Design Review Panel in relation to this new tax?

**Senator SHERRY**—On the issue of consultation, it is simply not correct to claim that there was no consultation. I am pleased that you have raised the issue, because one of the common myths being advanced against the super profits taxation in the mining industry is that there was no consultation. If you look at the work program, the speeches and the papers that were presented publicly by the

independent tax review—otherwise known as the Henry tax review—you will see that there was extensive referencing.

*Opposition senators interjecting—*

**The PRESIDENT**—I remind senators that I need to hear the answer to the questions and I need silence to do so. Senator Sherry, continue.

**Senator SHERRY**—There was extensive referencing to the issue of the taxation, the base of taxation and the way in which taxation should apply to the mining sector. Indeed, I understand the Mining Council of Australia made a submission in respect of the conceptual and the principle approach of taxing profits. *(Time expired)*

**Senator RYAN**—Mr President, I ask a further supplementary question. I ask whether the minister is aware that recommendation 1 of that paper says:

The Government should generally consult on tax changes at the initial policy design stage, prior to any Government announcement. For major policy changes, consultation should include public consultation on policy design (eg, via the release of a discussion paper).

Why does the government not simply admit that it has got both the process and the substance of this tax grab wrong and scrap this tax?

**Senator SHERRY**—As I was saying earlier, I do not accept the argument from the opposition, where they are locked arm in arm with the mining industry, and advancing the myth—and that is what it is: a myth—that there was no consultation. There was consultation. I would draw your attention to a speech I gave on Monday evening at a tax forum in Sydney, where I listed four pages of precise consultation with sections of the mining industry in the independent tax review. There was comprehensive consultation on the issue of the structure and the design of

the taxation of the mining sector in this country.

*Opposition senators interjecting—*

**The PRESIDENT**—If you want to debate the issue, I reminded senators earlier—and I will do it again—that you can debate the issue at the end of question time.

**Senator SHERRY**—The government stands behind its proposed tax. The increasing prices that are flowing as a consequence of the mining boom and demand in Asia come from a resource that is owned by the Australian people, and they should get their fair share—*(Time expired)*

#### **Gambling**

**Senator XENOPHON** (2.50 pm)—My question is to Senator Sherry, the Assistant Treasurer. On 11 September 2007 the then opposition leader and now Prime Minister, Kevin Rudd, said:

I hate poker machines and I know something of their impact on families.

Given the government has taken almost four months to table and respond to the Productivity Commission's final report into gambling and has only responded to say, in effect, that it will consult with the states and territories on poker machines, how can the government claim that it is truly committed to reducing problem gambling?

**Senator SHERRY**—Thank you, Senator Xenophon. I acknowledge your longstanding interest in this issue—and it is a serious issue. The Productivity Commission report, which I released this morning, estimates that there are between 80,000 and 160,000 Australian adults suffering severe problem gambling. But I do not agree with Senator Xenophon's characterisation of what Senator Macklin, Senator Conroy and I announced this morning. I know from working personally with the Prime Minister on this issue

that he remains committed to tackling this issue.

That is why this morning we announced the process going forward. We made three announcements this morning on this issue, which will, I believe, reshape gambling in this country going forward. First, we indicated our support for a national model of precommitment for gaming machines. As Senator Xenophon well knows, this has never occurred and, once implemented, stands to significantly assist in addressing problem gambling in our country. The PC report itself says:

The most targeted and potentially effective measure is to give people the capacity to control the behaviour of their future selves—to pre-commit

... ..

A major advantage of full pre-commitment is that, properly designed, it has the potential to make redundant some other significant regulatory provisions.

But we are going further. We announced that we will not liberalise online gambling, as the PC report recommended. The government is not convinced that liberalising online gambling would have benefits for the Australian community which would outweigh the risks of increased incidents of problem gambling spreading rapidly via this form of technology. The current prohibition on the provision of online gaming services will continue to apply. But we intend to go further. We are committed to examining the regulatory approach taken by other countries with similar regulatory regimes in relation to online gambling, particularly the United States. (*Time expired*)

**Senator XENOPHON**—Mr President, I ask a supplementary question. The Productivity Commission recommends that maximum bets are reduced to \$1 per spin, but does the government agree that to effectively

reduce the number of problem gamblers you need to change the volatility of machines and reduce losses to no more than \$120 per hour as recommended in the Productivity Commission's draft report?

**Senator SHERRY**—Senator Xenophon referred to the draft report but we have actually got the final report, which I released this morning. So we are not dealing with the draft; we are dealing with the final recommendations.

*Senator Abetz interjecting—*

**Senator SHERRY**—It is important to make the distinction, Senator Abetz. On the issue of bet limits, let us remember that the Productivity Commission has found there is only a limited capacity for the redesigning of existing gaming machines, so the immediate rollout of bet limits would be very difficult, because of the limitations in machine design. The PC itself says a dollar bet limit would not be feasible until 2016, so it is not practically possible to do it immediately. I point to the PC report itself, which expresses that the best way forward is to ensure precommitment, and we backed that today. We will be discussing all the details with the stakeholders for a precommitment regime, but I note the PC's view on precommitment is that it could be up and running even sooner than bet limits.

**Senator XENOPHON**—Mr President, I ask a further supplementary question. Given the Tasmanian government changed bet limits from \$10 to \$5 not so long ago, does that not indicate that it can be done practically, and is the government concerned that given the states' heavy reliance on gambling taxes—\$4 billion a year from poker machines—that the states have an incentive not to act decisively on problem gambling?

**Senator SHERRY**—In our announcement today, we stressed that we want coordinated national action. We want an effective



national regime, not a state-by-state approach, and that is going to be this government's attitude. I acknowledge one of the challenges in addressing the harm caused by gambling is the reliance of state governments on revenue raised from gambling. This is dealt with in a number of ways. Firstly, we will identify the specific measures that I have referred to here that need to be implemented. Then, if there is any particular impact on state revenue—if and when that is identified—we will certainly assess that impact and any implications it may have. I would point out that in terms of the Commonwealth Grants Commission, which distributes GST revenue to the states, we decided in February this year that it would no longer include gambling taxes in its analysis of how much a state receives in GST money. *(Time expired)*

#### Home Insulation Program

**Senator FISHER** (2.55 pm)—My question is to the Minister Assisting the Prime Minister for Government Service Delivery, Senator Arbib.

*Senator Cormann interjecting—*

**The PRESIDENT**—Senator Cormann, I was trying to listen to Senator Fisher and you came right in over the top of her. It makes it very difficult to hear the question when you interject on your own questioner. Senator Fisher, commence again.

**Senator FISHER**—Thank you, Mr President. Of the 23,200 foil insulated homes inspected for safety problems under the government's bungled Home Insulation Program, how many needed to be reinspected and why?

**Senator ARBIB**—Thank you for the question. As I stated last week when I was asked a very similar question by the senator, there is a foil insulation safety program underway and over 24,000 inspections of homes with foil insulation have been conducted. Unfortunately, as I told the good

senator last week, it is not inside my portfolio area and I am not in a position to answer the question. If the good senator would like that question answered, she should direct the question to the Minister Assisting the Minister for Climate Change and Energy Efficiency, Minister Combet.

**Senator FISHER**—Mr President, I ask a supplementary question, to the Minister Assisting the Prime Minister for Government Service Delivery. Of the 760 inspectors the government says are needed to inspect 50,000 foil insulated homes, how many inspectors are contracted and on the job?

**Senator ARBIB**—Again, I am happy to go through the program as I discussed last week. There is an insulation safety program underway with inspections of at least 150,000 homes that have non-foil insulation. Those inspections, as I told the good senator, are targeted at those homes that are most likely to have safety issues. If an ongoing risk assessment indicates that more houses should be inspected, then they will be. Again, this is an area that is outside my portfolio area and outside the Office of the Coordinator General. I am quite amazed that after three questions last week, and the same answer every time, again we are back here going through the same questions. Senator, you could have directed the question to the person who could have answered the question. *(Time expired)*

**Senator FISHER**—Mr President, I ask a further supplementary question. No thanks to the minister, we do know that the government needs to reinspect some tens of thousands of insulated homes because it did not do the job properly the first time—it did not inspect the homes properly first time round—and because it has changed its policy mind. We know it does not have enough inspectors to do the job. So, Minister, why should Australian homeowners with insula-

tion have any confidence that the government can mop up the mess of its bungled Home Insulation Program?

**Senator ARBIB**—Senator Fisher has again asked the question to the wrong minister. Why should the Australian people have any faith in those on that side that they can deliver anything when they cannot even ask the right minister the right question? This just shows how incompetent the coalition senators are on the other side of the chamber. They cannot even get the question right. That was their sixth attempt. In baseball you get three strikes. You have had six strikes; you are certainly out.

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

#### QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

##### Budget

**Senator BUSHBY** (Tasmania) (3.01 pm)—I move:

That the Senate take note of the answer given by the Assistant Treasurer (Senator Sherry) to a question without notice asked by Senator Ryan today, relating to the budget.

Kevin Rudd, Canadian mining man of the year—

**The DEPUTY PRESIDENT**—Order! You must refer to the Prime Minister by his proper title.

**Senator BUSHBY**—Kevin Rudd, Canadian mining man of the year: that is what they have been calling him in the Canadian press in the last couple of days. What have they actually been saying? As reported in the *Financial Times* yesterday:

Gordon Peeling, chief executive of the Mining Association of Canada, an industry lobby group, said the Australian tax “probably makes Kevin Rudd (Australia’s prime minister) the mining man of the year in Canada, because he’ll bring a lot of investment our way”.

The fact is that Canada is a real alternative to Australia when it comes to mining investment, because it has abundant deposits of the very minerals that Australia is famous for delivering: gold, copper, coal and uranium. It is a real competitor to us in terms of our mining outputs and the exports that have underpinned the stunning performance of the Australian economy over the last 10 or 12 years—even in the last two, under this government. The article goes on:

In contrast to Australia’s left-of-centre Labor government, the ruling Conservatives in Canada are in the process of lowering corporate taxes.

That is right: ‘lowering corporate taxes’. The article goes on:

The basic corporate rate is to fall to 15 per cent in 2012, down from 22 per cent in 2007, and is the lowest among major industrial countries.

Yet what are we doing in Australia? We are looking at increasing the taxes on our mining sector—the most productive sector of the Australian economy—whilst our major competitors, who have the very same minerals that we mine and rely upon, are looking to reduce their taxes and increase their competitive situation compared with us. British Columbia’s mining minister, Randy Hawes, is also impressed with the Australian Prime Minister, according to the article. He said:

We’re very appreciative (of the Australian tax) ... They should carry on and get all the revenue they can get.

He went on to say, noting that Canada’s metallurgical coal exporters have higher transport costs than their Australian rivals, that the proposed super tax is:

... ‘a very good way to level the playing field.’ Many of the world’s mining companies had offices in Vancouver and ‘they are all completely aware of what’s happening in Australia and what we’re doing in BC.’

This most recent article is not the only comment internationally that suggests that our

competitors for international investment in our mining projects are salivating at the idea of the Rudd Labor government's great big new tax on mining—particularly in Australia. There have been plenty of comments already from Canada, and I will quote some of those as well. Canadian Conservative MP Brad Trost has no doubts that the RSPT will drive mining offshore. He wants to cash in on the adverse reaction by mining companies. He said:

Canada, as is Australia, a major mining player and I think we see an opportunity to have some money come north.

He also said:

Well money goes where the biggest profits are and when you raise taxes profits tend to go down. So I'm sending out the message—Canada wants Australian business.

The dollars are going to move. People are scared because their profits are going to go in taxes so they should come to Canada—a low taxed, mining friendly jurisdiction.

What else did he say? He said:

Canadian companies pay the same tax rates as all other companies—

He is talking about mining companies—

and corporations do. And by 2014 we're aiming to have a combined average of 25 per cent tax rate.

In response to the question put to him that the Australian government's argument is that big mining companies make huge profits at times and the Australian public has a right to benefit from those profits, he said:

I'm fine if the Australian government wants to make that argument. I just want the jobs coming to Saskatchewan. The question is always what more can you get.

He went on to say:

But you ask yourself this question: If you're a mining executive where would you sooner put your investment?

... ..

We won't get all the business. We know that. Australia will still have some of the business. But if we can get a percentage, an extra percentage, a little bit more because of this blunder by the Australian Government, we're willing to help ourselves.

Senator Ryan referred to comments by Vancouver based Teck Resources boss, Don Lindsay, who said that the tax could be beneficial to him because Teck did not produce from Australia. He said, 'If Australia really does it, then logically there will be less investment there, particularly in coking coal. That would mean less coking coal, so prices would be higher.' That is what Mr Lindsay told Canada's *Globe and Mail* newspaper on 15 June:

We went through a version of that (a tax increase) in Alberta when a new resource royalty regime was put in and there was a big backlash. Billions of dollars of investments were cancelled.

That is a real-life example. (*Time expired*)

**Senator MARSHALL** (Victoria) (3.07 pm)—Senator Bushby's contribution only goes to show that there are some people in Canada who know even less about this tax proposal than he does. I think quoting what people on the other side of the world might think about something they have had no time to consider—and that is demonstrated by the consideration that Senator Bushby put and in some of the quotes—is nothing more than a contribution to the scare campaign the coalitions are wheeling out about this tax.

**Senator Bushby**—Simple economics; basic economics.

**Senator MARSHALL**—Let us talk about the simple economics of it. When you move away from a volume based tax that is based on what you take out of the ground to a profit based tax, you actually make some of the more marginal projects more competitive and enable them to proceed. They will not actually pay tax until they make a profit. In-

stead of paying tax on what they take out of the ground—

**Senator Bushby**—Why are they opposing it?

**Senator MARSHALL**—See, this is your argument. This is what you have failed to understand all the way through. What we are taxing is the high-profit end of companies once they start to make profits, rather than taxing what they actually take out of the ground. It is a much more efficient and much more market based way of addressing this industries tax. This is what the mining industry asked us to do. That is what they asked the Henry tax review to consider, and that is what it did.

What the mining companies are actually complaining about is the amount of tax. Let us be very clear about this: the campaign being run by the mining industry is one of pure self-interest. They are actually getting half of what they want—that is, the way the tax is going to be applied on profits not on volume, not on what they take out of the ground. That is what they asked for and that is what they wanted. What they are really complaining about is how much tax they are going to have to pay. Their attitude is pure self-interest. That is why they are fighting. That is why they are spending up to \$100 million blitzing the country with their constant advertising. They are only self-interested. Quite frankly, they think the assets in the ground belong to them. They do not; they belong to the Australian people. The Australian people require their fair share.

**Senator Back**—They belong to the people of the states.

**The DEPUTY PRESIDENT**—Order! I am not going to put up with a shouting match across the chamber. Senator Marshall has the call and he shall be heard in silence.

**Senator MARSHALL**—I know Senator Back is passionate about the fact that he believes that it belongs to the states. He does not believe it belongs to the Australian people. Being Western Australian, he believes they should be seceding from the Commonwealth. Good luck with that, I suppose. I do not think it will secede—

**Senator Back**—Succeed.

**Senator MARSHALL**—Yes. It is a bizarre argument that they run. If they want to split hairs and argue that it belongs to the states, they can continue to run that. What we know and what the Australian people know and understand is that those resources belong to them. The Australian people want their fair share. Those resources do not belong to the mining companies. They belong to the Australian people and they want their fair share.

Let us be very clear on what this argument is about. It is about how much tax the mining companies want to pay. Is anyone really surprised that the mining companies that face increased taxation—even though it is set in a way that they like and in many instances they will in fact pay less tax at many levels up until the super profits stage—the richest and most profitable ones, the ones with the most profitable mines, are complaining? They will pay more tax—that is true—when they get into the super profits situation, but many will pay less tax under this arrangement.

Who is putting in the big bucks in the campaign against the tax? The big mining companies, because they know they make super profits. They want to keep all the massive profits that we have seen double, triple and quadruple over the years. They pay less tax now as a percentage than they ever have before. Australians deserve their fair share. This government put Australia's interests first. It puts the interests of Australians be-

fore the interests of the big companies. They will still make lots of money. Let us not make any mistake about that. These companies will continue to make billions and billions of dollars, as they always have. But if it is a question of whether they can save some extra money here and there, they say, 'Let's do so; let's run a campaign against the government,' because they have a compliant opposition—an opposition which they know will simply roll over because they are looking for any issue to be at odds with the government on. The mining companies think: 'Okay, we can buy them. We can put them in our pockets and we will try and change the government. They will do what we want them to do and move away from this tax so Australians do not get their fair share.' That is what they have done. They have effectively bought the opposition. You are the paid servants of the big mining companies.

**Senator NASH** (New South Wales) (3.13 pm)—Just when you thought the government could not come up with another bad idea, here comes another one, wham! It is unbelievable—bad idea, after bad idea. It is just extraordinary to watch how many stupid ideas this government can actually come up with. This one is an absolute ripper. What have we got here? They say, 'Higher taxes are going to lead to investment.' Ooh! That is something a rocket scientist must have thought up—higher taxes are going to lead to investment. Isn't that extraordinary? Everywhere else around the world, they seem to be saying, 'It's actually lower taxes that lead to investment.' Maybe the Prime Minister read the advice a little wrong and he put 'higher' in when he should have put 'lower'. This is one of the most stupid ideas that a government has ever come up with. Guess why? If you threaten the viability of the mining industry, you threaten jobs. It is as simple as that. It does not matter how many complicated arguments you want to put around this,

if you threaten the viability of the mining industry, you threaten jobs. We hear a lot of talk about Western Australia and Queensland in this debate, but so many of those jobs are in New South Wales and people in New South Wales are very worried about losing their jobs.

I went travelling right through the central west and western New South Wales—17 towns—a couple of weeks ago.

**Senator O'Brien**—In your green car?

**Senator NASH**—Yes, in my green car. Thank you, Senator O'Brien. I will take that interjection. I could not find one person who supported this mining tax. And I am not talking about big miners from all those mines the other side say are making billions of dollars. I am talking about real people on the street and on the ground who know that their jobs rely on those mines. Out around where I am, small regional communities such as Cowal, Cadia and Northparkes rely on those mines to be profitable and sustainable. What is this government going to do? It is going to rip the heart out of the future viability of the mining industry. We talk a lot about coal. I am talking about the metals out there. We can see that this government is going to take away the viability of that industry.

Interestingly, Ken Henry apparently wants to just tax everybody. He said, 'Let's just whack this big tax on all sorts of businesses.' What did the government say in response? It said:

The bottom line is the Government's position in relation to the resource super profits tax is that it applies to non-renewable resources in Australia.

Who would believe the Prime Minister? He changes his mind so often and does so many backflips, who on earth would now believe anything he says? They do not. People out there across Australia no longer believe this Prime Minister. So what is next, Prime Minister? Is this tax going to apply to agricul-

ture? Are we going to start seeing farmers being hit with a tax? Whatever the Prime Minister says, you can no longer believe him because he simply backflips on just about everything.

Talking about bad ideas, this mining supertax is at the top of the pile. But it is at the end of a long list of bad ideas. What have we seen so far, colleagues? The emissions trading scheme was a bad idea. That was a cracker of a bad idea. The list of bad ideas just keeps going. How about getting rid of the single desk? The single desk went two years ago today. That was a bad idea if ever there was one, because the wheat industry is in absolute turmoil. What else have got? We have the government getting rid of the \$2 billion telecommunications fund. What have we seen there? They do not care at all about regional telecommunications. Let us look at another bad idea. How about the insulation scheme? That was a cracker. How about another bad idea, such as wasting money on school buildings? The list is endless—bad idea after bad idea.

Now we have the mining tax. Interestingly, how could anybody in this country ever think that the government could do it properly? They cannot do anything else properly. The country is going to the pack because this government have absolutely no idea how to run the country. It is like letting a bunch of kindy kids be in charge of a high school. Mind you, the kindy kids would probably run the country a bit better at the moment. It is appalling what this government are doing. They have no idea.

Speaking of bad ideas, we have another cracker coming up from this government with the sustainable diversion limits under the Murray-Darling Basin Plan. This one is going to be an absolute cracker, because they are going to completely ignore the needs of regional communities and the social and

economic impact. They are going to weight it to the environment and it is going to be yet another bad idea, just like the mining tax.

**Senator HUTCHINS** (New South Wales) (3.18 pm)—Talk about unbelievable—this is coming from a member of the National Party from New South Wales. One thing Senator Nash did not talk about was the National Party's position on the Liverpool Plains, where they think they can have a position about opposing mining in central western New South Wales, which is going to create a lot of employment, and at the same time come down here and barrack for the miners and say that the tax will, as I think she said, 'threaten jobs and lose jobs'.

I have been going out that way as well, Senator Nash. Most people know what sort of hypocrites the National Party are. You cannot have home and away games. You cannot go and protest on the Liverpool Plains to stop mining and then come down here and barrack for the miners. You cannot do that. That is unbelievable. Everybody in New South Wales knows that about the National Party. Even your journal, your bible, the *Land*, comments on the dual position of the National Party.

I want to talk about some of the contributions that have been made in relation to this tax today. Senator Bushby quoted a progressive conservative—that is what they call themselves—government minister in Canada. I wonder where the unprogressive conservatives are. I am assuming they are on the other side over here, because we have this opportunistic, progressive conservative cabinet minister in Canada claiming that they will do quite well out of the introduction of this tax. Last week the opposition pulled out a quote from a conservative minister from the Chilean government claiming that they would do well out of the tax. I think they pulled out a quote from someone from Bra-

zil. I think it was a socialist minister from Brazil. They found him. In fact, I think Senator Mason and Senator Brandis wanted to make a contribution about whether the Cuban ministers had made a contribution about the proposed tax.

The fact is, Mr Deputy President—and you with your experience know this as well as I do—that once this tax is introduced in this country other Western nations will introduce the same tax. You know that as well as I do. Do not be misled by these opportunistic statements by fellow members of the dark side of politics. Do not be misled. You know that, I know that and everybody else knows that. The only person from the mining countries that the coalition have not quoted so far is President Chavez of Venezuela, who opportunistically just nationalises private industry.

We know, as everybody else in public life knows, that to change tax and introduce reform is difficult. In the history of this Commonwealth it has not been done without a lot of debate and controversy. As I recall from reading history, the transfer of income tax powers from the states to the Commonwealth after or during World War II—I cannot recall which—was accompanied by a lot of debate. In fact we have a secessionist over here, Senator Back, who probably would have opposed it in the forties and continues to oppose any sort of contribution by Western Australia to the rest of the Commonwealth.

You know as well as I do, Mr Deputy President, that the introduction of the goods and services tax in this country was bitterly contested by this side and your side. It was introduced by Prime Minister Howard and he fought an election on it. As I said, it was controversial and it was contested. We are introducing another tax that is equally controversial and contested. It should be taken with a grain of salt that of course the large mining

companies have a lot of self-interest in this. I have never met anybody who wants to pay tax. I have never met anybody who wants to pay any more tax. Understandably, they are arguing as best they can.

In my final seconds, I want to remind people what we are going to do with that increased money. We are going to reduce company tax. We are going to invest in infrastructure and boost national savings through increased superannuation contributions. It is going to be a great legacy that this government leaves Australia.

**Senator BACK** (Western Australia) (3.23 pm)—We have it from the executive of the Mining Association of Canada: Kevin Rudd, Australia's Prime Minister, the mining man of the year in Canada. What a lemon of an idea that is. What lengths will this man go to to try and buy votes internationally?

I respond to the comments made by Senator Sherry in questions asked by my colleague. We see again nonsense at the mention of the concept of consultation apparently to the extent of: 'We're going to rob you. Which part would you like us to take first?' He mentions the Henry review. By their own terms, the government only accepted 2½ of 138 recommendations of the Henry review—totally discredited by the government that commissioned it.

Let me advise you of a few facts associated with the mining industry: only 10 per cent of all exploration in mining in this country yields a mineable product; 90 per cent does not. By the criterion of 6.25 per cent or six per cent of the government bond rate, less than 20 per cent of all mining projects in this country historically could be regarded as having made a profit; 80 per cent have not. This government is proposing that the taxpayer will pick up a 40 per cent levy on failed mining ventures—the 80 per cent that failed.

Let us have a look at an arbiter called the banks. To what extent did the banks value at all this so-called outpouring of generosity by our Prime Minister of our money? The banks discounted it. The banks said that 40 per cent has got no value at all. Let us have a look at the level at which this tax is coming in: it is coming in at six per cent at the government bond rate. Even the petroleum resource tax comes in at about 11 per cent and more, and that has had some level of acceptance. But this tax, in contrast to the petroleum resource tax, is retrospective, so all of those decisions and investments that have already been made get picked up in it—some resource super profits tax.

What seems to have been lost in this debate is there is already a profits tax upon everybody, including miners, and that is called income tax and company tax. The difference between our side and that side over there is simply this: we believe in growing the size of the pie. If you make the pie bigger, there is more for everybody. If, on the other side, all you can do is see the size of the current pie, all you can do is keep dividing and dividing.

What a shame it is that Senator Marshall is not here. He made one accurate point: he referred to Western Australia succeeding. He is absolutely right—and thank the Lord for the rest of this country that Western Australia, Queensland and now South Australia with its current activities are succeeding. But there is no point our state seceding, because Senator Marshall would want to come with us, so we might as well stay where we are.

Senator Marshall spoke of royalties and the Australian Constitution in some way being bizarre. Quite how this Constitution is bizarre, I do not know, but let me inform him, as indeed the Western Australian Premier, the foremost Premier in this country, says so often—and I will repeat it—royalties

are not taxes. A royalty is the sale price of a mineral asset to the company which wishes to buy it on behalf of the people of the state. In case Senator Marshall has a heart attack over it, we have a grants commission that makes sure that everything is balanced up so all Australians benefit. That is the reason regrettably at the moment why our state only gets 68c back in the dollar of GST revenue, and the states of Queensland, New South Wales and Victoria receive in advance of 90 per cent.

Royalties are a sale price of the asset by the people of the state. If this Prime Minister wishes to change that and call those minerals assets the ownership of the entire country then he ought to come clean and go to the Australian people with a proposal to change the referendum. Premier Barnett has indicated ably only in the last few days what true consultation is. It relates to iron ore finds, and in fact we ended up with those two companies accepting his adjudication.

Question agreed to.

## GOVERNMENT ADVERTISING

### Return to Order

**Senator LUDWIG** (Queensland—Special Minister of State and Cabinet Secretary) (3.29 pm)—by leave—With reference to Senator Ronaldson's return to order motion dated 22 June 2010 requesting the production of a copy of a draft statement of reasons and draft correspondence to the Treasurer by the Department of Finance and Deregulation provided to the Cabinet Secretary and Special Minister of State on 14 May 2010, as indicated in Senate estimates by the Cabinet Secretary and Special Minister of State at the hearings of the Senate Finance and Public Administration Estimates Committee on 17 June 2010, the draft statement and draft letter to the Treasurer were working documents, being iterative drafts. These documents have no separate status and the final versions of



these documents have been declassified and tabled in this chamber.

### CONDOLENCES

**Private Timothy Aplin**

**Private Benjamin Chuck**

**Private Scott Palmer**

**Senator FAULKNER** (New South Wales—Minister for Defence) (3.29 pm)—by leave—I move:

That the Senate record its deep sorrow at the death, on 21 June 2010, of Private Timothy Aplin, Private Benjamin Chuck and Private Scott Palmer, while on combat operations in Afghanistan, and places on record its greatest appreciation of their service to our country, and tenders its profound sympathy to their families in their bereavement.

Private Tim Aplin, Private Ben Chuck and Private Scott Palmer were outstanding soldiers with exemplary service records who were held in the highest esteem by their mates. The helicopter crash that took the lives of these brave and dedicated commandos and wounded seven of their fellow soldiers is a heavy blow for Australia, for the ADF and most especially for the families, friends and loved ones of Private Aplin, Private Chuck and Private Palmer. Our thoughts and our deepest sympathies are with them today. Our grief for these fine soldiers cannot match the devastation felt today by those mourning the loss of a beloved son or brother, father or friend. On behalf of the government and, I know, of all senators, I offer deepest condolences to those personally touched by this terrible loss.

All three of these fine soldiers were part of the Special Operations Task Group drawn from the Sydney based 2nd Commando Regiment. Our commandos are highly skilled, highly trained and very dedicated. Many seek out this challenging career, but not all succeed in their training. Those who pass are physically and mentally the toughest

of our men in uniform. Private Aplin, Private Chuck and Private Palmer were among that small and select group, who not only volunteered for some of the most challenging and dangerous work in the ADF but endured and excelled in demanding training to gain that opportunity. As senators would know, all commandos take the rank of private. They are equals; they are comrades; they are mates.

Private Tim Aplin completed the Commando Selection and Training Course in 2008 after 13 years in the Regular Army and willingly took a reduction in rank from sergeant to achieve his goal of being posted to the then 4th Battalion, Royal Australian Regiment (Commando)—now the 2nd Commando Regiment. Private Ben Chuck joined the Army in 2004 as part of the Special Forces Direct Recruiting Scheme and he was posted to the same regiment. Private Scott Palmer enlisted in the Australian Army in 2001, successfully undertook commando selection and training in 2006 and joined that same 4th Battalion, Royal Australian Regiment (Commando) in November 2006. These three men served together, and tragically they died together, but they were also unique individuals who brought their own qualities and virtues to the Special Operations Task Group.

Private Tim Aplin, a team demolitions specialist, was highly respected by all for his dedication and skills. Private Aplin has been awarded the Australian Active Service Medal with East Timor, Iraq and International Coalition Against Terrorism clasps, the Infantry Combat Badge, United Nations Medal with Ribbon UNTAET, the Iraq Medal, the Australian Defence Medal, the Defence Long Service Medal and the Afghanistan Medal. Private Aplin had also been awarded the Returned from Active Service Badge from a previous deployment. He had deployed to East Timor in 2000, to the Middle East as

part of Operation Bastille in 2003 and to Afghanistan as part of Operation Slipper in 2009 and again this year. He was a loving husband and father and a remarkable person, who was passionate about his job and always put others first, whether it was his mates in the Army or at home with his family and friends. Our thoughts and sympathies are with Private Aplin's wife, Natasha, his children—Ty, Shinae, Josie and Daniel—and his mother, Margaret.

Private Ben Chuck, who faced down crocodiles in a wildlife show before becoming a commando, was the patrol medic in his team. His mates say that his affectionate and caring nature and his passion for helping his mates made him especially suited for this role. Private Chuck has been awarded the Australian Active Service Medal with the ICAT clasp, the Afghanistan Medal, the NATO ISAF Medal, the Infantry Combat Badge and the Australian Defence Medal. Private Chuck had also been awarded the Returned from Active Service Badge from his first deployment to Afghanistan. He deployed to Afghanistan as part of Operation Slipper three times, from May to August in 2007, from June to November in 2008 and again in February this year. Our thoughts and sympathies are with Private Chuck's father, Gordon; mother, Susan; brother, Jason; sister, Tiffany; and partner, Tess.

Private Scott Palmer's outstanding professionalism was driven by his love for his job and his love for working alongside his mates. He excelled at everything he did. Private Palmer was awarded the Australian Active Service Medal with the Iraq, East Timor, and ICAT clasps; the Iraq Medal; the Australian Defence Medal; the Australian Service Medal with clasp Timor-Leste; the Afghanistan Medal and the NATO ISAF Medal. Private Palmer was also awarded the Infantry Combat Badge and the Returned from Active Service Badge. He had previously deployed

to East Timor in 2003 and again in 2007, to the Middle East as part of Operation Catalyst in 2005 and to Afghanistan as part of Operation Slipper three times, in 2007, 2009 and again this year. Our thoughts and sympathies are with Private Palmer's parents, Ray and Pam, and his brother, Adam.

While I cannot discuss the operational details of the work that these fine soldiers were doing when they were killed, I can assure their families and friends that they were striking at the heart of the Taliban insurgency as part of our mission in Afghanistan to make sure that extremists and international terrorist groups do not again find safe havens and training grounds in that country. This work is very much part of the protection of Australia and the Australian community. Australia cannot afford—Australians cannot afford—for Afghanistan to again become a safe haven for terrorist organisations, such as al-Qaeda, that have Taliban support, that have a global reach and are a global threat. The Bali bombing on 12 October 2002, which killed 202 people, including 88 Australians, was carried out by terrorists with direct links to Afghanistan.

The difficult work that our soldiers do, as all senators know, is very dangerous. Sixteen Australian soldiers have now tragically lost their lives in Afghanistan. One hundred and thirty-five have been wounded in action. They were, as their comrades still are, carrying out their work with courage and professionalism in conditions of real hardship and very real danger. We thank them for their dedication, for the sacrifices they make and the risks that they face for all of us. We thank the families of the men and women in uniform serving overseas for the sacrifices that they make and the support that they give to their loved ones. Our fallen soldiers and their families have paid a very high—an unthinkable high—price for that dedication. We

will never forget, although we can never repay, that debt.

Tim Aplin, Ben Chuck and Scott Palmer were brave men, fine soldiers and outstanding Australians. Their families can be very proud of their commitment to our country. We are profoundly honoured by their service to our nation.

**Senator ABETZ** (Tasmania) (3.41 pm)—The coalition joins in support of the motion of condolence moved by the Minister for Defence. Australia has a wonderful Defence Force. Its reputation has been built on the generations, former and current, of service men and women who have donned the uniform. They have given this nation great pride. Today's men and women in uniform follow in those footsteps and are worthy successors of their forebears. Our forces enjoy an unparalleled and deserved reputation. In part, that is because of their willingness to serve in the cause of freedom—a timeless and universal value which we all hold dear. Our enjoyment of freedom today has been bought with a price. Today's condolence motion highlights that high price.

We mourn the loss of Privates Aplin, Chuck and Palmer. Their loss is felt by the whole Australian nation; a nation which is grateful for their willingness to serve. The loss is of course felt more personally, deeply and intensely by the families, personal friends and mates of our fallen men. It is the coalition's wish that their families, friends and mates feel the thanks of a grateful nation at this time of loss to help ease their pain. We sincerely trust that this motion serves that purpose. On behalf of the coalition, I express our wishes for recovery to our wounded personnel and wisdom to the medical support teams caring for them in Germany. Those who are joined with us in the cause of freedom in Afghanistan also suffered loss in this incident, and the coalition expresses its con-

dolences at their loss and its best wishes for those that were wounded and suffered injuries.

Privates Tim Aplin, Ben Chuck and Scott Palmer were all fine professionals with deep experience in Australia's recent overseas military deployments. All of them were highly decorated and had served with distinction on previous assignments in Afghanistan, and Privates Aplin and Palmer had also served in East Timor and Iraq. Their exemplary service has been more fully outlined by the minister. I believe it is important that that was put on the public record and I thank the minister for doing so.

If I may, I note the association of Private Chuck with my home state of Tasmania. His former school, the Hutchins School, is, as we speak, flying the flag at half-mast in memory of their fallen former student. I acknowledge and applaud the school's display of support.

The freedom we enjoy comes at a price. The cause of freedom comes at a price. Privates Aplin, Chuck and Palmer were willing to pay that price. They were engaged in the fight against international terrorism. They fought for our national security and, indeed, international security. In case our nation needs reminding, the Bali bombings, which devastated this nation with the loss of 88 lives, and indeed the international community with another 114 lives—202 in total—were undertaken by terrorists, as the minister said, with links to Afghanistan. I believe it is important to make mention of that because that is the context in which our brave personnel were serving in Afghanistan. We give thanks for their willingness to serve. We mourn their loss. We share in the grief that their families, friends and mates are experiencing, and we trust that this expression of thankfulness by this nation goes some way to easing their pain.

**Senator JOYCE** (Queensland—Leader of the Nationals in the Senate) (3.46 pm)—I rise to concur with the remarks of both Senator Faulkner and Senator Abetz. I note the tragic sadness that accompanies this condolence motion for those who have willingly served and laid down their lives for our country. Privates Palmer, Aplin and Chuck were all members of the 2nd Commando Regiment—a regiment in which privates serve as a true brotherhood. This is the sort of sacrifice that people in the Australian Defence Force, both men and women, willingly make. They know full well that they are in an engagement which could cost them their lives.

Private Chuck was born in Atherton, and I am sure that today the people of Atherton share a sense of deep sadness at his passing. As a medic, he was in the role of caring for those around him, and to have compassion in such a field of engagement is an indicator of an exceptionally brave character. Private Aplin was obviously a highly distinguished soldier who, in his desire to become a commando, went from sergeant back to the ranks of private so that he could serve in the endeavour that he thought was of greatest service to our nation. Private Palmer was a person who was at the peak of his physical powers and military career, a person who epitomised the valour of the highly trained soldier.

We also keep in our prayers and thoughts those who were injured in the same helicopter crash—just as our thoughts and prayers are with Privates Palmer, Aplin and Chuck. We also note the deep sadness that will now be felt by their families. There is little we can do to remove the weight of grief from their shoulders except to let them know that our nation holds the service of the men in the highest esteem. Through their endeavours, we recognise that their lives can certainly never be said to have been wasted. Because

of their immense bravery and service to our nation, they engaged the enemy in foreign lands rather than our having to engage them here in Australia.

I also concur with the statements of both Senator Faulkner and Senator Abetz in reminding Australians of the many reasons that they were there. The reason that is salient for most is the horrific act of the Bali bombings and the connections back to Afghanistan and al-Qaeda. The fact of this engagement always makes people question, but we should never ever question the integrity, heroics and bravery of the combatants. If Australians were not there and these sacrifices not made then, at a future time, others would have to carry our weight for us, and ultimately the ramifications would make their way back here.

There have been many previous engagements in foreign lands, going all the way back to Vietnam and beyond, where people have at times questioned our involvement. The point that should be noted, however, is that the engagement with the enemy has to be on the terms that best favour us and not them. You are asked to seek out and close with the enemy, to kill or capture him by day or by night regardless of the season, weather or terrain. The command they give you in the infantry is not to wait until they come to you but to go to them. Privates Palmer, Aplin and Chuck exemplified Australians who were seeking out and closing with the enemy so that we do not have to engage with them here.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (3.50 pm)—The Australian Greens join with every other senator and member of this parliament, and Australians from coast to coast, in lamenting the terrible losses of Privates Tim Aplin, Ben Chuck and Scott Palmer in the service of their nation. This is a terrible part

of the mounting toll in Afghanistan, and we extend to the families, friends, comrades and communities of Privates Aplin, Chuck and Palmer our deepest sympathy. Together with our colleagues in this Senate, we express our honour and respect for these soldiers who, in the courageous service of their country, have lost their lives.

They will be honoured in the annals of Australia's history. They have put their lives on the line for the nation, the country they loved, and have lost their lives. And now, and as a consequence, there is extraordinary misery and grieving but, hopefully, the emergent joy of knowing for the families, the friends and the communities that have to endure this dreadful news that a nation honours the lost one.

The circumstances in Afghanistan have not changed for the better. It has been my repeated asseveration that we should have a full and open debate in this parliament on the Afghan involvement by our brave Defence Force personnel, with a conscience vote and with every member of parliament here contributing his or her knowledge and reflecting his or her electorate's feeling about our long involvement and our continued future involvement in a war where there is no sight of end, exit or withdrawal by the Australian Defence Force personnel.

I might add here, and I know that colleagues will appreciate this as well, that I am very pleased that Senator Faulkner is the Minister for Defence in this country, because his own statement today to the nation on our involvement in Afghanistan shows a deep commitment to international negotiation and to involvement on the ground at the interface in a very complicated situation in Afghanistan, and brings with that an intelligence and a heartfelt humanity and concern for Australians in Afghanistan and for everybody in Afghanistan. This is quite exemplary in the

service of this nation in what is an extraordinarily difficult situation for us all to comprehend and come to terms with.

I reiterate that I think we owe it to our Defence Force personnel to have a much more wide-ranging debate about their service in Afghanistan at the behest of our government and, therefore, our nation and, therefore, all of us. I note that the Dutch forces have withdrawn. In fact, the government of the Netherlands fell because of the debate on this very issue—in a country even further away from Afghanistan. The Canadians intend to follow suit next year. I note also the absence of deployment in this theatre by much bigger and closer defence forces such as China and India. Their involvement, of course, would potentially lead to a much swifter outcome.

These are very difficult and heart-wrenching situations, and we must not flinch from taking on that difficult debate and communication with our own communities in honour of the involvement of our brave Defence Force personnel and, indeed, civilian personnel in Afghanistan. We owe it to this nation on their behalf, after such a long involvement—since 2001—and, as Senator Faulkner said, after the death of 16 of these good, true, courageous and committed Australians, and with the toll of another 135 injured.

We have heard today of these wonderful privates who have now lost their lives. I hope that when this parliament returns in August or, if it is that there is an election on the agenda, when the new parliament comes back it will give a commitment to honour that involvement and that the extraordinary anguish for all the people—the families, in particular, of our Defence Force personnel—is not repeated in the deployment to theatres of war in East Timor, Iraq and Afghanistan. It is incumbent on us to debate this issue more than we have. That said, I appreciate

this motion today. It is incredibly important, and I am glad we are united in it. I hope that it presents some balm for the most affected souls who are dealing with this tragedy.

**Senator FIELDING** (Victoria—Leader of the Family First Party) (3.57 pm)—Family First joins in this condolence motion and acknowledges Private Aplin's, Private Chuck's and Private Palmer's dedication to our country, their service for this country and their willingness to put their lives in dangerous circumstances so that we may enjoy our freedoms. The freedoms that we enjoy today are because many others have sacrificed a lot for the safety and freedoms that we have today.

It is hard to know what it would really feel like to lose a husband; it is hard to know what it would be like to lose a son or a daughter, a brother or a sister, and I think of the families of Private Aplin, Private Chuck and Private Palmer. Hopefully, this condolence motion will bring some comfort to all of them, knowing that this nation says thank you to them.

I watched the news last night and heard a couple of close relatives—I think one was a mother, and there was some other family member—just sharing about the ones who had been lost previously. I do not think that now is the time to talk about what we do with the war in Afghanistan. This is about a condolence motion and about saying thank you. Hopefully, this will bring some comfort to those families who have lost loved ones. We do also continue to extend our prayers and thoughts out to those who are wounded, for a speedy recovery for them.

**Senator XENOPHON** (South Australia) (3.59 pm)—I too join my colleagues in complete support of this motion and I extend my condolences and deepest sympathies to the families and loved ones of Privates Aplin, Chuck and Palmer. I think my colleagues

very articulately spoken about the sacrifice that has been made and about the tragic circumstances of their deaths. We are here today as a Senate to honour them for their contribution and the sacrifice they have made for this nation. I add my thanks to the Minister for Defence, Senator Faulkner, for the competence and humanity in the work he has done in a very difficult portfolio. I do not think anyone envies him in the role that he has, but I thank you, Senator Faulkner, for your openness and candour about what is happening in Afghanistan in these very difficult times. I join with my colleagues in complete support of this condolence motion.

**Senator BACK** (Western Australia) (4.00 pm)—I thank the Senate for the opportunity to support the motion of the Minister for Defence to honour the memories of Privates Aplin, Chuck and Palmer. The then Sergeant Aplin deployed to Iraq with my son, Captain Justin Back, in 2003 in the first security detachment to Baghdad, where Sergeant Aplin was an infantry platoon sergeant and my son was the troop commander of the 2nd Cavalry Regiment. Justin reports to me that Sergeant Aplin was doggedly professional, totally dependable, a man with a wicked sense of humour and highly regarded through all the ranks. In summary, he was a great bloke and one you could rely on 100 per cent. As Justin observed and as the minister has said, the then Sergeant Aplin gave up his hard-earned rank of senior sergeant to join the commandos and I understand those same qualities carried through with him to that commando regiment.

These three men have carried on the long tradition of excellence that characterises Australian service personnel. Our hearts go out to their families, soldiers and friends. They have experienced what every service family fears, but they can take comfort in the prayers and debt that is owed by our entire community for their bravery.

Question agreed to, honourable senators standing in their places.

### NOTICES

#### Presentation

**Senator Hutchins** to move on the next day of sitting:

That the Senate—

- (a) welcomes the signing of various bilateral agreements between China and Taiwan, including on direct flights, maritime shipping, linking postal services, food security, financial services and cooperation in telecommunications agreed to since May 2008;
- (b) recognises the continuing improvement in relations between China and Taiwan is conducive to the long-term rapprochement between these communities and will have a positive effect on the stability and security of the Asia-Pacific region; and
- (c) encourages both sides of the Taiwan Strait to further enhance dialogue, practical cooperation and confidence-building, including a cooperative approach towards providing increased opportunities for Taiwanese participation in international forums and global policy dialogue.

**Senator Birmingham** to move on the next day of sitting:

That the Senate notes the continuing failings of the Rudd Government in relation to its Green Loans program (the program), despite the undertakings of the Minister for Climate Change, Energy Efficiency and Water (Senator Wong) of 10 March 2010 to the Senate, including:

- (a) the training and accreditation of thousands more assessors than the Government first promised, had work for, or ever intended to contract;
- (b) systemic failures to process bookings for home sustainability assessments, return assessments to householders in a timely way or pay assessors for work undertaken in a timely way;
- (c) its cancellation of the loans component of the program, having provided only ap-

proximately 1 per cent of the 200 000 loans it promised at the 2007 election;

- (d) its failure to finalise additional assessor contracts in a timely manner, leaving thousands of assessors in limbo and/or unemployed and without any offer of Government support;
- (e) delays in its conduct of audits and reviews into the program, including reviews the Minister has indicated would inform the finalising of additional assessor contracts;
- (f) its failure to commit to the public release of these audit and review findings;
- (g) its failure to deliver a promised Green Rewards Card (the card) to householders and its expensive, bureaucratic alternative to the card;
- (h) its failure to implement, following the discontinuation of loans, any mechanism for evaluating the worth of assessments conducted at taxpayer expense; and
- (i) the Minister's failure to acknowledge, let alone respond, to correspondence.

**Senator Ludlam** to move on the next day of sitting:

That the Senate notes that:

- (a) Australians use more than 11 billion drink containers every year;
- (b) through a container deposit scheme, South Australia has achieved a recovery rate of more than 80 per cent;
- (c) the *National Waste Report 2010* shows that Australians recycle only 40 per cent of our municipal solid waste;
- (d) a national container deposit scheme would:
  - (i) create hundreds of green jobs,
  - (ii) decrease litter by 12 to 15 per cent,
  - (iii) increase recycling of drink containers from 50 to 80 per cent,
  - (iv) divert more than 512 000 tonnes from landfill,
  - (v) reduce national greenhouse gas emissions by nearly one million tonnes of CO<sub>2</sub> each year, the equivalent of

switching 135 000 homes to renewable energy, and

- (vi) improve air quality to the equivalent of taking 56 000 cars off the road; and
- (e) a national container deposit scheme be introduced without further delay.

**Senator Parry** to move on the next day of sitting:

That the Senate notes:

- (a) the ineptitude of the Rudd Labor Government to deliver promised services to the Australian people; and
- (b) the mismanagement by the Rudd Labor Government in relation to:
  - (i) border protection,
  - (ii) migration,
  - (iii) Indigenous policy,
  - (iv) home insulation, and
  - (v) the Building Education Revolution.

**Senator Faulkner** to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the *Defence Act 1903*, and for related purposes. *Defence Legislation Amendment (Security of Defence Premises) Bill 2010*.

**Senator Fielding** to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to enhance customer choice in the repair and maintenance of motor vehicles, and for related purposes. *Choice of Repairer Bill 2010*.

**Senator Fisher** to move on the next day of sitting:

That the time for the presentation of the report of the Environment, Communications and the Arts References Committee on the Energy Efficient Homes Package be extended to 2 July 2010.

**Senator Barnett** to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to establish the Parliamentary Budget Office, and for related purposes. *Parliamentary Budget Office Bill 2010*.

**Senator Barnett** to move on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the *Financial Management and Accountability Act 1997* to ensure value for money in the use of Commonwealth resources, and for related purposes. *Financial Management and Accountability Amendment (Value for Money in Government Spending) Bill 2010*.

**Senator Ludwig** to move on the next day of sitting:

That, on Thursday, 24 June 2010:

- (a) consideration of government documents and the consideration of committee reports, government responses and Auditor-General's reports under standing order 62(1) and (2) shall not be proceeded with;
- (b) the routine of business from not later than 6 pm shall be government business only; and
- (c) divisions may take place after 4.30 pm.

**Senator Ludwig** to move on the next day of sitting:

- (1) That the following matter be referred to the Finance and Public Administration Legislation Committee for inquiry and report by 1 July 2011:

Exposure drafts of Australian privacy amendment legislation.

- (2) That, in undertaking this inquiry the committee may consider the exposure draft of the Australian Privacy Principles and the draft companion guides on the Australian privacy reforms, and any other relevant documents tabled in the Senate or presented to the President by a senator when the Senate is not sitting.

**Senator Heffernan** to move on the next day of sitting:

That the time for the presentation of the report of the Select Committee on Agricultural and Related Industries on food production in Australia be extended to 23 August 2010.



**Senator Siewert** to move on the next day of sitting:

That the Senate—

- (a) notes that the price of alcohol has proven to be a significant factor in tackling alcohol abuse, especially among disadvantaged drinkers;
- (b) raises concern at the decision by Coles supermarkets to place on sale \$4 bottles of wine in Alice Springs;
- (c) calls on the Minister for Health and Ageing (Ms Roxon) to convene a meeting of the large supermarket chains and public health authorities to discuss responsible alcohol sales and promotions; and
- (d) calls on the Rudd Government to introduce a minimum price for alcohol.

**Senator Siewert** to move on the next day of sitting:

That the Senate—

- (a) notes:
  - (i) the statement made by seven Coalition senators in their dissenting report in the Legal and Constitutional Affairs Legislation Committee's report *Wild Rivers (Environmental Management) Bill 2010 [No. 2]* that 'the principle of "free, prior and informed consent" is a fundamental human rights principal for Indigenous peoples', and
  - (ii) that the principle of 'free, prior and informed consent' is reflected in Articles 19 and 32 of the United Nations Declaration on the Rights of Indigenous Peoples which was recently endorsed by the Federal Government but has yet to be implemented in Australian law;
- (b) affirms the view that 'free, prior and informed consent' is a fundamental human rights principle for Indigenous peoples; and
- (c) calls on all current and future Australian governments to ensure this principle is taken into account in developing, imple-

menting and administering their laws and programs.

**Senators Nash and Colbeck** to move on the next day of sitting:

That the following matters be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 31 July 2010:

- (a) the import risk analysis process for the proposed importation of Chinese apples into Australia; and
- (b) the protocols relating to the Australia/United States of America cherry trade.

**Senator Ludlam** to move on the next day of sitting:

That the following matter be referred to the Environment, Communications and the Arts References Committee for inquiry and report by 20 October 2010:

The adequacy of protections for the privacy of Australians online, with regard to:

- (a) privacy protections and data collection on social networking sites;
- (b) data collection activities of private companies;
- (c) data collection activities of government agencies; and
- (d) other related issues.

**Senator Bob Brown** to move on the next day of sitting:

That the Senate—

- (a) notes that:
  - (i) the massive trade in complex financial derivatives was a major cause of the recent financial crisis and that governments around the world are now seeking solutions to ensure that financial markets price risk appropriately and that unregulated financial trading is more visible to regulators,
  - (ii) the 'Robin Hood' tax (the tax), an idea that is gaining traction in many western countries with growing public support, imposes a small levy (0.05 per cent) on banks, hedge funds, foreign exchange

transactions, derivatives and share deals,

- (iii) the tax is estimated to raise approximately \$400 billion dollars a year globally and up to \$18 billion in Australia, and
  - (iv) the tax advocates proposes that 50 per cent of the revenue is spent by governments on the delivery of essential services and costs of bail-outs associated with the global financial crisis with the remaining 50 per cent to be spent on overseas development aid and climate change adaptation; and
- (b) calls on the Government to support the adoption of this tax at the G20 meeting in Toronto, Canada, in June 2010.

**Senator LUDWIG** (Queensland—Manager of Government Business in the Senate) (4.03 pm)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to various bills, as set out in the list circulated in the chamber, allowing them to be considered during this period of sittings.

Agricultural and Veterinary Chemicals Code Amendment Bill 2010

Building Energy Efficiency Disclosure Bill 2010

Crimes Amendment (Royal Flying Doctor Service) Bill 2010

Farm Household Support Amendment (Ancillary Benefits) Bill 2010

Food Standards Australia New Zealand Amendment Bill 2010

Higher Education Support Amendment (Indexation) Bill 2010

Immigration (Education) Amendment Bill 2010

Insurance Contracts Amendment Bill 2010

International Monetary Agreements Amendment Bill (No. 1) 2010

Superannuation Industry (Supervision) Amendment Bill 2010

Tax Laws Amendment (2010 Measures No. 3) Bill 2010

Tax Laws Amendment (Confidentiality of Taxpayer Information) Bill 2009

Tax Laws Amendment (Foreign Source Income Deferral) Bill (No. 1) 2010

Trade Practices Amendment (Australian Consumer Law) Bill (No. 2) 2010

Veterans' Affairs and Other Legislation Amendment (Miscellaneous Measures) Bill 2009

I table statements of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statements incorporated in *Hansard*.

Leave granted.

*The statements read as follows—*

**STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2010 WINTER SITTINGS**

**CRIMES AMENDMENT (ROYAL FLYING DOCTOR SERVICE) BILL**

**Purpose of the Bill**

The bill makes an urgent, minor amendment to the offence of “causing narcotic substances to be carried by post” in section 85W of the Crimes Act 1914 (Cth) to create an exception for:

Australia Post and the Royal Flying Doctor Service (RFDS) and their officers, employees, agents and contractors, and

Australia Post and bodies or persons prescribed in Regulations (or their employees or others providing services for or on their behalf), who arrange for the supply of medicines to remote locations for the purposes of, and in accordance with, a program prescribed in Regulations.

The bill will ensure that Australia Post can continue to deliver pharmaceuticals under the “RFDS Medical Chest Program”, enabling emergency treatment to be given to people in rural and remote areas of Australia. It will also enable this protection to be extended to other prescribed persons or bodies who are supplying medicines to remote communities under a prescribed program of a similar nature.

The bill will have retrospective effect to ensure that Australia Post, the RFDS and other pre-

scribed bodies and persons will not be prosecuted for earlier breaches of section 85W.

#### **Reasons for Urgency**

There is an urgent need to allow the RFDS to resume the supply of medicines through Australia Post for the Medical Chest Program.

The RFDS and its agents currently supply and maintain approximately 2,600 Medical Chests across Australia. Since the discovery of this issue, a high proportion of those in remote areas are depleted or carrying out of date stock. While the RFDS has adopted the practice of inviting people to travel to a RFDS base and collect resupplies, some locations are too remote for this. There are no viable alternatives to Australia Post for supplying medicines for the RFDS Medicine Chest Program, as Australia Post is the only delivery provider servicing many remote locations.

The Government has also become aware that other organisations and programs may require coverage by an exception to the offence. An urgent amendment will address the risk of emergency medicines not being available to treat serious illness or injury in rural and remote areas of Australia, both under the RFDS' Medical Chest Program, and programs of a similar nature that may be prescribed in Regulations.

(Circulated by authority of the Minister for Home Affairs)

#### **STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2010 WINTER SITTINGS**

#### **HIGHER EDUCATION SUPPORT AMENDMENT (INDEXATION) BILL**

##### **Purpose of the Bill**

The bill specifies the method of indexation of grants and other amounts under Part 5-6 of the Higher Education Support Act 2003. The formula specified in the bill gives effect to the recommendation for revised indexation made in the Review of Australian Higher Education and announced by the Government in the 2009-10 Budget. Under revised indexation arrangements the Safety Net Adjustment labour price index has been replaced by the Professional, Scientific and Technical Services labour price index (discounted by

10 per cent) as published by the Australian Statistician.

The bill provides details of the formula and its components in indexation calculations to be used from 2012.

#### **Reasons for Urgency**

This bill needs to be passed by the end of the Winter sittings to give effect to the Government's commitment for revised indexation, and to provide funding certainty for the sector in planning higher education delivery. The revised indexation will be used to inform calculations for Additional Estimates September 2010 for forward estimates from 2011-12 for the affected grants and other amounts.

(Circulated by the authority of the Minister for Education)

#### **STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2010 WINTER SITTINGS**

#### **FOOD STANDARDS AUSTRALIA NEW ZEALAND AMENDMENT BILL**

##### **Purpose of the Bill**

The bill amends the Food Standards Australia New Zealand Act 1991 to achieve the implementation of the Council of Australian Governments (COAG) agreed reform which calls for the recognition, for domestically grown produce, by Food Standards Australia New Zealand (FSANZ) of the Australian Pesticides and Veterinary Medicines Authority (APVMA) residue risk assessment and the promulgation of the resulting maximum residue limits to the Food Standards Code. This includes consequential amendments to the Agricultural and Veterinary Chemicals (Administration) Act 1992 and the Agricultural and Veterinary Chemicals Code Act 1994. The bill also clarifies minor inconsistencies resulting from previous amendments and amends the provisions for annual reporting by FSANZ.

#### **Reasons for Urgency**

This reform was agreed to by COAG on 3 July 2008 for implementation by December 2008. Due to the need to resolve some complex issues regarding implementation of this reform, its completion is now overdue. It should be considered urgent as additional delay will create disadvan-

tage for primary producers, who may be in the position of lawfully using a chemical product on their crops or livestock, only to find they are unable to legally sell the produce (plant and animal products) because there is no corresponding maximum residue limit in the Food Standards Code. Every day that the reform is delayed comes at a financial cost to primary producers.

Introduction and passage of the bill in the 2010 Winter sittings is necessary to meet the Commonwealth's obligations under the National Partnership Agreement to Deliver a Seamless National Economy in relation to implementing this deregulation priority. On 2 July 2009 COAG agreed that, subject to Commonwealth Government priorities, the required legislative amendments would be made by the Autumn of 2010.

(Circulated by authority of the Minister for Health and Ageing)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE IN THE  
2010 WINTER SITTINGS  
SUPERANNUATION INDUSTRY  
(SUPERVISION) AMENDMENT BILL 2010**

**Purpose of the Bill**

The purpose of this Bill is to amend the Superannuation Industry (Supervision) Act 1993 (the SIS Act) to address prudential risks associated with superannuation fund investment in limited recourse borrowing arrangements.

**Reasons for Urgency**

The market for products allowing for superannuation fund investment in limited recourse borrowing arrangements has evolved rapidly since amendments to the SIS Act in 2007 permitted these products. Uncertainty in the interpretation of the law is allowing product issuers to develop products based on their interpretation, leading to products that impose undesirable conditions that expose fund assets to excessive risk.

Since the legislation was introduced in 2007, industry stakeholders have been expecting legislative amendments to clarify several points of ambiguity existing in this area. Industry stakeholders have reiterated this need through the confidential consultation process.

Introduction and passage of the Bill will reduce the risks for superannuation funds investing in limited recourse borrowing arrangements. Further, it will limit the opportunity for providers to use the delay between introduction and enactment of the Bill to develop products that exploit the issues the Bill is to address.

The Government considers the amendments contained in this Bill require urgent enactment to protect superannuation fund members from excessively risky products and to provide certainty for issuers of limited recourse borrowing arrangements as to the circumstances under which they can offer these products.

(Circulated by authority of the Minister for Financial Services, Superannuation and Corporate Law)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE IN THE  
2010 Winter SITTINGS**

**TRADE PRACTICES AMENDMENT  
(AUSTRALIAN CONSUMER LAW) BILL  
(NO. 2) 2010**

**Purpose of the Bill**

The bill completes the Commonwealth's implementation of the Australian Consumer Law and makes related amendments.

**Reasons for Urgency**

The COAG National Partnership Agreement to Deliver a Seamless National Economy (NPA) requires the Commonwealth and each State and Territory to enact legislation to create the ACL by December 2010.

Through the Ministerial Council on Consumer Affairs, States and Territories have advised that they require the Commonwealth legislation to be passed prior to passage of legislation through their parliaments. Passage of the Commonwealth legislation as soon as possible will give the States and Territories sufficient time to achieve passage of their applicable legislation prior to December 2010. The States and Territories have advised that if the bill is not passed in the Winter sittings they cannot meet their obligation made under the NPA to pass their laws by 1 January 2011.

(Circulated by authority of the Minister for Competition Policy and Consumer Affairs)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE IN THE  
2010 WINTER SITTINGS  
INTERNATIONAL MONETARY  
AGREEMENTS AMENDMENT BILL  
(NO.1) 2010**

**Purpose of the Bill**

The International Monetary Agreements Act 1947 (IMA Act) established Australia's membership of the International Monetary Fund (IMF) and International Bank for Reconstruction and Development (the World Bank) and makes provisions which allow Australia to meet obligations that may arise by virtue of our membership of these institutions. The current New Arrangements to Borrow (NAB) Decision, dated 27 January 1997, forms Schedule 4 to the Act. This bill proposes an amendment to the IMA Act, including Schedule 4 of the Act, to reflect amendments to the NAB Decision.

The NAB is a voluntary set of credit arrangements between the IMF and a number of its members, including Australia. The NAB can be activated by participants in order to supplement the IMF's lending resources when they consider it necessary. The NAB acts as a backstop arrangement where the IMF's usual quota processes are insufficient to meet the needs of borrowing member countries. In the event of the IMF drawing on the NAB, the funds would be repaid to Australia in full, with interest.

The proposed amendments to the NAB will allow Australia to contribute to implementation of a G20 Leaders' commitment, which will ensure that the IMF has the resources necessary to credibly support its members, thereby promoting global confidence and economic recovery.

On 2 April 2009, G20 Leaders committed to an expanded NAB, increased to up to US\$550 billion. There was subsequently strong interest from new potential participants, including those outside the G20, and on 24 November 2009 the IMF announced that participants had agreed to expand the NAB to up to US\$600 billion. The amendments to the Schedule would authorise the proposed increase in Australia's existing line of credit under the NAB from SDR 801 million (around A\$1.4 billion) to SDR 4370 million

(around A\$7.5 billion) under the current appropriation in the IMA Act.

G20 Leaders also committed to a more flexible NAB. This will better support the Fund in providing substantial financing to its members at short notice, especially during times of crisis. Flexibility will be achieved by amending the terms of the arrangement to implement a more streamlined procedure to activate the NAB. The terms of the current NAB state that the NAB may only be activated on a loan-by-loan basis. The proposed changes will modify the NAB to allow a general activation for a defined period subject to a maximum level of commitments.

**Reasons for Urgency**

The expanded and more flexible New Arrangements to Borrow is a part of the G20 Leaders' global plan for recovery and reform agreed on 2 April 2009 in London.

Following the conclusion of a process of international negotiations, the proposed amendments to expand and make more flexible the current NAB Decision were adopted by the IMF Executive Board on 12 April 2010. For the amended NAB to enter into effect, its participants will be required to accept the amendments to the NAB Decision; some participants will be required to implement the amendments through domestic legislation change, including Australia.

Urgent implementation of NAB is prudent, particularly in light of the tentative global recovery, as it will support confidence in the markets that the IMF has a credible backstop to its quota resources, and is able to support its members should there be a need.

(Circulated by authority of the Treasurer)

**STATEMENT OF REASONS FOR PASSAGE  
IN THE 2010 WINTER SITTINGS  
VETERANS' AFFAIRS AND OTHER  
LEGISLATION AMENDMENT  
(MISCELLANEOUS MEASURES) BILL 2009**

**Purpose of the Bill**

The bill will give effect to a number of measures that benefit the veteran community and enhance the operation of the Repatriation pension system including:

extend from three to twelve months, the time limit for the lodgement of claims for certain travel expenses;

ensure that the provisions for claims for compensation under the Veterans' Entitlements Act 1986 for injuries or diseases that have been aggravated by Defence service under the Military Rehabilitation and Compensation Act 2004 operate as intended;

ensure that the provisions for eligibility for war widow or widower pension in respect of a veteran who was a prisoner of war, operate as intended;

enable a Victoria Cross recipient to receive a Victoria Cross allowance under the Veterans' Entitlements Act 1986 and from a foreign country;

enable Defence Service Homes Insurance to pay a State Emergency Service levy to the New South Wales State Government;

extend nuclear test participant eligibility to certain Australian Protective Service officers for the period 20 October 1984 to 30 June 1988; and

enhance the operations of the Specialist Medical Review Council.

#### **Reasons for Urgency**

The measures in the bill benefit the veteran community and enhance the operation of the Repatriation pension system. Passage of the bill in the Winter 2010 sittings will enable the benefit of these measures to be delivered to the veteran community.

(Circulated by authority of the Minister for Veterans' Affairs)

#### **STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2010 WINTER SITTINGS**

#### **TAX LAWS AMENDMENT (2010 MEASURES NO. 3) BILL 2010**

#### **Purpose of the Bill**

This Bill will:

clarify how treasury shares, the previous insurance asset known as excess market value over net assets and capitalised software costs will be recognised under the thin capitalisation provision;

change the taxation of unexpended income for special disability trusts;

amend the definition of a Managed Investment Trust for withholding tax purposes;

provide a power for the heads of certain intelligence agencies to declare particular transactions as being exempt from taxation in relation to particular entities;

freeze indexation of superannuation co-contribution income thresholds for the 2010-11 and 2011-12 income years; and

permanently maintain the co-contribution matching rate and maximum co-contribution payable at 100 per cent and \$1,000 respectively.

#### **Reasons for Urgency**

The Bill contains two measures announced in the 2009-10 Budget and two in the 2010-2011 Budget. Any delays in delivery will create uncertainty.

The thin capitalisation measure commences from 1 January 2009. It is urgent as the current transitional provisions cease to operate for some taxpayers from that date.

The special disability trust measure commences from 1 July 2009.

The Managed Investment Trust measure commences from 1 July 2010.

The measure to allow the heads of certain intelligence agencies to declare particular transactions as being exempt from taxation in relation to particular entities needs to be implemented expeditiously avoid compromising authorised operational activities.

The superannuation co-contribution measures need to be enacted by 1 July 2010 to provide certainty to individuals who are planning to make personal superannuation contributions in the 2010-11 income year in order to receive a Government co-contribution. If the Bill is not passed in the Winter sittings, indexation of the income thresholds would need to be frozen with retrospective application. Retrospective application would lead to individuals who have made contributions in the expectation of receiving a co-contribution either not receiving a co-contribution or receiving a reduced level of co-contribution.

(Circulated by authority of the Treasurer)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE IN THE  
2010 WINTER SITTINGS**

**TAX LAWS AMENDMENT  
(CONFIDENTIALITY OF TAXPAYER  
INFORMATION) BILL 2010**

**Purpose of the Bill**

This Bill will amend the secrecy and disclosure provisions applying to taxation information that are currently spread over many taxation law Acts. Over the years numerous amendments have resulted in unclear and inconsistent rules for the protection of taxpayer information, as well as increased privacy risks. The Bill will consolidate and standardise these various enactments into a single new framework in Schedule 1 to the Taxation Administration Act 1953.

The new framework is designed to provide clarity and certainty to taxpayers, the Australian Taxation Office and users of taxpayer information and to provide guiding principles to assist in framing any future additions.

The key principle of the new framework is the protection of taxpayer information. Disclosures of information are, however, permitted in instances where privacy concerns are outweighed by the public benefit of those disclosures.

This measure was announced by the then Assistant Treasurer and Minister for Competition Policy and Consumer Affairs on 13 March 2009.

**Reasons for Urgency**

Passage of the Bill in these sittings will give taxpayers the benefit of the new rules for protection of taxpayer information. With one exception, these amendments apply to disclosures of protected information made on or after the day after Royal Assent. The amendment facilitating disclosures of protected information for purposes relating to unexplained wealth orders will commence the later of the day on which the Bill receives Royal Assent or the commencement of Part 1 of Schedule 1 to the Crimes Legislation Amendment (Serious and Organised Crime) Act 2009.

(Circulated by authority of the Treasurer)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE IN THE  
2010 WINTER SITTINGS**

**INSURANCE CONTRACTS AMENDMENT  
BILL 2010**

**Purpose of the Bill**

The Bill gives effect to a number of recommendations of a Review Panel appointed to review the Insurance Contracts Act 1984. The changes are largely technical in nature and respond to market developments and judicial decisions since its enactment. The Bill will streamline requirements and address anomalies in the regulatory framework for the benefit of insurers and consumers.

The measures have been subject to stakeholder consultation and in some areas the Review Panel's recommendations have been modified to take account of issues raised in consultations.

**Reasons for Urgency**

The improvements in the Bill will streamline processes and correct anomalies that will benefit insurers, insureds and the general public. In particular, it will remove legal impediments that would otherwise exist to insurers dealing with their customers on-line. This reform has been long-awaited and is linked to the Electronic Transactions Regulations Amendment (No. 2) 2010. That regulation has already been made but has a commencement dependent upon commencement of Schedule 2 of the Bill. Further delays will result in loss of efficiencies that would be generated through commencement of the Bill and associated regulations.

(Circulated by authority of the Minister for Financial Services, Superannuation and Corporate Law)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE  
IN THE WINTER 2010 SITTINGS  
FARM HOUSEHOLD SUPPORT  
AMENDMENT (ANCILLARY BENEFITS)  
BILL 2010**

**Purpose of the Bill**

The bill amends legislation to guarantee access to certain ancillary benefits such as health care cards and youth allowances for beneficiaries of a new payment (the Farm Family Support (FFS) payment) in a forthcoming Western Australian (WA) pilot of drought reform measures due to be conducted in 2010-11.

**Reasons for Urgency**

The proposed pilot is due to commence on 1 July 2010. Legislation to support the pilot requires urgent passage through parliament during the 2010 Winter sittings to ensure the measure can be implemented from this date. If the legislation is not passed in the Winter sittings, the ancillary benefits cannot be guaranteed for the pilot program participants. There is likely to be concern if some farmers receiving the FFS payments in the pilot are not eligible for ancillary benefits.

(Circulated by authority of the Minister for Agriculture, Fisheries and Forestry)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE IN THE  
2010 AUTUMN SITTINGS**

**TAX LAWS AMENDMENT (Foreign Source  
Income DEFERRAL) BILL(No. 1) 2010**

**Purpose of the Bill**

This Bill will repeal the foreign investment fund (FIF) and deemed present entitlement (DPE) provisions and ensure certain provisions that interact with announced reforms to the foreign source income attribution rules operate as intended.

**Reasons for Urgency**

It is preferable that this Bill be passed in the Winter sittings as the amendments are to apply in respect of the 2010-11 income year. This would allow taxpayers and their advisers sufficient time to prepare for the changes effected by the amendments. It would also allow the Australian Taxation Office to put the necessary systems and administrative support in place.

(Circulated by authority of the Treasurer)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE IN THE  
2010 WINTER SITTINGS**

**IMMIGRATION (EDUCATION)  
AMENDMENT BILL 2010**

**Purpose of the Bill**

The purpose of the Bill is to amend the Immigration (Education) Act 1971 (the Act) to implement the new Adult Migrant English Program (AMEP) Business Model, which forms part of the Government's broader settlement framework. The AMEP is the program through which English

language tuition is delivered under the Act. The new AMEP Business Model provides a greater focus on client outcomes with improved program design, as well as improved program delivery and administration.

**Reasons for Urgency**

An exemption from Senate Standing Order 111 is sought for this Bill to allow it to be introduced in the Senate in this sitting period. The exemption is necessary as the Bill was introduced in the House of Representatives in the Autumn sitting period and, if passed by that House this sitting period, it will not be received by the Senate before the Senate cut off date.

The Bill requires introduction and passage through the Senate and the House of Representatives in this sitting period to ensure that the Bill can commence on 1 January 2011, which is the commencement date provided in clause 2 of the Bill.

The commencement provision in the Bill is 1 January 2011 to align with the proposed commencement of the new contracts with service providers which will incorporate the new AMEP Business Model. This is to ensure that the new AMEP Business Model will be implemented in its entirety on the same day. The Department of Immigration and Citizenship is currently undertaking a tender process in relation to these new contracts to enable the alignment of the commencement of the legislation amendments and proposed new contracts.

If the Bill is not dealt with before 1 January 2011, aspects of the new AMEP Business Model will be unable to be implemented in line with the new contracts, including key support measures for clients. These key support measures include the extension of the time frame for clients to register with an approved English course provider from three months to six months.

(Circulated by authority of the Minister for Immigration and Citizenship)

**STATEMENT OF REASONS FOR  
INTRODUCTION AND PASSAGE IN THE  
2010 WINTER SITTINGS**

**AGRICULTURAL AND VETERINARY  
CHEMICALS CODE AMENDMENT BILL  
2010**



**Purpose of the Bill**

The Agricultural and Veterinary Chemicals Code Amendment Bill 2010 (the Bill) amends the Agricultural and Veterinary Chemicals Code Act 1994 (Agvet Code).

The Bill seeks to improve the registration processes of the Australian Pesticides and Veterinary Medicines Authority (APVMA) in several ways including:

allowing applicants to follow a simplified application process to effectively notify the APVMA of a limited range of defined, low risk, minor variations to approvals or registrations,

removing a burdensome requirement for registrants to notify the APVMA in writing of the authorisation of approved persons,

limiting the APVMA's label assessment role to ensuring chemical products display 'adequate instructions' for the safe handling and effective use of a product,

allowing trade concerns to trigger a review of a product label, and

allowing the disclosure of certain information where a minor use or emergency use permit has been sought.

These reforms will not compromise the overarching importance the government attaches to the protection of human health and the environment.

**Reasons for Urgency**

The bill includes reforms that deliver on Council of Australian Governments (COAG) early harvest reforms. Regulation of chemicals and plastics is one of 27 deregulation priority reforms agreed by COAG as part of the National Partnership Agreement to Deliver a Seamless National Economy. Under the revised National Partnership Implementation Plan agreed by COAG in February and April 2010, all remaining early harvest reforms are scheduled for completion by June 2010.

The bill also delivers on some early reforms from ongoing work under a Better Regulation Ministerial Partnership.

(Circulated by authority of the Minister for Agriculture, Fisheries and Forestry)

**STATEMENT OF REASONS****BUILDING ENERGY EFFICIENCY DISCLOSURE BILL 2010****Purpose of the Bill**

This bill will establish a new national scheme for the disclosure of commercial office building energy efficiency at the point of sale, lease and sub-lease. The bill establishes the specific circumstances under which disclosure must occur as well as establishing a framework for building owners and lessors to obtain and disclose building ratings and tenancy lighting information.

**Reasons for Urgency**

Passage of the bill during the Winter 2010 sittings is required to ensure the commercial disclosure scheme can fully commence in 2010 as per the timeframe agreed to by the Council of Australian Governments in the National Strategy on Energy Efficiency (NSEE).

To meet this timeframe, the bill needs to be enacted by 1 July 2010 so that the necessary administrative arrangements can be established prior to the disclosure obligations commencing towards the end of 2010.

It has been widely communicated to industry that the scheme will commence in second half of 2010, as per the NSEE. Industry has embraced this timeframe and is already making preparations for the scheme's introduction. A delay in implementing the scheme in accordance with this timeframe is therefore likely to attract some criticism from industry, particularly those that have invested significant resources into preparing for the scheme's introduction.

(Circulated by authority of the Minister for Climate Change and Energy Efficiency)

**Withdrawal**

**Senator XENOPHON** (South Australia) (4.03 pm)—Pursuant to notice of intention given yesterday, I withdraw business of the Senate notice of motion No. 2 standing in my name for today.

## COMMITTEES

### Selection of Bills Committee

#### Report

**Senator O'BRIEN** (Tasmania) (4.00 pm)—I present the 9th report of 2010 of the Selection of Bills Committee.

Ordered that the report be adopted.

**Senator O'BRIEN**—I seek leave to have the report incorporated in *Hansard*.

Leave granted.

*The report read as follows—*

#### SELECTION OF BILLS COMMITTEE

##### REPORT NO. 9 OF 2010

- (1) The committee met in private session on Tuesday, 22 June 2010 at 4.48 pm.
- (2) The committee resolved to recommend—That—
  - (a) the Banking Amendment (Delivering Essential Financial Services for the Community) Bill 2010 be *referred immediately* to the Economics Legislation Committee for inquiry and report by 2 September 2010 (see appendices 1 and 2 for statements of reasons for referral);
  - (b) the *provisions* of the Civil Dispute Resolution Bill 2010 be *referred immediately* to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 30 July 2010 (see appendices 3 and 4 for statements of reasons for referral); and
  - (c) the *provisions* of the Corporations Amendment (Sons of Gwalia) Bill 2010 be *referred immediately* to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 24 August 2010 (see appendix 5 for a statement of reasons for referral).
- (3) The committee resolved to recommend—That the following bills *not* be referred to committees:
  - Health Insurance Amendment (Professional Services Review) Bill 2010

- International Monetary Agreements Amendment Bill (No. 1) 2010
- Radiocommunications Amendment Bill 2010
- Service and Execution of Process Amendment (Interstate Fine Enforcement) Bill 2010
- Tradex Scheme Amendment Bill 2010
- Water Efficiency Labelling and Standards Amendment Bill 2010.

*The committee recommends accordingly.*

- (4) The committee considered the Preventing the Misuse of Government Advertising Bill 2010 and noted that the Senate had agreed to refer the provisions of the bill to the Finance and Public Administration Legislation Committee for inquiry and report.
- (5) The committee deferred consideration of the Commonwealth Commissioner for Children and Young People Bill 2010 to its next meeting.

(Kerry O'Brien)

**Chair**

23 June 2010

#### APPENDIX 1

##### SELECTION OF BILLS COMMITTEE

###### Proposal to refer a bill to a committee

###### Name of bill:

Banking Amendment (Delivering Essential Financial Services for the Community) Bill 2010

###### Reasons for referral/principal issues for consideration:

To consider the impact of this legislation on consumers and their ability to access suitable financial services

To consider the impact of this Bill on banking operations and competition in the financial services sector

###### Possible submissions or evidence from:

Abacus Australian Mutuals

Australian Bankers Association

Australian Financial Markets Association Choice

Consumer Action Law Centre

**Committee to which bill is to be referred:**

Senate Standing Committee on Economics

**Possible hearing date(s):**

To be determined by the Committee

**Possible reporting date:**

2 September 2010

Stephen Parry

(signed)

**Whip / Selection of Bills Committee member**

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**APPENDIX 2**

**SELECTION OF BILLS COMMITTEE**

**Proposal to refer a bill to a committee**

**Name of bill:**

Banking Amendment (Delivering Essential Financial Services for the Community) Bill 2010

**Reasons for referral/principal issues for consideration:**

**Possible submissions or evidence from:**

Australia Institute (David Richardson)

Brotherhood of St Laurence (Gerard Brody)

Finance Sector Union

Consumer Credit Legal Centre

Good Shepherd Youth and Family Service

Financial and Consumer Rights Centre (Richard Foster)

Australian Council of Social Services

**Committee to which bill is to be referred:**

Senate Economics Legislation Committee

**Possible hearing date(s):**

2 September

**Possible reporting date:**

Rachel Siewert

(signed)

**Whip / Selection of Bills Committee member**

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**APPENDIX 3**

**SELECTION OF BILLS COMMITTEE**

**Proposal to refer a bill to a committee**

**Name of bill:**

Civil Dispute Resolution Bill 2010

**Reasons for referral/principal issues for consideration:**

- Whether the obligation to “assist” in clause 9 of the Bill creates potential conflicts in the lawyer/client relationship, particularly in circumstances when a client does not accept advice to engage in “genuine steps” and issues contrary instructions; and
- Whether the provisions in clause 12 amount to an abrogation of settlement privilege and the extent to which additional safeguards may be required.

**Possible submissions or evidence from:**

Attorney-General’s Department, Law Council of Australia.

**Committee to which bill is to be referred:**

Legal and Constitutional Affairs Legislation

**Possible hearing date(s):**

**Possible reporting date:**

30 July 2010

Stephen Parry

(signed)

**Whip/ Selection of Bills Committee member**

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**APPENDIX 4**

**SELECTION OF BILLS COMMITTEE**

**Proposal to refer a bill to a committee**

**Name of bill:**

Civil Dispute Resolution Bill 2010

**Reasons for referral/principal issues for consideration:**

- Need to assess the extent to which the new obligation requiring a ‘genuine steps statement’ to be filed in Federal Courts, which the Magistrate may take into account when awarding costs, will deter pursuit of justice or facilitate efficiency

- Need to assess the extent to which this new obligation will have an impact on the already chronically under-funded legal support services -given that the preparation of this 'genuine steps statement' adds an additional step to the legal process, particularly onerous to people from non-English speaking backgrounds.

**Possible submissions or evidence from:**

Australian Law Council  
 Federation of Community Legal Services  
 Liberty Victoria  
 Human Rights Law Resource Centre Ltd  
 Public Interest Law Clearing House (VIC) Inc

**Committee to which bill is to be referred:**

Legal and Constitutional

**Possible hearing date(s):**

August

**Possible reporting date:**

21 September 2010

Rachel Siewert

(signed)

**Whip/ Selection of Bills Committee member****APPENDIX 5****SELECTION OF BILLS COMMITTEE****Proposal to refer a bill to a committee****Name of bill:**

Corporations Amendment (Sons of Gwalia) Bill 2010

**Reasons for referral/principal issues for consideration:**

Despite this Bill already being considered by the Selection of Bills Committee, there has been a technical legal point raised regarding the broader legal implications of subordinating compensation claims where the claimant is also a shareholder. As a result, the additional information raised means that the legislation would benefit from the senate inquiry process and the opportunity to gather wider legal opinion.

The principal issues for consideration are:

- To consider the legal implications of subordinating compensation claims behind unsecured creditors in the event of a company winding up, and where the party making those claims is also a shareholder;
- To consider the broader impact of the legislation on shareholders and creditors during the winding up process.

**Possible submissions or evidence from:**

- Law Council of Australia,
- Chartered Secretaries of Australia,
- Australian Financial Markets Association,
- Insolvency Practitioners of Australia,
- Law Institute of Victoria,
- Australian Institute of Company Directors

**Committee to which bill is to be referred:**

Senate Standing Committee on Legal and Constitutional Affairs

**Possible hearing date(s):**

To be determined by the Committee

**Possible reporting date:**

24 September 2010

Stephen Parry

(signed)

**Whip/ Selection of Bills Committee member****BUSINESS****Consideration of Legislation****Variation**

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.04 pm)—I move:

That the Electoral and Referendum Amendment (Close of Rolls and Other Measures) Bill (No. 2) 2010 be listed on the *Notice Paper* as a separate order of the day for the next day of sitting.

Question agreed to.

**NOTICES**

**Postponement**

The following items of business were postponed:

Business of the Senate notice of motion no. 3 standing in the name of Senator Ryan for today, proposing a reference to the Finance and Public Administration References Committee, postponed till 24 June 2010.

General business notice of motion no. 694 standing in the name of the Leader of the Family First Party (Senator Fielding) for today, proposing the introduction of the Protection of Personal Information Bill 2010, postponed till 24 August 2010.

General business notice of motion no. 800 standing in the name of the Leader of the Australian Greens (Senator Bob Brown) for 24 June 2010, relating to the logging industry in Tasmania and Victoria, postponed till 26 August 2010.

**EDUCATION, EMPLOYMENT AND  
WORKPLACE RELATIONS  
LEGISLATION COMMITTEE:  
ATTENDANCE OF WITNESS**

**Senator MARSHALL** (Victoria) (4.06 pm)—I move:

That the Senate—

- (a) notes the opening statement made by the President of Fair Work Australia on 1 June 2010 during his appearance at an estimates hearing of the Education, Employment and Workplace Relations Legislation Committee;
- (b) notes, in particular, the request made in that statement that the Senate reconsider its order of 28 October 2009 which requires that, on each occasion on which the Education, Employment and Workplace Relations Legislation Committee meets to consider estimates in relation to Fair Work Australia, the President of Fair Work Australia appear before the committee to answer questions; and
- (c) modifies the order of 28 October 2009 by declaring that, while relaxing the require-

ment that the President of Fair Work Australia attend to answer questions on all occasions when the Education, Employment and Workplace Relations Legislation Committee meets to consider estimates in relation to Fair Work Australia, the Senate expects that the President will appear should his or her presence be requested by the Education, Employment and Workplace Relations Legislation Committee in the future.

Question put.

The Senate divided. [4.10 pm]

(The President—Senator the Hon. JJ Hogg)

Ayes.....	32
Noes.....	<u>34</u>
Majority.....	<u>2</u>

**AYES**

Arbib, M.V.	Bilyk, C.L.
Bishop, T.M.	Brown, B.J.
Brown, C.L.	Cameron, D.N.
Collins, J.	Conroy, S.M.
Crossin, P.M.	Farrell, D.E.
Feeney, D.	Forshaw, M.G.
Furner, M.L.	Hanson-Young, S.C.
Hogg, J.J.	Hurley, A.
Hutchins, S.P.	Ludlam, S.
Lundy, K.A.	Marshall, G.
McEwen, A. *	McLucas, J.E.
Milne, C.	Moore, C.
O'Brien, K.W.K.	Polley, H.
Pratt, L.C.	Siewert, R.
Stephens, U.	Sterle, G.
Wong, P.	Wortley, D.

**NOES**

Abetz, E.	Adams, J.
Back, C.J.	Barnett, G.
Bernardi, C.	Birmingham, S.
Boswell, R.L.D.	Boyce, S.
Brandis, G.H.	Bushby, D.C.
Cash, M.C.	Colbeck, R.
Coonan, H.L.	Cormann, M.H.P.
Eggleston, A.	Ferguson, A.B.
Fielding, S.	Fifield, M.P.
Fisher, M.J.	Heffernan, W.
Joyce, B.	Kroger, H.

Macdonald, I.  
McGauran, J.J.J.  
Parry, S.  
Ronaldson, M.  
Scullion, N.G.  
Trood, R.B.

Mason, B.J.  
Minchin, N.H.  
Payne, M.A.  
Ryan, S.M.  
Troeth, J.M.  
Williams, J.R. \*

**PAIRS**

Faulkner, J.P.  
Ludwig, J.W.  
Evans, C.V.  
Carr, K.J.  
Sherry, N.J.

Johnston, D.  
Humphries, G.  
Nash, F.  
Xenophon, N.  
Fierravanti-Wells, C.

\* denotes teller

Question negatived.

**COMMITTEES**

**Fuel and Energy Committee**

**Resolution of Appointment**

**Senator CORMANN** (Western Australia)

(4.13 pm)—I move:

That the resolution of the Senate of 25 June 2008, as amended, appointing the Select Committee on Fuel and Energy, be amended to omit “30 June 2010”, substitute “30 August 2010”.

Question agreed to.

**LAST RESORT BUILDERS' HOME  
WARRANTY INSURANCE**

**Senator MILNE** (Tasmania) (4.13 pm)—  
I move:

That the Senate—

(a) notes that:

- (i) a crisis is looming in the building industry with Vero exiting the last resort builders' home warranty insurance market in New South Wales by 30 September 2010 and in all other states by 30 June 2010 leaving only two providers in the market, QBE Insurance and Calliden,
- (ii) this insurance product is mandatory by law in all states except Tasmania and Queensland,
- (iii) thousands of Australian builders will be left without this insurance product on 30 June and 30 September 2010, respectively, requiring them to build ille-

gally or to stop building immediately unless QBE Insurance provides insurance or there is government intervention within the next 8 days, and

(iv) small building firms will be disproportionately affected as they will not be as attractive to a virtual monopoly provider as large building firms; and

(b) calls on the Federal Government to act immediately with their state government counterparts to remove the mandatory requirement for this product before this impending crisis in the building industry occurs.

Question put.

The Senate divided. [4.18 pm]

(The Deputy President—Senator the Hon. AB Ferguson)

Ayes.....	6
Noes.....	<u>32</u>
Majority.....	<u>26</u>

**AYES**

Brown, B.J.	Fielding, S.
Hanson-Young, S.C.	Ludlam, S.
Milne, C.	Siewert, R. *

**NOES**

Abetz, E.	Back, C.J.
Bilyk, C.L.	Boswell, R.L.D.
Brown, C.L.	Cameron, D.N.
Cash, M.C.	Collins, J.
Cormann, M.H.P.	Crossin, P.M.
Eggleston, A.	Farrell, D.E.
Feeney, D.	Ferguson, A.B.
Forshaw, M.G.	Furner, M.L.
Hurley, A.	Hutchins, S.P.
Ludwig, J.W.	Lundy, K.A.
Macdonald, I.	Marshall, G.
McEwen, A.	McGauran, J.J.J.
McLucas, J.E.	Moore, C.
Parry, S.	Polley, H.
Stephens, U.	Troeth, J.M.
Williams, J.R. *	Wortley, D.

\* denotes teller

Question negatived.

**COMMITTEES****Legal and Constitutional Affairs  
References Committee****Reference**

**Senator PARRY** (Tasmania—Manager of Opposition Business in the Senate) (4.20 pm)—At the request of Senator Barnett, I move:

That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 30 November 2010:

The past and present practices of donor conception in Australia, with particular reference to:

- (a) donor conception regulation and legislation across federal and state jurisdictions;
- (b) the conduct of clinics and medical services, including:
  - (i) payments for donors,
  - (ii) management of data relating to donor conception, and
  - (iii) provision of appropriate counselling and support services;
- (c) the number of offspring born from each donor with reference to the risk of consanguine relationships; and
- (d) the rights of donor conceived individuals.

Question agreed to.

**Foreign Affairs, Defence and Trade  
References Committee****Reference**

**Senator PARRY** (Tasmania—Manager of Opposition Business in the Senate) (4.21 pm)—At the request of Senator Trood, I move:

That, having regard to the report of the Foreign Affairs, Defence and Trade References Committee on parliamentary privilege and a possible interference in the work of the committee, the following matter be referred to the Committee of Privileges for inquiry and report by 2 September 2010:

The adequacy of advice contained in the *Government Guidelines for Official Witnesses before*

*Parliamentary Committees and Related Matters* for officials considering participating in a parliamentary committee whether in a personal capacity or otherwise.

Question agreed to.

**Rural and Regional Affairs and Transport  
References Committee****Reference**

**Senator PARRY** (Tasmania—Manager of Opposition Business in the Senate) (4.21 pm)—by leave—At the request of Senator Nash and Senator Colbeck, I move:

That the following matters be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 22 November 2010:

- (a) the adequacy of current biosecurity and quarantine arrangements, including resourcing;
- (b) projected demand and resourcing requirements;
- (c) progress toward achievement of reform of Australian Quarantine and Inspection Service export fees and charges;
- (d) progress in implementation of the 'Beale Review' recommendations and their place in meeting projected biosecurity demand and resourcing; and
- (e) any related matters.

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.22 pm)—I seek leave to make a short statement in relation to this motion.

**The DEPUTY PRESIDENT**—Leave is granted for two minutes.

**Senator STEPHENS**—The government is committed to a strong biosecurity and quarantine system, which helps to protect our agricultural industries, the environment and human health, and particularly to Australia's rural and regional communities. Consistent with the recommendations of the Beale re-

view, the government is committed to implementing a conservative risk based, science based approach to maintaining Australia's biosecurity systems.

When we came to government we inherited a quarantine system which had been neglected and was not as efficient as it should have been. For example, the system included 75 separate information technology services which did not actually speak to each other. The equine influenza outbreak, which the National Party said could never happen in Australia, cost the horse industry up to \$1 billion and the taxpayers up to \$400 million. The government recognised the stress our quarantine system was under when we came to office and the Beale review, which we commissioned, recommended sweeping changes to Australia's quarantine and biosecurity arrangements. The government agreed in principle to all 84 of the Beale recommendations. So far, we have already appointed an economist to the Eminent Scientists Group; we have appointed an interim Inspector-General of Biosecurity, Dr Kevin Dunne; we have consolidated the department's functions into a single biosecurity services group; we have appointed Andrew Inglis to head up the government's new Biosecurity Council; and we have committed \$14.7 million in support of scoping works on new biosecurity facilities and the initial work to upgrade the separate IT systems.

The biosecurity services staff in the Department of Agriculture, Fisheries and Forestry continue with that huge task that they have ahead of them and anything that distracts from that vital work will only result in further delay. For that reason, the government does not support the motion.

Question agreed to.

## **Rural and Regional Affairs and Transport References Committee**

### **Extension of Time**

**Senator PARRY** (Tasmania—Manager of Opposition Business in the Senate) (4.24 pm)—by leave—At the request of the Chair of the Rural and Regional Affairs and Transport References Committee, Senator Nash, I move:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport References Committee on the management of aircraft noise by Airservices Australia be extended to 24 June 2010.

Question agreed to.

### **TIMOR SEA OIL SPILL Order**

**Senator SIEWERT** (Western Australia) (4.25 pm)—I move:

That there be laid on the table by the Minister representing the Minister for Resources and Energy, by Thursday, 24 June 2010, the report of the Commission of Inquiry into the Montara oil spill.

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.25 pm)—I seek leave to make a short statement in relation to that motion.

**The DEPUTY PRESIDENT**—Leave is granted for two minutes.

**Senator STEPHENS**—The government received the report of the commission of inquiry into the Montara oil spill on Friday, 18 June 2010. The government is considering the report and will act promptly and appropriately on the recommendations. However, before releasing the report publicly the government has sought legal advice to ensure nothing is done to prejudice possible prosecutions flowing from other investigations for offences or undermine any natural justice considerations.

Question negatived.



**NATIONAL ABORIGINAL AND  
ISLANDER CHILDREN'S DAY**

**Senator SIEWERT** (Western Australia)  
(4.26 pm)—I move:

That the Senate—

- (a) acknowledges that Sunday, 4 August 2010 is National Aboriginal and Islander Children's Day;
- (b) recognises that the theme for 2010 is 'Value My Culture, Value Me' which emphasises that Aboriginal and Torres Strait Islander children need to know they are loved and valued, and to have every opportunity to nurture and explore a healthy and strong sense of self and community; and
- (c) embraces the message of 'Value My Culture, Value Me' by undertaking to promote new attitudes and forging a new pathway of understanding for the benefit of all Australians, build and improve relationships based on mutual respect, end disadvantage for Aboriginal and Torres Strait Islander children and families and create equality for all in the broader Australian community.

Question agreed to.

**MOBILE PHONE CHARGERS**

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (4.27 pm)—I inform the Senate that there is an opposition amendment to this motion relating to a regulation of mobile phone chargers. I have agreed to the amendment, but I do not have the words of it with me. If the opposition cares to move that amendment, I will agree of course to it.

**Senator CORMANN** (Western Australia) (4.27 pm)— I seek leave to amend the motion by deleting the word 'legislate' in and replacing it with the word 'examine'.

Leave granted.

**Senator CORMANN**—I move:

paragraph (d), omit "legislate", substitute "examine".

Question agreed to.

**Senator BOB BROWN**—I move the motion as amended:

That the Senate—

- (a) notes that the incompatibility of chargers for mobile phones is a major environmental problem that unnecessarily generates significant amounts of electronic waste;
- (b) acknowledges that it is an inconvenience for Australian consumers to acquire a new charger and dispose of the current one each time they want to acquire a new phone;
- (c) recognises that this problem can be fixed by the mobile phone industry working together to harmonise mobile phone chargers; and
- (d) calls on the Government to examine the harmonisation of mobile phone chargers in agreement with the mobile phone industry, similar to the agreement that has been reached in Europe.

Question agreed to.

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.28 pm)—I seek leave to make a short statement in relation to that motion.

**The DEPUTY PRESIDENT**—Leave is granted for two minutes.

**Senator STEPHENS**—That there is already action being taken by industry voluntarily and without there being a demonstration of a clear benefit to the community from imposing legislation is the reason the government has not supported this motion. The incompatibility of chargers for mobile phones constitutes only a small part of electronic waste, with only two per cent of

phones and accessories being disposed to landfill in 2009. The mobile phone industry already provides Australian consumers with a capacity to recycle their old chargers at the same time as they recycle their old phones through the industry led scheme, Mobile Muster. I am advised that the current approach in the European Union favours a voluntary memorandum of understanding between major suppliers of mobile phones, not legislation. The government is already in the process of developing product stewardship legislation that will support voluntary schemes such as that already operating in the mobile phone industry.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (4.29 pm)—I seek leave to make a brief statement.

**The DEPUTY PRESIDENT**—Leave is granted for two minutes.

**Senator BOB BROWN**—The government has missed the amendment that has just been agreed to by the Senate that changed the word ‘legislate’ to the word ‘examine’. Also, it should understand—and I think that every member of this place will understand—the frustration there is when, pretty well every time you get a new phone, you need a new phone charger to go with it, and out go chargers all over the place. It is an extraordinarily bungled system, and there should be a simple phone charger that all phones are adapted to. An agreement has been reached on that with industry in Europe, and this motion, if passed, would have the government examine—in concert with the industry—getting such an agreement brought in in Australia pronto, so that we end the extreme waste and frustration that there is with there being such a plethora of phone chargers.

**Senator CORMANN** (Western Australia) (4.30 pm)—I seek leave to make a brief statement.

**The DEPUTY PRESIDENT**—Leave is granted for two minutes.

**Senator CORMANN**—The coalition agree with the comments that have just been made. It is a real nuisance for people, whenever they buy a new mobile phone, that they have to buy a new phone charger. I am sure that people across Australia would agree with those of us who have had that experience and who have got 20 or 30 phone chargers in the bottom drawer that cannot be used. The coalition’s view is that legislation should not be the first step. The heavy hand of government should not be the first response in terms of enforcing legislation. However, common sense should prevail, and government and industry should have a process in place where they examine the feasibility of harmonising phone chargers. It is a matter of taking a common-sense approach. I am somewhat surprised that the government would have difficulty with the proposition of examining the possibility of harmonising mobile phone chargers, because if such harmonisation were able to happen it certainly would address a lot of inconvenience for people right across Australia. We would like to think that the government are going to reconsider their attitude here in the chamber and assume that it is based on a lack of proper communication perhaps in the face of an adjusted and amended motion. We would like the government to reconsider the position that they have just adopted.

#### **KOALA POPULATION**

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (4.32 pm)—I move:

That the Senate—

- (a) notes the decline in koala populations around Australia;
- (b) calls on the Government to have a public and transparent inquiry into the status,

health and sustainability of Australia's koala population; and

- (c) in undertaking the inquiry, calls on the Government to consider the following matters:
- (i) the iconic status of the koala and the history of its management,
  - (ii) knowledge of koala habitat,
  - (iii) threats to koala habitat such as logging, land clearing, poor management, attacks from feral and domestic animals, disease, roads and urban development,
  - (iv) the listing of the koala under the *Environment Protection and Biodiversity Conservation Act 1999*,
  - (v) the adequacy of the National Koala Conservation and Management Strategy,
  - (vi) appropriate future regulation for the protection of koala habitat,
  - (vii) interaction of state and federal laws and regulations, and any related matters.

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.33 pm)—I seek leave to make a short statement in relation to the motion.

**The DEPUTY PRESIDENT**—Leave is granted for two minutes.

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.33 pm)—The government's position in opposing this motion relates to Senator Brown's call for a new inquiry to look into many of the matters that Minister Garrett has directed the nation's pre-eminent scientific body on biodiversity conservation, the Threatened Species Scientific Committee, to undertake in terms of a new assessment of the national status of the koala. This assessment is well underway and

is due for completion by 30 September this year.

We all acknowledge that the koala is clearly an iconic species of great importance to all Australians but, in terms of transparency, the scientific committee recently consulted widely on the nature and extent of threats to koalas nationally, and a large number of submissions were received from researchers, care groups, local councils, members of the public and others concerned with koala conservation. The scientific committee is now considering all submissions closely before it concludes its assessment and advises Minister Garrett regarding whether or not the koala is eligible for listing as a threatened species in Australia and, if so, which category is most appropriate. The Threatened Species Scientific Committee has not yet reached a view of the koala's eligibility for any threatened species category and will assess its eligibility against all relevant categories. In relation to work to protect this iconic species, Minister Garrett and his state and territory colleagues are moving forward with the implementation of the new National Koala Conservation and Management Strategy 2009-2014, and this strategy aims to conserve koalas throughout their natural range.

**Senator WILLIAMS** (New South Wales) (4.35 pm)—I seek leave to make a short statement.

**The DEPUTY PRESIDENT**—Leave is granted for two minutes.

**Senator WILLIAMS**—I welcome this motion on the grounds that we have seen the destruction of our habitats. I refer to three years ago when the Pilliga Scrub used to be a state forest. When I used to work out there with Tom Underwood, who was a timber miller, he was telling me that in his young days—he started work at about 14 years of age—you would not find a koala in the Pil-

liga. Now they are ample. He said that what happened is that the Pilliga was shut up in a national park. The levels of fuel and the grass grew, and tens of thousands of acres were burnt and destroyed three years ago. I do not know how many hundreds or perhaps thousands of koalas were burnt. The same will happen in other national parks when we shut country up. The habitats are simply neglected, the grass grows, the lightning strikes, and the savage hot fires burn through there, destroying the timber, destroying the environment, and destroying the animals—especially the koalas—that live in those areas. I hope that a good lesson will be learned out of this inquiry that you must manage your country. You cannot simply shut it up and leave it, as the national parks associations, in conjunction with the Greens and many others in this political field, push to do, with the eventual result of the destruction of the koala population. So I welcome the inquiry.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (4.36 pm)—Mr President, I seek leave to make a short statement.

**The DEPUTY PRESIDENT**—Leave is granted for two minutes.

**Senator BOB BROWN**—I thank Senator Williams for that different point of view. It is my assessment that for a long, long time before Australia became a nation, it was subject to grassing growing, lightning strikes and bushfires, and there were millions and millions of koalas here until the great slaughter of the early twenties. The decline since then is a matter of conjecture, but there is a lot more than the issues raised by the senator—such as erosion, loss of natural forest, spread of urban areas, tollways and so on. It is time we took a raincheck on this iconic species.

This motion has been motivated by a threatened species statement by the Minister

for Environment Protection, Heritage and the Arts, the Hon. Peter Garrett, which did not list the koala as rare and endangered but left it to regional and state listing. That led to some calls to me. There has never been an inquiry from this parliament into the status of the koala, not ever, hence this motion. There is a departmental and scientific study into the matter. Let that go into a national inquiry. There are people who work in the service of koalas who have given their lives to the service of koalas who do not believe that inquiry or the outcome is going to help. They think that the species is highly vulnerable to extinction, and we should know the facts of the matter. This inquiry should proceed.

Question agreed to.

#### COMMITTEES

##### Corporations and Financial Services Committee Meeting

**Senator PARRY** (Tasmania—Manager of Opposition Business in the Senate) (4.38 pm)—by leave—I move:

That the Parliamentary Joint Committee on Corporations and Financial Services be authorised to hold a public meeting during the sitting of the Senate today, from 6 pm, to take evidence for the committee's inquiry into the continuing oversight of the operations of the Australian Securities and Investments Commission.

Question agreed to.

#### BUSINESS

##### Rearrangement

**The PRESIDENT**—I inform the Senate that Senator Parry has withdrawn the matter of public importance which he had proposed for today.

**Senator PARRY** (Tasmania—Manager of Opposition Business in the Senate) (4.39 pm)—by leave—I move:

That—

- (1) Renewable Energy (Electricity) Amendment Bill 2010 and related bills be considered under a limitation of time.
- (2) On Wednesday, 23 June 2010, the bill have precedence over all other business immediately.
- (3) The time allotted for the remaining stages of the bill be for 1 hour.
- (4) This order operate as an allocation of time under standing order 142.

The coalition have given up our matter of public importance this afternoon. We understood the necessity for a condolence motion earlier today which took up a considerable amount of time that had been allotted for government business today. Also, it is in the interests of the coalition as well as other parties to finalise the Renewable Energy (Electricity) Amendment Bill and related legislation. The legislation has continued on through the committee stage for longer than I think was anticipated by all. There has been some very healthy and robust debate. We would like to assist in the facilitation of that legislation to pass through the chamber today in order that any amendments that are required to be considered by the House of Representatives arrive in a timely fashion. Otherwise, this matter will not be considered until tomorrow. We would like it to be noted that the coalition have been exceptionally cooperative again in assisting the government with the legislative process of this chamber by relinquishing one hour of our time.

**Senator STEPHENS** (New South Wales—Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector) (4.40 pm)—Can I acknowledge Senator Parry's generosity and his gesture of cooperation. The government certainly do appreciate that the condolence motion did take some time from the debate today and we appreciate the cooperation of

the opposition in getting through the business program.

**Senator BOB BROWN** (Tasmania—Leader of the Australian Greens) (4.41 pm)—I have spoken with Senator Milne about this, and there is a need to get this legislation through. I think it can be done by agreement—obviously, it can be because that is what we are agreeing to here. Therefore, we are not going to divide over it. We do not support the guillotine proposal, but we support the cooperation that is going to lead to this matter being handled swiftly and finalised.

Question agreed to.

**RENEWABLE ENERGY  
(ELECTRICITY) AMENDMENT  
BILL 2010**

**RENEWABLE ENERGY  
(ELECTRICITY) (CHARGE)  
AMENDMENT BILL 2010**

**RENEWABLE ENERGY  
(ELECTRICITY) (SMALL-SCALE  
TECHNOLOGY SHORTFALL  
CHARGE) BILL 2010**

Consideration resumed from 22 June.

**In Committee**

**The TEMPORARY CHAIRMAN (Senator McGauran)**—The committee is considering the Renewable Energy (Electricity) Amendment Bill 2010 and related bills as amended, and government amendment (1) on sheet CA252. The question is that the amendment be agreed to.

**Senator MILNE** (Tasmania) (4.42 pm)—To facilitate debate here, we are dealing with government amendment (1) on sheet CA252, but the Australian Greens seek leave to move an amendment that is complementary, about which I have consulted all other members. I am seeking your guidance, Mr Temporary Chairman, because I would like the debate on the government's amendments to be a

cognate debate on the government's amendment and the Greens amendment, which is on sheet CA253. The government's amendment deals with the minister's ability to change the multiplier and the Greens amendment enables the minister to deal with the size of the system. So those two things go together.

Leave granted.

**Senator MILNE**—I move Australian Greens amendment on sheet CA253:

(1) Schedule 1, page 63 (before line 30), before item 120, insert:

**119B Subsection 23B(3)**

Omit "the first 1.5kW", substitute "not more than the first 3kW".

I have nothing further to add other than to reiterate my previous remarks. They were that the government is moving to give the minister the ability to alter the multiplier in the regulations. I am moving that the minister be also able to change the size of the system. They are complementary amendments and they address the issue that I was referring to before the break—that is, the differential around Australia in terms of feed in and support and the likelihood that we may end up with three systems and a bit of debacle in the market. This amendment is addressed at allowing the minister to manage that scenario.

**Senator BIRMINGHAM** (South Australia) (4.46 pm)—Very quickly, the coalition supports both the government amendment and the Greens amendment. I think the government amendment was a recognition of some of the issues raised in both the majority report of the Senate inquiry and the additional comments. There are real concerns about this industry. What happens if systems are priced too cheaply is that you end up losing quality and standards. As Senator Milne has alluded to, it is a dynamic industry. We need this flexibility for the multiplier to be

adjusted, but there should be a recognition that if you are going to adjust the multiplier you should equally be able to adjust the size to which it applies, which is the relevance of Senator Milne's amendment.

I note also that Senator Milne has highlighted the very real problem that state incentives and subsidies, and schemes such as feed-in tariff arrangements, are impacting on this and add to the proposition that payback periods for systems can become very short and very profitable unless you have some flexibility to respond. Indeed, as has been discussed previously, some level of uniform application of feed-in tariff arrangements, be that having none or some, would at least allow these types of incentives to operate more effectively across states rather than the current hodgepodge system between the states that only adds to some of these problems.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (4.47 pm)—First, I will just remind everyone that the government's amendment really enables regulations to be made, if required. Obviously it would be the government's intention, should they be required, to have consultation on those amendments. We think that Senator Milne's additional amendment is sensible. It simply gives a little more flexibility without locking any particular policy proposition into the solar credits regime.

**The TEMPORARY CHAIRMAN**—The question is that government amendment (1) and the Greens amendment on sheet CA253 moved together be agreed to.

Question agreed to.

**Senator MILNE** (Tasmania) (4.48 pm)—I now move Australian Greens amendment (5) on the second revision of sheet 6114:

(R5) Schedule 1, page 63 (after line 29), after item 119, insert:

**119A After section 23A**

Insert:

**23AAA Regulations to establish scheme for inspection of new installations of small generation units**

- (1) The regulations must establish a scheme for the inspection of the installation of small generation units for which certificates have been created.
- (2) Without limiting subsection (1), regulations made under that subsection must provide, for small generation units installed after the commencement of this section:
  - (a) that each year a statistically significant selection of small generation units that were installed during that year must be inspected for conformance with Australian standards and any other standards or requirements relevant to the creation of certificates in relation to that small generation unit;
  - (b) that an inspection of a small generation unit is to be carried out by a person or organisation who:
    - (i) is independent of the person or organisation who designed and/or installed that small generation unit; and
    - (ii) does not have a conflict of interest in relation to that small generation unit or administration of the matters being inspected;
  - (c) for the transfer of information, about any failures to comply with standards or other requirements relevant to the creation of certificates in relation to small generation units, to State, Territory or Commonwealth bodies with responsibility for the enforcement and administration of those standards or requirements.

This goes to the issue of quality control. It is a measure for the government to be able to establish regulations to establish a scheme for inspection of new installations of small generation units. This is about quality control

to make sure that an adequate number of small units can be inspected to ensure that we are meeting the appropriate Australian standards and any other standards or requirements relevant to the creation of certificates in relation to those small generation units.

Basically, this is a quality control program. We have learnt something from the insulation scheme, the green loans scheme and so on, and that is that you must have appropriate capacity to check and to audit installations and to make sure that the standards are met. I emphasise that the reason for the revision is that this goes to those units for which certificates have been created. That is the difference between the previous amendment and this one. I would recommend it because it is a quality control measure.

**Senator BIRMINGHAM** (South Australia) (4.50 pm)—It is the opposition's belief that this amendment has some merit. We have concerns that standards be maintained. That has been addressed in some of the other amendments. We have sympathy for this amendment. Ensuring that there is a high standard for installations within the industry is important and maintaining those high standards will only be to the good of the industry. Indeed, we have seen terrible examples in other industry sectors, particularly the insulation sector, where the failure to maintain high standards has damaged everyone in the industry. That is why this is so important—to make sure that we do keep those standards very high.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (4.51 pm)—First, I indicate the government is prepared to support the revised amendment, and I thank Senator Milne and the Greens for their willingness to take on board some of our concerns about the original amendment.

I want to place on record that the government takes these safety issues very seriously. I can point to a number of reforms we have put in place to recognise the importance of these issues and to improve the safety measures surrounding this scheme. The act already includes new and enhanced compliance measures such as civil penalties, tougher financial penalties and more stringent compliance documentation requirements. That was an initiative of the government's.

In addition, I announced changes this week to regulations which further enhance both the performance and compliance regime for solar PV and other small-scale generation technologies—it might have been last week; the 15th, I think. The weeks are blurring into one at the moment. These entered into force, I think, on 21 June and include additional requirements for installers to comply with state and territory regulations for siting panels, and to comply with building codes, including for panel mountings and connections. Obviously, the safety of electrical work on buildings is regulated by states and territories through a number of laws. Compliance with these state laws is the responsibility of states and territories.

In addition, I note to the Senate the Renewable Energy Regulator is also working with industry to deliver an enhanced program of compliance and performance inspections. These represent one element of a broader and longer term strategy to improve compliance and performance under the renewable energy target and the government's solar programs. My department will be consulting with industry and other stakeholders on this comprehensive strategy, including post-installation checks. So the revised provision from the Greens is consistent with the government's work in this area, and for this reason we are able to support the amendment.

Question agreed to.

**Senator MILNE** (Tasmania) (4.54 pm)—Consistent with the undertaking I gave earlier in relation to the government's agreement to move to the regulations that give the government the ability to act on the multiplier and consistent with the acceptance of my amendment regarding the size of the schemes, I am now withdrawing Greens amendments (6) and (8).

While I am on my feet, there is a further revision to Australian Greens amendment (7), which has not been circulated. We have asked for it to be circulated but it has not been circulated yet. With the agreement of the other parties, could I defer Australian Greens amendment (7) until it is circulated, hopefully in a few minutes, and move on to Senator Xenophon's motion.

Leave granted.

**Senator XENOPHON** (South Australia) (4.55 pm)—by leave—I move amendments (6) and (7) on sheet 6116 together:

(6) Schedule 1, page 65 (after line 19), after item 121, insert:

**121A Subsection 39(3)**

After "subsection (1)", insert "for a year until the year ending on 31 December 2030".

**121B After subsection 39(3A)**

Insert:

- (3B) Before the Governor-General makes a regulation under subsection (1) for the year commencing on 1 January 2031 and any later year until the year ending on 31 December 2040, the Minister must take into consideration:
- (a) the required GWh of geothermal energy source electricity for the year; and
  - (b) the amount estimated as the amount of electricity that will be acquired under relevant acquisitions during the year; and



- (c) for a year after the year commencing 1 January 2031—the amount by which the required GWhs of geothermal energy source electricity for all years from and including 2031 has exceeded, or has been exceeded by, the amount of geothermal energy source electricity required under the scheme in those years; and
  - (d) all partial exemptions expected to be claimed for the year.
- (3C) If, at the time the Minister takes into consideration the matters referred to in subsection (3B), the amount applicable under paragraph (3B)(c) is not known, then the Minister may take into consideration an estimate of that amount instead.
- (7) Schedule 1, page 67 (after line 6), after item 124, insert:

**124A At the end of Division 2 of Part 4**

Add:

**40AA Required GWh of geothermal energy source electricity**

- (1) The *required GWh of geothermal energy source electricity* for a year is set out in the following table:

<b>Required GWh of geothermal energy source electricity</b>	
<b>Year</b>	<b>GWh</b>
2031	41000
2032	41000
2033	41000
2034	41000
2035	41000
2036	41000
2037	41000
2038	41000
2039	41000
2040	41000

- (2) Geothermal energy source electricity must have one of the following characteristics:

- (a) a flash steam power plant;
- (b) a dry steam power plant;
- (c) a binary cycle power plant;
- (d) direct use geothermal (that is, direct hot water systems);
- (e) geothermal heat pumps (for heating);
- (f) any other characteristic prescribed by the regulations for the purpose of this paragraph;

to qualify as providing geothermal energy source electricity for the purposes of subsection (1).

- (3) A generation unit for geothermal energy source electricity must be 1 MW capacity or greater to qualify as capable of providing geothermal energy source electricity for the purposes of subsection (1).
- (4) The regulations must make provision for geothermal energy source electricity in relation to:
  - (a) the acquisition of electricity by a liable entity;
  - (b) the creation and transfer of certificates;
  - (c) the calculation of the renewable power percentage for a year;
  - (d) the required renewable energy of a liable entity for a year;
  - (e) the surrender of certificates by a liable entity for a year;
  - (f) the renewable energy certificate shortfall of a liable entity for a year.

Support is currently being provided for emerging technologies, and this is positive recognition of the future opportunities that renewable technologies may provide. In the case of geothermal energy with geothermal hot rocks, which is when power is extracted from heat stored in the earth, drilling and exploration for such deep resources is very expensive. These are long-term projects spanning 20 to 30 years in terms of being able to pay it back. There is enormous infra-

structure involved, and they require certainty to secure investment. It is for this reason that I move these amendments which will extend the renewable energy certificates for geothermal projects for an additional 10 years after the RECs are currently due to end in 2030.

This will see RECs for geothermal projects continue until 2040 and will provide the industry with the certainty it needs, the certainty it deserves, to secure investment so that these emerging renewable technologies can be advanced and maximised. In relation to this, geothermal hot rock technology has the potential to provide that baseload power that we need. Wind energy cannot do that. It is the one technology which can provide that 24/7 access to energy that we need, but they need that investment certainty. Given the scale of the projects, given the emerging technologies in relation to this, the RECs ought to be extended another 10 years.

**Senator BIRMINGHAM** (South Australia) (4.57 pm)—I have enormous sympathy for where Senator Xenophon is coming from. I recognise very much the issue that he raises and, particularly as a fellow South Australian, I recognise the importance of the development of the geothermal sector within our home state and of course the extraordinary importance of it as a potential reliable baseload generator of power into the future.

We very much agree with the sentiment, with the direction that Senator Xenophon is talking about, but are not convinced at present that it is wise to make this amendment in the context of this legislation. It is an issue that I would hope will be considered in future reviews of the operation of the scheme and a future review of the legislation. We have consistently argued to somehow set aside part of the RET, now the LRET, for baseload power. We think that would still be a positive but, in terms of identifying just

one sector and attempting to provide it with the treatment at present, we are not sure that is the best way to go. We will continue to agitate and lobby that there should be a clearly defined target for baseload power generation capacity in areas like geothermal, wave or tidal, and others that could be considered in that sort of context. Please, Senator Xenophon, do not see our opposition as being an opposition to the principle. It is a matter of trying to find a better way to get that principle accommodated in future legislation.

**Senator MILNE** (Tasmania) (4.59 pm)—I indicate the Australian Greens will be supporting Senator Xenophon in these amendments. I think they are really important. As for whether we will get a higher target or a longer regime, we will see, but in the meantime this is one way of going. I will never give up on a differential feed-in tariff to bring on these new technologies.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (5.00 pm)—The government is not intending to support these amendments. As I understand it, amendments (6) and (7) together extend the renewable energy target for geothermal out to 2030 and set an effective requirement on how much geothermal must deliver by the year 2031, essentially. Sorry—2040, I should say.

**Senator Xenophon**—Don't short-change me, Minister.

**Senator WONG**—I am sorry. We in the government have consistently said that what we are doing here is setting up a market. Renewable technologies can compete within that market. We recognise that there are some technologies which are more advanced and can come to market immediately or more quickly than others. I think the policy question is: how do you deal with the difference between technologies like wind or solar and

technologies which are at a different stage of coming to market, such as geothermal? What I have said is I do not think you do that by simply loading up a market mechanism that is subsidised through electricity prices. You do what the government is doing, which is to put a very significant amount of assistance on budget into different technologies.

I, like you, Senator Xenophon, hope that we will see geothermal and other new technologies being able to compete in the renewable energy market. I think that some of the amendments that we have passed already here will hopefully enable the legislation to be flexible in the future to enable additional eligibility—for example, the amendment moved by Senator Milne in terms of the biennial review. We in the government have already put a very substantial amount of investment into other technologies. These are emerging renewable generation technologies. An example is the Solar Flagships program, which is \$1½ billion, and we have committed more than \$200 million to accelerate geothermal energy technology development, demonstration and deployment in Australia. We think that is a more sensible way of giving support to this sector, and particularly to emerging technologies, rather than trying to do so through a legislative mechanism.

Question negatived.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (5.04 pm)—by leave—I move government amendments (1) and (2) on sheet CA251:

- (1) Schedule 1, item 124, page 66 (before line 3), before subsection (2), insert:

*Adjustment of targets according to number of valid certificates as at the end of 2010*

- (1A) If, as at the end of the year 2010, the total value, in GWh, of valid renewable energy certificates exceeds 34,500, the

table in subsection (1) has effect in accordance with the following paragraphs:

- (a) the number of GWh specified in the table for each of the following years is taken to be increased by half of the excess:
- (i) the year 2012;
  - (ii) the year 2013;
- (b) the number of GWh specified in the table for each of the following years is taken to be reduced by one quarter of the excess:
- (i) the year 2016;
  - (ii) the year 2017;
  - (iii) the year 2018;
  - (iv) the year 2019.

- (1B) As soon as practicable after the end of the year 2010, the Regulator must publish on its website the total value referred to in subsection (1A).

*Adjustment of targets if there is a WCMG start day*

- (2) Schedule 1, item 124, page 66 (line 5), omit “has effect as”, substitute “has effect (after first taking account of subsection (1A))”.

This is an aspect of the policy position I think we made reference to earlier, which deals with the banked certificates issue that has been raised with us by industry and by others, including the opposition. In the event that the stock of banked REC's is substantially in excess of what we anticipate, as I think I outlined in an earlier part of the debate, these amendments would enable an adjustment of the target to take that into account. I suppose the best way to describe it is to say that it is a contingent power in the sense that it is a power to alter the targets but only in the circumstances that were previously outlined and that I think are outlined in the supplementary memoranda. I commend the amendments to the chamber.

**Senator BIRMINGHAM** (South Australia) (5.05 pm)—I would refer anybody interested in the opposition's detailed position on this to the remarks I made yesterday in response to the first parcel of government amendments, in which I mistakenly canvassed these amendments in great detail. Suffice to say the opposition does support these amendments. We support them because we want to see some mechanism that deals with the issue of banked credits to provide some investment certainty for industries under the LRET, and we think that it is important that a smoothing-out mechanism is applied. We note that these amendments achieve that within certain parameters and we note that in doing so they will hopefully provide that certainty. We further note that the nature of the measure proposed may, of course, have some slightly earlier cost impacts but that they will be offset by slightly reduced cost impacts in the latter part of the scheme.

Question agreed to.

**Senator XENOPHON** (South Australia) (5.06 pm)—I move amendment (8) on sheet 6116, standing in my name:

- (8) Schedule 1, page 67 (after line 6), after item 124, insert:

**124B After Division 2 of Part 4**

Insert:

**Division 2AA—Emerging renewable energy technologies**

**40AB Inclusion of emerging renewable energy technologies**

The Minister may, by legislative instrument, determine that an emerging renewable energy technology that has demonstrated its energy efficiency is to be included as a renewable energy technology for the purpose of the scheme constituted by this Act.

This amendment relates to giving the minister a discretion to include proven emerging

renewable technologies in the scheme. More and more emerging renewable technologies are being discovered, and I think we have a great opportunity to support these technologies so that they can be established and taken up by the market. For example, I recently read about ceramic fuel cells, which are not yet available, but based on testing conducted so far they will enable enough power to be produced in a year to run a standard home more than twice over. That goes to the issue of energy efficiency, which Senator Milne referred to, but I think the principle is still the same. For instance, the solid oxide fuel cell technology called BlueGen creates electricity and heat by passing natural gas over ceramic fuel cells. While that in itself is not renewable, it is indicative of the sorts of breakthroughs that are being made in new technologies. I think that is important in the context of the policy objectives of this bill, which are to support renewable technologies and to reduce the overall level of greenhouse gas emissions. It is important that the minister has a discretion to include proven emerging renewable technologies. I urge my colleagues to support this amendment. It gives the minister the flexibility and the latitude to embrace and adopt these new technologies as part of the scheme.

**Senator BIRMINGHAM** (South Australia) (5.09 pm)—The opposition is pleased to support Senator Xenophon's amendment. We have done a number of things in the amendment of this legislation to improve the flexibility to allow the minister of the day to be more responsive while still being accountable to this parliament. I think this is another measure that would improve the responsiveness of the operation of the scheme.

**Senator MILNE** (Tasmania) (5.09 pm)—I, too, will be supporting this legislation. I did ask in my speech in the second reading debate whether the government had given any consideration to RECs for evacuated

tubes. It is particularly important for Tasmania, where evacuated tube systems are more suitable because of the cold nights. They give some certainty against cracking and breaking, which other PV solar hot water systems do not allow. The second thing is: has the government given any thought to thermal heat systems for domestic-scale houses, which are now online? If we are giving RECs for other things, are we looking at being able to provide for domestic heat from the ground in those thermal systems? I support the amendment, but I am interested to know whether the government has looked at those two technologies.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (5.10 pm)—Senator, I am not sure I can assist you, particularly in relation to those specific technologies, other than, I think, with regard to our previous discussion in relation to the COAG review—and I know you have put your views about that. We have some concerns in relation to the drafting of this amendment. It provides very little clarity around what the legislative instrument can do. We have some concerns also, Senator Xenophon, about the criteria for energy efficiency. I made the point that this is a renewable energy target and renewable energy legislation. While I understand the arguments that have been made about heat pumps, this is not energy-efficiency-support-mechanism legislation. Essentially, what you are doing here is to ask a minister to include as a renewable energy technology something that has an energy efficiency outcome. While I understand that the government does not have majority support on this, I really would invite the chamber to consider the provision that it is looking at. I am unclear as to what ‘has demonstrated its energy efficiency’ would mean and what the public policy benefit of it is. If the intent is to have some greater flexibility about eligibility un-

der the legislation, we have already passed amendments which deal with a biennial review, which is precisely to look at some of those issues, as well as the 2014 statutory review, from memory, which is already in the legislation.

What you seek on top of all that is an additional regulatory process through which you table by regulation something in relation to emerging technologies. I believe that the scheme has to be flexible enough to recognise that over the life of the target we—the parliament—will not be able at this point to predict every technology that should be in this act for the next 10 years, for example. But I think that has to be balanced against the importance of looking at the scheme as a whole and the parliament and the government of the day being able to look at the various aspects of eligibility in toto. I would suggest that this amendment would simply privilege one type of technology, in terms of eligibility, when other types of technologies may well require—I do not have legal advice on this—an amendment to the legislation. I would ask: what is the public policy benefit of privileging one type of technology over another? We have processes that have been agreed to by the government today, including Senator Milne’s biennial review, which would enable a more holistic, careful assessment of these issues. I invite the chamber to reconsider their support for this proposition.

**Senator XENOPHON** (South Australia) (5.13 pm)—I will address the minister’s concerns. I am shocked that she will not support this as it is a vote of confidence in the minister’s discretion to deal with these issues. The minister asks, quite reasonably, what the public policy benefit of this amendment is. It gives an additional level of flexibility in relation to the biennial reviews—and I commend Senator Milne for moving those reviews—that we have supported. It does not mean one

form of technology or another will be favoured, but it does give the minister flexibility. If there is a new product on the market, such as a new, incredibly energy efficient renewable technology, then that ought to be the subject of this scheme, and of course there will be scrutiny through the parliament by regulation.

If there is an issue here with respect to the drafting, I would like to hear from the government. From a drafting perspective, however, it does seem to be quite straightforward in that it simply gives the minister discretion. It is not something that the minister has to exercise. The minister is not required to exercise discretion; it is simply that the minister can have this additional power to do so if there is an emerging renewable energy technology that has demonstrated its energy efficiency sufficiently to be included.

I know the minister has some concerns about other technologies. The fact is that the scheme is far from perfect—and I think we all acknowledge that—because of the inclusion of electric heat pumps, but I understand that they are included by virtue of their potential energy efficiency. This amendment is not inconsistent with what is in the scheme now in terms of current technologies. It does, however, give the minister that level of flexibility.

**Senator MILNE** (Tasmania) (5.15 pm)—It also means that the minister, should COAG do something dramatic by proving me completely wrong and becoming incredibly efficient—should it look at these issues and determine that evacuated tubes or the thermal heat technologies existing now, which are not new technologies but which are new to the scheme because they are not currently acknowledged—could immediately deal with it without waiting for the biennial review. That is precisely the issue because, frankly, these technologies have been around

for a while. They have been asking the government to look at them. The COAG process is there and, while I have no faith in it, let us assume that it does deliver. This would give you the flexibility to immediately consider inclusion.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (5.16 pm)—I would make two points, Senator Milne. Firstly, you are on the record saying that this is not an energy efficiency scheme, and now you are supporting an amendment that is an energy efficiency amendment. Secondly, what is the point of the biennial review if you are now saying—and this is the problem where we just move amendments and people do not consider how the whole scheme operates—that all you want to do is give the minister power to change the way the act works? You may as well just put it all in the minister's hands and forget about the biennial review.

There is no reference in this to what the outcome of the biennial review is. Earlier today you passed one amendment that says we will have a biennial review. The government agreed to that after discussions, and we are going to look at all these things as part of a sensible policy process. But now you are supporting an amendment that enables the discretion of the minister to do it with or without regard to the biennial review that you already passed earlier. I am just suggesting that we perhaps try and approach this in a more sensible way.

Senator Xenophon, I again ask what the point is of having a provision which only relates to technologies that demonstrate energy efficiency. I do not understand the public policy benefit of that. If you really want—and I do not think it is a sensible regime—to have a ministerial discretion that is abstracted from the review process we have just agreed to, why would you only have the

discretion in relation to energy efficiency technologies and not other renewable technologies? I do not understand the logic in that.

**Senator XENOPHON** (South Australia) (5.18 pm)—I thank the minister for her question. It was drafted in this way to give the minister maximum discretion and it is not inconsistent with the issue of the biennial review. I do not want us to get bogged down on this particular amendment.

**Senator Wong**—The minister can ignore the review in the way it has been drafted.

**Senator XENOPHON**—My view is that it is not inconsistent with the way the review has been drafted. I think Senator Milne has pointed out that if, for instance, there is a new development, this gives the minister, between biennial reviews, that capacity. I would be guided by my colleagues as to whether the issue of energy efficiency is removed or not. I am ambivalent on that. It was merely meant as guidance in terms of the efficacy of a renewable technology measure. If the issue of energy efficiency is an area of concern for the minister, I am not particularly fussed by that, but the intention is to give the minister discretion between reviews with respect to a regulation-making power that would be subject to disallowance by this parliament.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (5.19 pm)—If you are intent on moving this—and I have indicated why I am not hugely keen on it—I would respectfully request that you consider removing the phrase in relation to energy efficiency. If we are going to expand this discretion, we should make it democratic—not just in relation to energy efficiency technologies but renewable energy technologies.

**Senator BIRMINGHAM** (South Australia) (5.20 pm)—In principle, the opposition

supports this. The minister has raised some valid points there and I think Senator Xenophon has responded that it was not his intention to make this specific to a particular sector but to provide some flexibility. The minister asks why the chamber is not linking this to the biennial review. I would highlight that some of the other amendments that we have just passed in terms of the capacity to alter the multiplier and so on are equally not linked to the biennial review. However, I would expect that, as a disallowable instrument, the parliament of the day would be holding the minister to account for adhering to those regular biennial reviews and ensuring that it was in fact consistent with them.

If we are contemplating some amendment to this, could I further suggest that we equally require a statement of reasons to be laid out. That would also then ensure that ministers were far more likely to do this only as a result of the biennial review. I think the minister knows, as we all know in this place, that amending legislation is a slow process for any government. Getting priority on the list for bills et cetera is a slow process, so providing this level of responsiveness through legislative instruments is useful. I accept that it needs to be done properly but it is not inconsistent with other amendments that have been passed around the application of the multiplier and other things. It would still be disallowable by either chamber but I think there is some benefit in ensuring that it treats the industry fairly, but perhaps also that it is transparent in terms of the necessity to give some reason too.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (5.22 pm)—If Senator Xenophon is amenable to my suggestion about the bit of the amendment that I have most concerns about, which is the reference to energy efficiency, and is happy to hold that we could move to the next aspect of the

debate. I have asked the department to look at the words, and perhaps we could come back to Senator Xenophon with a proposition around those words.

**Senator XENOPHON** (South Australia) (5.22 pm)—I seek leave to postpone consideration of amendment (8) on sheet 6116.

Leave granted.

**Senator XENOPHON**—That is a reasonable suggestion. I think the intent of this is to give that level of discretion and I am happy to discuss it with the minister's officers and the department.

**Senator BIRMINGHAM** (South Australia) (5.23 pm)—by leave—I move opposition amendments (3) and (1) on sheet 6154 revised together:

- (1) Clause 3, page 2 (lines 7 to 11), omit the clause, substitute:

**3 Schedule(s)**

- (1) Each Act, and each set of regulations, that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.
- (2) The amendment of any regulation under subsection (1) does not prevent the regulation, as so amended, from being amended or repealed by the Governor-General.
- (3) Schedule 1, Part 2, page 80 (after line 4), at the end of the Part, add:

***Renewable Energy (Electricity) Regulations 2001***

**138 Paragraph 22ZA(4)(a)**

Repeal the paragraph.

These are amendments that seek to ensure that Australia's trade-exposed industries that are extremely reliant on and heavy users of energy are not significantly disadvantaged by the renewable energy scheme that is being put in place.

This is something that was discussed at length when this legislation was considered last year. At that time, of course, it was discussed in the context also of the government's CPRS legislation. At that time the government considered, argued for and put into the legislation a formula for the protection of those trade-exposed industries that was reliant upon the passage of the CPRS. Now, of course, we know in this place that the CPRS did not pass, and there is no need for us to revisit all of those debates. Indeed, its future is now quite uncertain as to when or if it may pass. But the issue for these trade-exposed industries remains quite true, and the issue is that they face paying a significantly disproportionate amount of the cost of subsidies through the renewable energy scheme because they are high electricity users, yet they operate—as we have recognised across the chamber—in a globally competitive environment. They are usually price takers rather than price setters and, as a result, they are unable to adapt their pricing to take account of the higher energy costs that a scheme such as this passes through to them.

As a result, negotiations around the expanded target last year increased or provided for an exemption from part of the requirement to purchase or redeem certificates. That started only for the expanded part of the target—that above 9½ thousand gigawatt hours. For the original MRET, below 9½ thousand gigawatt hours, the government said that it would provide compensation where the price of certificates went above \$40 but only commensurate upon the passage of the CPRS. As I have noted, that legislation has been withdrawn; it appears nowhere in the government's forward estimates and we do not know if or when it will be coming back. But the reality of what we have done here and are doing today in separating the renewable energy target and putting in place the



LRET and the SRES schemes is that in providing that certainty to the proponents of major renewable energy developments we expect that the price of certificates—especially over the early years and, indeed, potentially in the late years if targets are not being met—could rise quite significantly. In particular, they could rise above that \$40 mark regardless of whether a CPRS exists in the marketplace or not.

Why \$40? It is \$40 because that was, essentially, the level that companies were paying under the original MRET, when it was a five per cent mandatory renewable energy target. At that stage they were paying about \$40; there was no compensation and that was a reasonable level it would seem. The target has been increased to 20 per cent—and now 20 per cent plus because of the establishment of the SRES—and we think it is reasonable to maintain the compensation above 9½ thousand gigawatt hours but to ensure that the exemption above \$40 for that first 9½ thousand gigawatt hours is no longer dependent upon the passage of the CPRS. We know that the structure of this scheme means that it will go above the \$40 mark.

I note that in debates last year even the minister acknowledged this, and said in this place:

... if the renewable energy certificate price increases above the level of around \$40 then the increased renewable energy certificate price increases the cost impact of meeting the current mandatory renewable energy target liability of 9,500 gigawatt hours.

That was her statement in setting the \$40 benchmark as a reasonable benchmark. Given that it is highly probable that the LRET price will move above \$40, it is reasonable to provide these trade exposed industries, which cannot adjust their prices because of the global market in which they operate, the certainty of knowing that they only face a \$40 price on that first 9½ thou-

sand gigawatt hours, plus the 10 per cent or so that they are not exempted from, and the certainty of the exemption above that.

That is the approach that the coalition takes. It is about protecting jobs and industry in Australia, and that is the primary reason for doing this. It is about ensuring that the aluminium and alumina sectors, as well as other sectors that are emissions-intensive trade-exposed price takers, are fairly protected. We urge the chamber to support these amendments to provide those sectors with some certainty going forward and to not leave them dependent on the potential passage of a CPRS that may or may not come before this place. The price is likely to go above \$40 and, if it does, for that first 9½ thousand gigawatt hours they deserve the same type of treatment—up to \$45 and beyond.

**Senator MILNE** (Tasmania) (5.31 pm)—I indicate the Greens will not be supporting the coalition amendments.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (5.31 pm)—The government will not be supporting these amendments. Senator Birmingham quoted my contribution to the chamber about the additional support, particularly to aluminium, that the government was offering in the context of the RET and CPRS. I want to say very clearly the government's commitment to those arrangements stands if there is a price on carbon through the CPRS. That was an arrangement we negotiated with the opposition. We also engaged closely with various parts of industry, including the aluminium industry. That engagement reflected their view, put strongly to us, about the cumulative costs of both a price of carbon and the renewable energy target.

Let us also remember that the aluminium industry and other highly emissions-

intensive trade-exposed industries receive 90 per cent assistance under the RET in respect of any RET liability above 9½ thousand gigawatt hours. In relation to moderately emissions intensive industries, those industries receive 60 per cent above the 9½ thousand gigawatt hours.

I again say we spent quite a substantial amount of time as a government, in the context of both the CPRS and the renewable energy target discussions, engaging with industry on this issue. We remain committed to the agreement we entered into, which is the one Senator Birmingham referenced. His difficulty, however, is that it is actually not applicable today because there is no price on carbon because the CPRS did not pass. The additional assistance being sought by the opposition’s amendments is effectively to put in place the additional assistance which was agreed to by the government in the context of the passage of the CPRS.

I also want to make this point: whether it is in relation to waste coalmine gas or these amendments, the opposition is putting forward amendments that reflect a willingness to see higher electricity prices. If there is a greater level of exemption under the renewable energy target, the target does not change. It just means the costs are borne by other users, and other users include households. That is part of the balance here, and on this issue we respectfully suggest that the opposition has got the balance wrong and is seeking to provide additional support that reflects an agreement in relation to passage of the CPRS and a cumulative cost increase, but that is no longer the case.

Essentially the opposition are asking other users of electricity to additionally cross-subsidise the emissions-intensive trade-exposed sector, and they are asking them to do that in relation to the renewable energy target component that was their policy. For

some reason, you are now actually seeking to provide greater levels of assistance than you provided in government under that component of the renewable energy target policy. For those reasons, the government is not supporting these amendments.

**Senator XENOPHON** (South Australia) (5.35 pm)—I indicate that I will, on balance, support the opposition’s amendments, for the reasons outlined by Senator Birmingham. I have made that clear to the government and the opposition previously.

Question put:

That the amendments (**Senator Birmingham’s**) be agreed to.

The committee divided. [5.40 pm]

(The Temporary Chairman—Senator PM Crossin)

Ayes.....	34
Noes.....	<u>32</u>
Majority.....	<u>2</u>

AYES

- |                       |                |
|-----------------------|----------------|
| Abetz, E.             | Adams, J.      |
| Back, C.J.            | Barnett, G.    |
| Bernardi, C.          | Birmingham, S. |
| Boswell, R.L.D.       | Boyce, S.      |
| Brandis, G.H.         | Bushby, D.C. * |
| Cash, M.C.            | Coonan, H.L.   |
| Cormann, M.H.P.       | Eggleston, A.  |
| Ferguson, A.B.        | Fielding, S.   |
| Fierravanti-Wells, C. | Fifield, M.P.  |
| Fisher, M.J.          | Heffernan, W.  |
| Humphries, G.         | Joyce, B.      |
| Kroger, H.            | Macdonald, I.  |
| Mason, B.J.           | Minchin, N.H.  |
| Parry, S.             | Payne, M.A.    |
| Ronaldson, M.         | Ryan, S.M.     |
| Scullion, N.G.        | Trood, R.B.    |
| Williams, J.R.        | Xenophon, N.   |

NOES

- |               |               |
|---------------|---------------|
| Arbib, M.V.   | Bilyk, C.L.   |
| Brown, B.J.   | Brown, C.L.   |
| Cameron, D.N. | Carr, K.J.    |
| Collins, J.   | Conroy, S.M.  |
| Crossin, P.M. | Farrell, D.E. |

Faulkner, J.P.	Feeney, D.
Forshaw, M.G.	Furner, M.L.
Hanson-Young, S.C.	Hogg, J.J.
Hurley, A.	Hutchins, S.P.
Ludlam, S.	Marshall, G.
McEwen, A.	McLucas, J.E.
Milne, C.	Moore, C.
O'Brien, K.W.K. *	Pratt, L.C.
Sherry, N.J.	Siewert, R.
Stephens, U.	Sterle, G.
Wong, P.	Wortley, D.

Question agreed to.

**The TEMPORARY CHAIRMAN (Senator Crossin)**—Order! The time for this debate has expired. The question is that the remaining amendment on sheet 6116 circulated by Senator Xenophon be agreed to.

**Senator XENOPHON** (South Australia) (5.43 pm)—by leave—I move amendment (8) on sheet 6116 in an amended form—that is, by deleting the words ‘that has demonstrated its energy efficiency is to’:

- (8) Schedule 1, page 67 (after line 6), after item 124, insert:

**124B After Division 2 of Part 4**

Insert:

**Division 2AA—Emerging renewable energy technologies**

**40AB Inclusion of emerging renewable energy technologies**

The Minister may, by legislative instrument, determine that an emerging renewable energy technology be included as a renewable energy technology for the purpose of the scheme constituted by this Act.

Question agreed to.

**The TEMPORARY CHAIRMAN (Senator Crossin)**—The question is now that the Greens amendment (R7) on sheet 6163 be agreed to.

Question agreed to.

**Senator WONG** (South Australia—Minister for Climate Change, Energy Efficiency and Water) (5.45 pm)—by leave—I

want it recorded that the government has opposed that amendment but we recognise the opposition and the Greens have supported that amendment, so we do not have the support of the chamber. I will not be calling a division.

**The TEMPORARY CHAIRMAN**—The question now is that the Renewable Energy (Electricity) Amendment Bill 2010 as amended be agreed to and that the Renewable Energy (Electricity) (Charge) Amendment Bill 2010 and the Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Bill 2010 be agreed to without requests for amendments.

Question agreed to.

Renewable Energy (Electricity) Amendment Bill 2010 reported with amendments and Renewable Energy (Electricity) (Charge) Amendment Bill 2010 and Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Bill 2010 reported without amendments or requests; report adopted.

**The DEPUTY PRESIDENT**—The time allotted for the consideration of the remaining stages of these bills has expired. The question now is that the remaining stages of the bills be agreed to and they now be read a third time.

Question agreed to.

Bills read a third time.

**COMMITTEES**

**Scrutiny of Bills Committee**

**Report**

**Senator PARRY** (Tasmania) (5.50 pm)—On behalf of the Chair of the Standing Committee for the Scrutiny of Bills, Senator Coonan, I present the seventh report of 2010 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills *Alert Digest No 7* of 2010, dated 23 June 2010. I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in *Hansard*.

Leave granted.

*The statement read as follows—*

**SENATE STANDING COMMITTEE FOR  
THE SCRUTINY OF BILLS**

**TABLING STATEMENT**

Alert Digest No. 7 and Seventh Report of 2010

23 June 2010

In tabling the Committee's *Alert Digest No. 7 of 2010* and its *Seventh Report of 2010* I draw the Senate's attention to the Committee's views on:

- the level of responsiveness to issues raised by the Scrutiny Committee;
- the Insurance Contracts Act assurance from the Treasurer in relation to current litigation; and
- the treason offence comments.

On behalf of the Committee I would like to acknowledge the timely and comprehensive replies the Committee is receiving from Ministers to concerns raised by the Committee. The current responses are outlined in the Committee's *Seventh Report of 2010*. The Committee uses the information provided to further analyse possible concerns that a bill may breach its terms of reference. In many instances the additional information satisfies the Committee and no further action is needed.

In particular, in scrutinising the amendments to bills for *Alert Digest No. 7* the Committee had occasion to thank Ministers for responding to issues identified by the Committee and acting to implement changes to address the concerns.

For example the Scrutiny Committee had requested that further explanation in relation to some items in the *Comsuper and Governance of Australian Government Superannuation Scheme* bills be included in the explanatory memoranda. The Treasurer has since tabled revised explanatory memoranda for both of these bills addressing the concerns raised. The Committee thanks the Treasurer for taking action to make available this additional information as it should assist Senators and the public to better understand the context and intended operation of these items.

I also draw the Senate's attention to a possible issue in relation to the Insurance Contracts Amendment Bill 2010 that has been resolved.

A concern was raised in *Alert Digest No.5* about the possible retrospective application of proposed new section 27A of the *Insurance Contracts Act 1984*.

The Treasurer has advised the Committee that there will in fact be a beneficial effect to holders of existing contracts and also that because the provision will commence on Royal Assent it only affects future rights and liabilities that arise from existing contracts.

The Treasurer further advised that the bill is not intended to confer additional remedies becoming available to life insurers in current litigation.

In its *Seventh Report* the Committee thanks the Treasurer for his comprehensive response and recommends and requests that the Treasurer amends the explanatory memorandum to make this advice explicit.

In relation to current matters of concern to the Committee I draw the Senate's attention to the National Security Legislation Amendment Bill. The Committee recently commented on this bill in its *Alert Digest No. 5* and a comprehensive response from the Attorney-General is included in today's *Seventh Report of 2010*.

Despite the further information provided, one item in relation to a treason offence remains a particularly significant issue of concern to the Committee. Schedule 1, item 15 of the bill seeks to provide that a Proclamation declaring an enemy to be at war with the Commonwealth will take effect immediately, rather than following the usual *Legislative Instruments Act* rule that it commences when it is made public by its registration on the Federal Register of Legislative Instruments.

The Attorney-General has resisted the Committee's request to include in the bill a requirement for making the Proclamation public at the time it is made, explaining that a requirement for publication could undermine the effect of the provision if means of communication are adversely impacted because Australia is at war.

Although there may be circumstances in which communication is limited, the Committee does

not accept that the reasons offered justify the general exclusion of a publication requirement.

In the Committee's view the publication of a Proclamation should usually be contemporaneous with its commencement. In addition, the public should be informed not only of the making of a Proclamation, but also of its effect (in this instance giving rise to new criminal liability).

In view of its concern that this provision will trespass unduly on personal rights and liberties, in its *Seventh Report* the Committee recommends and requests that the Attorney-General amends the bill to address these concerns.

The full details of these matters are available in the alert digest and report I am tabling today, and I commend the Committee's *Alert Digest No. 7 of 2010* and *Seventh Report of 2010* to the Senate.

Question agreed to.

#### **Senators' Interests Committee**

##### **Register**

**Senator FIFIELD** (Victoria)—Deputy Manager of Opposition Business in the Senate (5.50 pm)—On behalf of the Standing Committee of Senators' Interests, I present the following registers:

- (a) senators' interests incorporating statements of registrable interests and notifications of alterations of interests of senators lodged between 24 November 2009 and 21 June 2010; and
- (b) gifts to the Senate and the Parliament, incorporating declarations of gifts lodged between 2 December 2008 and 21 June 2010.

#### **Finance and Public Administration**

##### **References Committee**

##### **Additional Information**

**Senator BILYK** (Tasmania) (5.51 pm)—On behalf of the Chair of the Finance and Public Administration References Committee, Senator Ryan, I present additional information received by the Finance and Public Administration References Committee on its inquiry into native vegetation laws, greenhouse gas abatement and climate change measures.

#### **MINISTERIAL STATEMENTS**

##### **Afghanistan**

**Senator FAULKNER** (New South Wales—Minister for Defence) (5.51 pm)—by leave—I indicate to the Senate that at the end of this brief statement in the chamber I will seek leave for the full ministerial statement on Afghanistan to be incorporated in *Hansard*. Today I present my fourth ministerial statement on Afghanistan. Australia remains committed to our mission in Afghanistan. We remain committed to denying sanctuary to terrorists, to working to stabilise the country and to our alliance with the United States.

The past fortnight has been an exceptionally tough one for our troops in Afghanistan. On Monday, Private Tim Aplin, Private Ben Chuck and Private Scott Palmer were killed and a further seven soldiers injured in a helicopter crash in Afghanistan. This closely follows the loss of Sapper Darren Smith and Sapper Jacob Moerland earlier this month. As we struggle to come to terms with these losses, we acknowledge with profound gratitude the sacrifice these young soldiers have made and acknowledge too the willing commitment of their comrades at arms. On behalf of the Australian government, and again of all senators, I offer my condolences to the families, friends, colleagues and loved ones of our fallen soldiers. Our thoughts are with them all. Our thoughts are also with the soldiers injured on Monday and their families, and I wish them, as I know we all wish them, a speedy recovery.

The terrible loss of our soldiers has quite understandably heightened the debate around Australia's mission in Afghanistan. It is important that Australians understand this conflict, understand why we are there and understand why it is important for us to continue to play our part. Our fundamental objective in Afghanistan is to combat a clear

threat from international terrorism to both international security and our own national security. Australia cannot afford, and Australians cannot afford, to let Afghanistan again become a safe haven and training ground for terrorist organisations. Organisations such as Al Qaeda that receive Taliban support have a global reach and are a global threat. The Bali bombing on 12 October 2002, which killed 202 people, including 88 Australians, was carried out by terrorists with direct links to Afghanistan. These same individuals were involved in the 2004 attack against the Australian embassy in Indonesia and the Jakarta hotel bombings last year that killed more Australians. Left unchecked, the dangerous influence of such groups could again, as in the past, rapidly extend into our own region.

Progress is being made towards the goal of making sure Afghanistan is not a safe haven for terrorists. It is steady, it is incremental, but it is progress nevertheless. Six months ago, in Marjah, provincial governance was in disarray, there were no children in school and health care was almost non-existent. Today there are district governors, 81 schoolteachers and new clinics being built—small steps, perhaps, but important ones.

In Oruzgan, the ADF continues security operations throughout the province to provide safe, secure spaces for development work—contributing to our second fundamental goal of stabilising Afghanistan. Working with AusAID, ADF personnel have been building schools. Government infrastructure has been installed. Living standards are improving in one of the poorest regions of Afghanistan. The ADF in Oruzgan continue to play an important and invaluable role in stabilising the province.

Of course, there have been setbacks, and the fight is not yet over. A recent report by the United Nations states that the security

situation has not improved. I acknowledge that there has been a recent increase in violence, but the Senate needs to understand that we will see more violence as ISAF begins to contest areas held by the Taliban. As we bring the fight to the Taliban in more parts of the country, this will lead to more incidents. But we are making headway. And the military build-up first announced by President Obama last year is not yet complete. So the full benefit of the additional forces is yet to play out. The United Nations' report also acknowledges that there have been significant positive developments and underlines the need for the international community to continue to support Afghanistan.

Earlier today, I outlined the new arrangements for Oruzgan province after the Dutch forces begin to draw down in August. The Dutch elections have been held, but a coalition government is yet to be formed. In the interim, I have discussed the prospects for an ongoing Dutch commitment in Oruzgan with my counterpart from the Netherlands, Minister van Middelkoop. NATO Secretary-General Rasmussen has again called on the future Dutch government to consider an ongoing commitment in Afghanistan, a call that Australia strongly supports. As soon as the new government is formed, I will, as a priority, engage with my new counterpart on maintaining a Dutch contribution in Oruzgan.

After the Netherlands starts drawing down after August 1, a new multinational International Security Assistance Force structure will take command in Oruzgan. Under the new arrangements, the United States will lead a 'Combined Team Oruzgan' under an ISAF flag. More details will be released as these new arrangements are finalised, and I will leave any further comments about the US military contribution to our US allies. But given the commitments which have been

made to contribute to the new combined team, we are satisfied that the new CTU will more than adequately replace the current capabilities of the Dutch in the province. Slovakia and Singapore will also continue to play valuable roles in this new multinational arrangement.

Australia will play a larger part in the Provincial Reconstruction Team. The PRT is vital to the entire coalition efforts in Oruzgan—in fact it is the heart of our counterinsurgency effort. PRTs are teams of civilians and military personnel working together to facilitate the delivery of tribal outreach, governance and development activities at the provincial and district level.

They are key to delivering the ‘build’ part of ISAF’s counterinsurgency strategy of ‘shape, clear, hold and build’. By mentoring and assisting local officials, and by supporting economic and infrastructure development, the PRT helps extend the reach of the Afghan government in Oruzgan, and win the hearts and minds of the people. The PRT is fundamental to the stabilisation efforts across the province and the eventual transition of responsibility to Afghan authorities.

Australia will provide a civilian leader for the Provincial Reconstruction Team (PRT), increasing our role in stabilisation and rebuilding efforts.

Working with our PRT leader will be around 30 other Australian civilians from the Department of Foreign Affairs, AusAID and the Australian Federal Police, contributing to governance and development, infrastructure reconstruction and police training.

Australia’s main focus in Afghanistan will continue to be training, with Australia taking over the training for the entire 4th Brigade of the Afghan National Army. The ADF is in the process of assuming responsibility for mentoring the entire ANA 4th Brigade, including the kandak currently being mentored

by the French. The ADF currently mentors the 2nd, 3rd, 4th and 5th Kandaks, and the brigade headquarters.

There is growing evidence that the Afghan National Army 4th Brigade is maturing towards its goal of independent operations. Afghan soldiers show great courage under fire and in facing the threat of IEDs. Recently, on Operation THOR CHAR, soldiers of the 4th Brigade planned and conducted their own resupply operation to Kandahar—a significant step forward for the Brigade. In resupply operations since late last year, the 4th Brigade has moved from observing and participating, to planning and leading these activities. Progress may seem slow, but the 4th Brigade is being well trained and that is reflected in its growing capability.

On the basis of solid progress in our training efforts to date, CDF has recently advised me that within two to four years we should be able to transition the main security responsibility for the province to the Afghan National Army. Following a successful transition of this responsibility, I expect consideration would be given for the ADF to move into an overwatch role. Our troops performed this role in Iraq for around 12 months.

While we are seeing some operational successes, building an army takes time and patience. It is measured in years, not in weeks or months. The Afghan National Army currently stands at 125,000 strong, and is on track to meet its November target of 134,000 troops, several months ahead of schedule. Overall the army will grow to around 172,000 by October 2011.

We are one of 46 countries contributing to the effort in Afghanistan. We are there under a United Nations mandate, and we are there at the invitation of the Afghan government. Our aims in Afghanistan are clear. For our own protection, we need to secure Afghanistan and ensure terrorist groups no longer

find safe havens there. We need to support the Afghan people as they begin to take responsibility for the security and stability of their nation. And we need to stand with our friends and partners in this endeavour.

I am confident that our strategy in Afghanistan is right. It is in Australia's interests that we play our part in this international effort. It has not been, and will not be, without challenges. And I am painfully aware that it has not been without loss. There could be more losses ahead, but we must stay the course in Oruzgan. We must deliver on our commitment to train the 4th Brigade of the Afghan National Army so they can take over responsibility for their own security. It will not be easy. We have already paid very, very painfully—16 Australian families have paid very, very painfully—a very heavy price. But I would say to all senators the cost of failure would be much higher.

Leave granted.

*The statement read as follows—*

**Statement by the Minister for Defence Senator the Hon John Faulkner**

**Ministerial Statement on Afghanistan 23 June 2010**

Mr President, today I present my fourth Ministerial Statement on Afghanistan.

Australia remains committed to our mission in Afghanistan. We remain committed to denying sanctuary to terrorists; to working to stabilise the country; and to our alliance with the United States.

The past fortnight has been an exceptionally tough one for our troops in Afghanistan. On Monday, Private Tim Aplin, Private Ben Chuck, and Private Scott Palmer were killed, and a further seven soldiers injured, in a helicopter crash in Afghanistan. This closely follows the loss of Sapper Darren Smith and Sapper Jacob Moerland earlier this month.

As we struggle to come to terms with these losses, we acknowledge, with profound gratitude, the sacrifice these fine young soldiers have made

and acknowledge, too, the willing commitment of their comrades at arms.

On behalf of the Australian Government, and of all senators, I offer my condolences to the families, friends, colleagues and loved ones of our fallen soldiers. Our thoughts are with them.

The terrible loss of our soldiers has quite understandably heightened the debate around Australia's mission in Afghanistan. It is important that Australians understand this conflict, understand why we are there, and understand why it is important for us to continue to play our part.

Our fundamental objective in Afghanistan is to combat a clear threat from international terrorism to both international security and our own national security. Australia cannot afford, and Australians cannot afford, to let Afghanistan again become a safe haven and training ground for terrorist organisations. Organisations such as Al Qaeda, that receive Taliban support, have a global reach and are a global threat. The Bali bombing on 12 October 2002 which killed 202 people, including 88 Australians, was carried out by terrorists with direct links to Afghanistan. These same individuals were involved in the 2004 attack against the Australian embassy in Indonesia, and the Jakarta hotel bombings last year that killed more Australians. Left unchecked, the dangerous influence of such groups could again, as in the past, rapidly extend into our own region.

Progress is being made towards the goal of making sure Afghanistan is not a safe haven for terrorists. It is steady, it is incremental, but it is progress nevertheless. Six months ago, in Marjah, provincial governance was in disarray, there were no children in school and health care was almost non-existent. Today there are district governors, 81 school teachers and new clinics being built. Small steps, perhaps, but important ones.

In Uruzgan, the ADF continues security operations throughout the province to provide safe, secure spaces for development work - contributing to our second fundamental goal of stabilising Afghanistan. Working with AusAID, ADF personnel have been building schools. Government infrastructure has been installed. Living standards are improving in one of the poorest regions of Afghanistan. The ADF in Uruzgan continue to



play an important and invaluable role in stabilising the province.

Of course, there have been setbacks, and the fight is not yet over. A recent report by the United Nations states that the security situation has not improved. I acknowledge that there has been a recent increase in violence, but the Senate needs to understand that we will see more violence as ISAF begins to contest areas held by the Taliban. As we bring the fight to the Taliban in more parts of the country, this will lead to more incidents. But we are making headway. And the military build-up first announced by President Obama last year is not yet complete. So the full benefit of the additional forces is yet to play out. The United Nations' report also acknowledges that there have been significant positive developments, and underlines the need for the international community to continue to support Afghanistan.

Earlier today, I outlined the new arrangements for Uruzgan province after the Dutch forces begin to drawdown in August. The Dutch elections have been held, but a coalition Government is yet to be formed. In the interim, I have discussed the prospects for an ongoing Dutch commitment in Uruzgan with my counterpart from the Netherlands, Minister van Middelkoop. NATO Secretary General Rasmussen has again called on the future Dutch Government to consider an on-going commitment in Afghanistan, a call that Australia strongly supports. As soon as the new Government is formed, I will, as a priority, engage with my new counterpart on maintaining a Dutch contribution in Uruzgan.

After the Netherlands starts drawing down after August 1, a new multinational International Security Assistance Force (ISAF) structure will take command in Uruzgan. Under the new arrangements, the United States will lead a multi-national "Combined Team Uruzgan" (CTU) under an ISAF flag. More details will be released as these new arrangements are finalised, and I will leave any further comments about the United States' military contribution to our US allies. But given the commitments which have been made to contribute to the new Combined Team, we are satisfied that the new CTU will more than adequately replace the current capabilities of the Dutch in the province.

Slovakia and Singapore will also continue to play valuable roles in this new multinational arrangement.

Australia will play a larger part in the Provincial Reconstruction Team (PRT). The PRT is vital to the entire Coalition's efforts in Uruzgan—in fact it is the heart of our counterinsurgency effort.

PRTs are teams of civilians and military personnel working together to facilitate the delivery of tribal outreach, governance and development activities at the provincial and district level.

They are key to delivering the "build" part of ISAF's counterinsurgency strategy of "shape, clear, hold and build". By mentoring and assisting local officials, and by supporting economic and infrastructure development, the PRT helps extend the reach of the Afghan Government in Uruzgan, and win the hearts and minds of the people. The PRT is fundamental to the stabilisation efforts across the province and the eventual transition of responsibility to Afghan authorities.

- Australia will provide a civilian leader for the Provincial Reconstruction Team (PRT), increasing our role in stabilisation and rebuilding efforts.

- Working with our PRT leader will be around 30 other Australian civilians from the Department of Foreign Affairs, AusAID and the Australian Federal Police, contributing to governance and development, infrastructure reconstruction and police training.

Mr President, Australia's main focus in Afghanistan will continue to be training, with Australia taking over the training for the entire 4th Brigade of the Afghan National Army. The ADF is in the process of assuming responsibility for mentoring the entire Afghan National Army 4th Brigade, including the kandak currently mentored by the French. The ADF currently mentors the 2nd, 3rd, 4th and 5th Kandaks, and the Brigade headquarters.

There is growing evidence that the Afghan National Army 4th Brigade is maturing towards its goal of independent operations. Afghan soldiers show great courage under fire and in facing the threat of IEDs. Recently, on Operation THOR CHAR, soldiers of the 4th Brigade planned and conducted their own resupply operation to Kandahar - a significant step forward for the Brigade.

In re-supply operations since late last year, the 4th Brigade has moved from observing and participating, to planning and leading these activities. Progress may seem slow, but the 4th Brigade is being well trained and that is reflected in its growing capability.

On the basis of solid progress in our training efforts to date, CDF has recently advised me that within two to four years we should be able to transition the main security responsibility for the province to the Afghan National Army. Following a successful transition of this responsibility, I expect consideration would be given for the ADF to move into an overwatch role. Our troops performed this role in Iraq for around 12 months.

While we are seeing some operational successes, building an Army takes time and patience. It is measured in years, not weeks or months. The Afghan National Army currently stands at around 125,000 strong, and is on track to meet its November target of 134,000 troops, several months ahead of schedule. Overall the Army will grow to around 172,000 by October 2011.

Mr President, in addition to the changes to leadership arrangements in Oruzgan, there are also some other major developments in the command and control structures in southern Afghanistan. ISAF's Regional Command (South) has been split into two areas, with the establishment of an additional Regional Command (South-West) (RC(SW)).

The new RC(SW) covers Helmand and Nimruz provinces. The new Regional Command (South) includes the provinces of Kandahar, Uruzgan, Zabul and Daikundi. These changes were made to optimise a Regional Command that has grown exponentially since its transfer to NATO's command in 2006.

With more than 50,000 ISAF troops and eight Afghan National Army Brigades operating across six different provinces, the volume of activity was too much for just one command. The new structure will allow the two commands to better focus on the priority areas of operations in the south — in and around Marjah and Kandahar.

#### **An Increased Civilian Effort**

Mr President, the men and women of the Australian Defence Force have done, and continue to do,

exceptionally good work in very difficult and dangerous conditions. To add to our military efforts, the Prime Minister in April this year announced a significant increase in our civilian commitment to Afghanistan, reflecting our commitment to strengthening the legitimate political, legal, economic and security institutions of Afghanistan and providing greater

civilian assistance. Partnering on the civilian side is the way to do that, just as it is on the military side.

There is no doubt that there is a critical need for more civilian development in the province, and we are now increasing our work in the civilian sphere, with appropriate protection. Australia is sending additional civilians skilled in diplomacy, governance and development, reconstruction and police training, to complement the work of the ADF in Uruzgan. This emphasis on development and capacity building should ensure a brighter future for the people of Uruzgan and create a strong foundation for the eventual transition of the province to full Afghan responsibility. Specifically,

- The Department of Foreign Affairs and Trade is boosting its personnel. This additional commitment will manage Australia's political and economic relationships both in Uruzgan and in Kabul, and maintain our relationships with Afghanistan and our international partners;
- AusAID has increased its staff in Afghanistan, to develop local service delivery, and
- support the Afghan Government in building health and education services, infrastructure and agriculture;
- The Australian Federal Police has increased its commitment. It will expand its training of the Afghan National Police to improve security for the people of Uruzgan;
- The ADF will provide a dedicated Force Protection element to protect the increased civilian mission.
- And this increased civilian effort from the Department of Foreign Affairs, AusAID and the AFP comes on top of a longstanding Defence and civilian reconstruction effort in Afghanistan.

The Senate is well aware that the challenges and problems in Afghanistan are complex and interlaced. But we are responding to these challenges through an expanded commitment to the mission that addresses governance, security and development. This will help the Afghans to take charge of their own affairs across all the areas critical to stability—not just security.

These efforts will not only assist the Afghans. They will also help speed our military mission to a successful conclusion.

### **Operational Update**

#### *From Marjah to Kandahar*

Mr President, the ADF continues to support broader ISAF and Afghan efforts to fight the insurgency and strengthen the Afghan National Security Forces (ANSF). As outlined in my previous statement to Parliament, the Afghan National Security Forces and ISAF have pushed into Marjah in central Helmand to protect the population, reverse the Taliban's momentum, and create the space to develop Afghan security and governance capacity. Militarily, the Commander of ISAF Forces in Afghanistan (COMISAF) reports that operations in Marjah are proceeding well.

We should not be surprised that the biggest challenge in Marjah is strengthening Afghan governance. ISAF continues to assist the Afghan Government to nurture legitimate government structures, but we must be patient. It will take time.

Positive developments are happening on the ground; several key government positions have been filled in both Marjah and Nad-e Ali districts. A series of election shuras, or community meetings, in Nad-e Ali, and a newly elected 45-member district community council, have established governance structures where none existed before.

The next challenge for ISAF and the Afghan Government is the area around the southern city of Kandahar in another province bordering Uruzgan. The Coalition is approaching this region in a very careful and considered manner, with shuras bringing government officials together with local leaders and representatives to find ways to marginalise the insurgents and stabilise communities. President Karzai has advised local leaders to prepare themselves for sustained opera-

tions to rid the area of the Taliban. ISAF will create a "rising tide" of security to displace insurgent influence. By year's end approximately 20,000 Coalition and Afghan troops will be securing this population centre from insurgent influence, up from just 7,500 now. ISAF is also working hard to strengthen provincial government structures in Kandahar and assist the Afghan National Security Forces.

Kandahar is crucial to stability in southern Afghanistan. It was the capital of Afghanistan under Taliban rule between 1996 and 2001, and remains critically important to the Taliban to this day. The province's porous border with Pakistan accentuates the difficulties Afghan and ISAF forces face in containing and reducing the insurgency. The border region is difficult terrain and often serves as a temporary sanctuary for the Taliban, despite increasing efforts by Pakistani authorities against insurgents in this area.

As a neighbouring province, security in Kandahar is especially critical to security in Uruzgan. The ADF has conducted, and will continue to conduct, operations in northern Kandahar from time to time in support of our efforts in Uruzgan. We stand ready to contribute further as Coalition efforts are boosted there over the coming months.

#### *ADF Achievements in Uruzgan*

In Uruzgan, the tempo of ADF operations remains high. With the Afghan National Army, the ADF is supporting ISAF's strategy of securing the key population districts, food producing areas and key transport corridors. That translates into safer villages, a better food supply and more economic activity—all crucial aspects of defeating the insurgency.

The Special Operations Task Group continues its dangerous work in and around Uruzgan to disrupt insurgent networks; restrict insurgent mobility and supply routes; and stem the flow of IEDs. These efforts, conducted alongside the Afghan Provincial Police Reserve Company of Uruzgan, help protect the population and provide an environment in which Afghan citizens can live and work safely. They also directly contribute to the safety and security of other Australian, Afghan and coalition security forces in the area.

In April, the Special Operations Task Group supported a community-led push to expel Taliban insurgents from the town of Gizab, north of the Chora valley. This was a clear indication that the insurgents are not welcome by the population at large. Fighting side-by-side, the people of Gizab, the Afghan National Security Forces, and Australian Special Forces troops pushed the insurgents out of the town.

And this month, Afghan security troops and Australian Special Forces have been conducting offensive operations in an area in northern Kandahar that has served as a staging point for insurgents' entry into Uruzgan province. This was a large scale disruption operation that successfully targeted Taliban networks in an insurgent stronghold.

Similarly, the Mentoring Task Force (MTF) has conducted operations throughout Uruzgan to counter the threat of insurgents and their use of weapons, such as IEDs. Together with its partnered forces in the Afghan National Army 4th Brigade, the MTF has helped conduct several shuras throughout the province; established and occupied a new Patrol Base in the Mirabad Valley; continued to deny insurgents access to weapons caches; and further prepared building sites for development works. In the first weeks of May, 4th Brigade kandaks, partnered with Australian troops, found 55 caches of weapons—a great indicator of the increasing skill and capability of Afghan soldiers.

We can be confident that progress is being made in Uruzgan and each day the ADF is making a difference, making the province a safer, better place.

Since my last statement, there have been a number of notable achievements in the development sector. For example, on 11 May, the Tarin Kowt Boys' Primary School was officially opened. It has 35 new classrooms able to accommodate hundreds of students. This \$1.2 million dollar project has been a culmination of hard work by successive ADF contingents and AusAID, in coordination with the Uruzgan Provincial Government.

Forty-two thousand children now attend school in Uruzgan Province. In addition, suitable land has been identified and surveyed and a design brief has been conducted for the Tarin Kowt Prosecu-

tors' Office, with construction expected to commence over the coming months. This will assist capacity building in the law and justice area. And in late May, a class of 11 young Afghan men graduated from a three week short course in construction at the ADF-run Trade Training School in Tarin Kowt. More than 200 young men have now graduated since this school was established in 2006.

The ADF continues to achieve its mission within an annual average of around 1550 personnel deployed. Sometimes the number drops, as seasonal elements such as the Chinook helicopter detachment are withdrawn. At other times, the number is slightly higher, as major combat units hand over to their replacements. The Government and the Defence leadership are careful to manage the size of the ADF presence to ensure it is appropriately focussed and properly resourced to carry out its mission. For now, this commitment is about right, enabling the ADF to achieve its mission and carry out all of the tasks it has at hand.

#### **Casualties**

Mr President, I want to recognise the impact of this conflict on our serving men and women. In addition to the tragic deaths of the past few days, this year 35 of our soldiers have been wounded or injured—some very seriously. 135 have been wounded or injured since OPERATION SLIPPER commenced in 2001. Again I acknowledge the sacrifices of these brave soldiers and I wish them all the best for a full and speedy recovery.

Each time I visit our servicemen and women in Afghanistan, or meet with a soldier who has come back to Australia after being wounded, I am impressed by their resilience, professionalism, determination and courage. Their commitment to the task at hand is something that all Australians can be proud of.

These men and women understand the importance of their work. They know that it is making a difference to the future of Afghanistan and its people. They deserve our respect, and our very strong support.

Our coalition partners have also suffered losses in recent operations. Since the beginning of the year, ISAF forces have lost 281<sup>1</sup> personnel, and Afghan security forces have suffered even greater losses.

I extend my condolences to the families, friends and colleagues of all the fallen. Australia stands by each and every one of the nations in the ISAF coalition, as we work together to bring lasting peace and stability to Afghanistan.

Mr President, of the 35 Australian soldiers so far wounded this year, 25 were wounded in improvised explosive device attacks. IEDs remain the primary weapon of the insurgents, who constantly change and vary the methods by which they are employed. IEDs are a lethal and indiscriminate weapon, killing soldiers and civilians alike. Their use is deplorable, and serves to remind us of the callousness of the Taliban and their disregard for innocent Afghans.

To help counter the IED threat, the Government recently announced an extra \$1.1 billion investment in force protection capabilities for Australian personnel. This investment takes into account the evolving nature of the risk from IEDs and includes measures for better intelligence on IED makers, greater protection and firepower for ADF Vehicles, and upgraded body armour.

Our force protection initiatives also support the acquisition of an improved counter rocket, artillery and mortar attack capability, to warn of incoming rocket attacks, so personnel can seek protection. Tarin Kowt base suffered 4 rocket attacks during April and May, and this system should give our troops valuable additional time to take shelter.

As I have said previously, the Government wants to see all our troops complete their mission and return home safely as soon as possible. While they remain in Afghanistan, improving protection for our troops and our civilians is my highest priority.

#### *Civilian casualties*

Mr President, may I also stress that the ADF takes every possible precaution to avoid harming civilians. Fundamental to our mission in Afghanistan is the protection of the local Afghan communities where we operate. ISAF is making real progress in this area. Regrettably though, civilian casualties are sometimes a tragic reality in conflict. Where incidents do occur or allegations are made, both the Chief of the Defence Force and I are

committed to a thorough investigation and full transparency of the outcomes.

Since July 2008, the Australian Defence Force has reviewed 16 incidents. Two remain under consideration. The 12 February 2009 incident, in which six Afghans were killed and four were injured, is still being considered by the Director of Military Prosecutions. She is an independent statutory officer and until she has finalised her consideration of this matter, I cannot comment further on it. A public announcement will be made once a determination has been made.

The outcome of the investigation into the incident on 11 August 2009 resulting in the death of one Afghan National Police officer and the injury to a second Afghan National Police officer is expected to be made public in the near future.

I am also aware of some recent media reporting concerning an incident in Gizab where there were claims made of civilian casualties. There was fighting in that area, but the Australian Defence Force has conducted a detailed review of the allegations and, based on the available information, has determined Australian forces had no involvement in any incidents of civilian casualties. Those claims were found to be baseless.

I can inform the Senate of the findings of a review I referred to in my Ministerial Statement of March 2010 concerning the ADF's involvement in an operation in the village of Kakarak in April 2009. This review was undertaken at the request of ISAF and concluded that there was no substance to allegations of breaches of international humanitarian law by Australian forces. The ADF is now making sure it exhausts all lines of enquiry before closing the matter.

#### **Pakistan**

Mr President, the challenges we face in Afghanistan extend beyond that country's borders.

Pakistan's ability to address its internal security concerns is critical not only to the stability and long term development of Pakistan itself, but also the wider South Asia region. It is important that countries continue to engage with Pakistan to assist them in the fight against extremism within their borders.

Australia and Pakistan share a longstanding and broad-based friendship across security, develop-

ment and economic fronts. We are committed to building on that friendship to assist Pakistan's efforts to confront violent extremism. I appreciate the sacrifices that Pakistan is making in its struggle against extremism, and extend my condolences for Pakistan's significant military and civilian casualties.

On my way to the recent meeting of NATO Defence Ministers, I visited Pakistan, the first ever Australian Defence Minister to do so, to discuss Australia's support for Pakistan's efforts to combat violent extremism. While there, I met with Pakistan's President Zardari, my counterpart Minister for Defence, Chaudry Ahmed Mukhtar, and Joint Chief of the General Staff, General Tariq Majid.

Pakistan welcomes Australia's support. Pakistan's Government particularly appreciates the increased defence cooperation, which is focused on enhancing Pakistan's counter-insurgency capability. Of particular note is the doubling over the next year of both Australia-based training positions offered—to over 140—and postgraduate scholarships—to twelve.

I also welcome the establishment of a counter-insurgency focused exchange between the Australian Defence College and the Pakistan Army's Command and Staff College at Quetta.

During my visit I signed the Defence Cooperation Memorandum of Understanding with Pakistan. This MOU establishes a framework for the management of a significantly increased Defence cooperation program between Australia and Pakistan, and further strengthens the already strong friendship between Pakistan and Australia. Following my discussion with Minister Mukhtar, Australia and Pakistan will consider further ways to develop our defence cooperation. Pakistan's relationships with nations like Australia are crucial to providing it with the support and assistance it is seeking for its efforts to counter violent extremism. Those efforts, which will need to be determined and comprehensive, are critical to global and regional security.

#### *Maritime Security*

My visit to Pakistan also gave me the opportunity to visit one of our ANZAC frigates, HMAS Parramatta, which is conducting maritime engage-

ment, counter-terrorism and counter-piracy activities in the Middle East Area of Operations.

I received detailed briefings from Commander Heath Robertson and his officers on their activities. I was pleased to see first-hand the work of the men and women of the Royal Australian Navy in contributing to maritime security in the Middle East—an integral part of OPERATION SLIPPER. HMAS Parramatta directly supports our mission in Afghanistan; deterring drugs, people, weapons and money trafficking activities that can support insurgent and international terrorist networks. Our maritime contribution helps lower the risk of terrorism and pirate attacks, which endanger the freedom and security of the area and key global trade routes.

#### **Recent events**

Mr President, at the recent NATO Defence Ministers' meeting in Brussels, I received briefings on the situation in Afghanistan from the military and civilian leaders responsible for ISAF's operations. The meetings I had with NATO's Secretary General, Anders Fogh Rasmussen, the Supreme Allied Commander Europe, Admiral Stavridis and NATO's Senior Civilian Representative in Kabul, Mark Sedwill, were informative and valuable. I also spoke with Afghan Minister for Defence Abdul Rahim Wardak, US Secretary of Defense Robert Gates, and General McChrystal while at NATO.

I also met with the other nations actively engaged in the most difficult and dangerous part of Afghanistan—the southern area—at a Regional Command (South) meeting. These discussions between the countries operating in the south are very useful opportunities to exchange information and perspectives on progress in the fight across the south.

Discussions at the NATO/ISAF meeting focused not only on our military position, but also on the process of transition - returning responsibility for security to the Afghan Government. This requires further training, mentoring and capacity building for the Afghan security forces.

Some parts of the country are stable and likely to transition back to full Afghan control quite soon. In others areas, Afghanistan will require the international community's support for some time. But

by focussing on improving governance and development, and providing a secure environment for these things to occur, Afghanistan should keep moving away from violence and towards stability.

Transition will be a key focus of the NATO Summit that will be held in Lisbon in November this year. Australia supports the view expressed by other countries, that transition needs to be conditions-based. Both military and civilian improvements need to be in place before we can be confident that transition will be complete.

#### **Looking Ahead**

Mr President, as always, the coming months will be busy. In July, the international community will again meet, this time with Foreign Ministers in Kabul. The Kabul Conference is expected to reinforce the international community's support for rebuilding Afghanistan. Importantly, this meeting will also include regional countries such as Pakistan, India and China. Australia remains actively engaged, and we will continue to ensure that our voice is heard in international discussions on the way ahead in Afghanistan.

In September, Afghanistan is scheduled to hold elections, this time for parliamentary representatives. Last year's presidential elections encountered many difficulties, including widespread irregularities. This year's election could also be challenging. It is important that the Afghan Government learns from the experience of the 2009 elections. I am confident that the Afghan National Security Forces will play an important role in providing the necessary security to enable the election to proceed. Despite these difficulties, we should not lose sight of the fact that Afghan citizens—both men and women—now have the right and the opportunity to have a say in who will represent them in government. This is a remarkable achievement, of which Afghanistan as a country can be proud.

Mr President, we are also making progress on the reconciliation and re-integration agenda. On 2 June 2010, President Karzai held a Peace Jirga in Kabul, a meeting aimed at moving Afghanistan as a nation closer to a political resolution of the insurgency. It advanced the important task of creating a pathway for insurgents to lay down their arms and move back into their society. This process will be Afghan-led and Afghan-driven. Al-

though it has a long way to go, the recent Peace Jirga has taken the first steps along a path that will be difficult and challenging. We will watch its progress keenly.

#### **Conclusion**

Mr President, ISAF now has in place a clear strategy endorsed by the 46 nations that comprise the Coalition. That strategy is working. Some aspects of our progress are tangible and measurable: clinics are built, children are learning, elections are held. Other parts are not as visible: young men decide to leave the insurgency and return to their homes; communities' faith in their local government improves.

Mr President, we must be patient. Real progress is being made. NATO recently reported that in 2002, 9% of Afghans had access to healthcare; today that figure is 65%. Afghan women hold almost a quarter of the seats in parliament, in contrast to being barely visible under the oppressive Taliban rule. The number of teachers has almost doubled since 2002. The Afghan National Army has expanded to almost 125,000, and continues to improve in capability and expand in size.

Mr President, we are one of 46 countries contributing to the effort in Afghanistan. We are there under a United Nations mandate, and at the invitation of the Afghan government. Our aims in Afghanistan are clear. For our own protection, we need to secure Afghanistan and ensure terrorist groups no longer find safe havens there. We need to support the Afghan people as they begin to take responsibility for the security and stability of their nation. And we need to stand with our friends and partners in this endeavour.

I am confident that our strategy in Afghanistan is right. It is in Australia's interests that we play our part in this international effort. It is not been, and will not be, without challenges. And I am painfully aware that it has not been without loss. There could be more losses ahead. But we must stay the course in Uruzgan. We must deliver on our commitment to train the Afghan forces there to take over their own security. It will not be easy. We have already paid, more painfully, sixteen Australian families have already paid, a very heavy price. But the cost of failure would be much higher.

<sup>1</sup> Website: [www.icasualty.or](http://www.icasualty.or), 23 June 2010

**Senator ABETZ** (Tasmania) (6.05 pm)—by leave—I move:

That the Senate take note of the document.

I will not delay the Senate other than to say that the opposition welcomes the government's continued commitment to the international military effort in Afghanistan and that the resolve for that mission remains unchanged. On behalf of the coalition, I again commend the magnificent work of the men and women of the Australian Defence Force for their willingness to serve in dangerous conditions in Afghanistan to serve the cause of freedom both for us here in Australia and for the international community.

Question agreed to.

#### **E-Health Reform**

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy) (6.06 pm)—I present a statement relating to e-health reform by the Minister for Health and Ageing.

**Senator FIERRAVANTI-WELLS** (New South Wales) (6.06 pm)—by leave—I move:

That the Senate take note of the document.

I wish to correct and make some observations in relation to Minister Roxon's statement on e-health which was tabled in the House of Representatives yesterday. I would like to start by correcting some of the comments made by the minister, starting with the fact that she has asserted that for more than three months the government has wanted the Senate to consider the Healthcare Identifiers Bill 2010. I remind the minister—and suggest that she obviously does not take very much notice of what happens here in the Senate—that in relation to the health identifiers bill, if the government cannot get its program right and cannot get this bill up to be debated before this house, it is not the

fault of the opposition. I say to Minister Roxon that this case is another hissy fit that 'Nurse Roxon' is having. She is getting stroppy with people just because they do not do what she says.

On that note, I refer to some comments that were made in the House yesterday by the member for Dickson, the shadow minister for health in response to this statement—

**Senator Conroy**—You're not quoting your own shadow minister!

**Senator FIERRAVANTI-WELLS**—I am making some comments, Senator Conroy.

**Senator Conroy**—You said you were going to refer to them!

**Senator FIERRAVANTI-WELLS**—I am going to refer to them. Stop interrupting. I am going to refer to some comments that Mr Dutton made in response to Minister Roxon's statement. I also put on the record that we do support and have supported e-health. E-health was an initiative of the Howard government, and we will be dealing with the health identifiers legislation, if not this evening then tomorrow, because it is down on the list.

Yesterday the Minister for Health and Ageing contacted the member for Dickson at about one o'clock to say that she was going to make a ministerial statement. A draft of that ministerial statement was provided. The statement that Minister Roxon ultimately read out in the House had had all the abusive language taken out. The draft statement contained a litany of personal abuse. Obviously somebody must have told her, 'Minister, this is not appropriate to put in a ministerial statement,' and it had to be taken out.

Yesterday, of all days to make a ministerial statement on something this Senate has been considering for months and on legislation that we have already said that we will support—and obviously the minister does



not read press releases that we put out, because we informed her on 21 June that we would support this legislation; indeed, we made a whole series of suggested amendments, which the government has accepted and are now going to amend their own legislation to take into account—Minister Roxon got up and gave her ministerial statement.

It is funny—it was on the same day that Professor Mendoza had come down on the government like a ton of bricks because of their inaction on mental health and on the same day that Minister Tanner was alleged to have commented that there is no money left in the coffers for mental health and aged care! What a day to drop a distraction! And, of course, that is what yesterday's ministerial statement was about. It was an attempt by the minister to distract and deflect attention from Professor Mendoza's resignation. That is what the minister was doing.

After the minister dropped this tirade of abuse, after question time it took advisers from the shadow parliamentary secretary and the minister's office 15 to 20 minutes of discussion to come to agreement on most of the amendments, so I say to the minister: if this is the way you do business—dropping vitriol like the sort of stuff you dropped yesterday—it says more about you and your inability to deal with the health portfolio and the mess that the health portfolio is in. In future the minister should think very carefully before she puts this sort of drivel on the record.

Question agreed to.

#### PETITIONS

##### Community Sector Funding

**Senator SIEWERT** (Western Australia) (6.12 pm)—by leave—I present to the Senate a petition from 518 citizens to Australia's federal, state and territory governments about community sector funding as part of the ASU's pay equity campaign.

#### DOCUMENTS

##### Registrar of Senate Senior Executive Officers' Interests

**The ACTING DEPUTY PRESIDENT (Senator Cash)**—I present the register of Senate senior executive officers' interests, incorporating notifications of alterations of interests of Senate senior executive officers lodged between 24 November 2009 and 21 June 2010.

#### APPROPRIATIONS

##### Correspondence

##### Tabling

**The ACTING DEPUTY PRESIDENT (Senator Cash)**—I present correspondence to the Minister for Finance and Deregulation, pursuant to a recommendation of the report of the Appropriations and Staffing Committee on ordinary annual services of the Government.

#### AUDITOR-GENERAL'S REPORTS

##### Report Nos 47 and 48 of 2009-10

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

Report No. 47 of 2009-10: *Performance audit—Management of live animal imports: Department of Agriculture, Fisheries and Forestry.*

Report No. 48 of 2009-10: *Performance audit—Community intelligence—Collecting and processing tip-offs: Australian Taxation Office.*

#### COMMITTEES

##### Environment, Communications and the Arts Legislation Committee

##### Report: Government Response

**Senator JACINTA COLLINS** (Victoria) (6.13 pm)—by leave—I present the government's response to the report of the Envi-

ronment, Communications and the Arts Legislation Committee on its inquiry the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009, and seek leave to have the document incorporated in *Hansard*.

Leave granted.

*The document read as follows—*

Australian Government response to the Senate Standing Committee on Environment, Communications and the Arts Committee Report:

The Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009

February 2010

Australian Government response to the Senate Standing Committee on Environment, Communications and the Arts Report:

The Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009

This is the Australian Government's response to the Senate Standing Committee on Environment, Communications and the Arts Inquiry into the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009 (hereafter 'the bill') as tabled on 17 September 2009.

The Australian Government acknowledges the contribution of the Committee's inquiry to the Environment Protection and Heritage Council's ongoing consideration of this issue.

Context

On 17 June 2009, the Senate passed a motion requiring the Environment, Communications and the Arts Committee to inquire into and report on the bill. The Senate Committee tabled its final report on 17 September 2009 —Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009.

Introduction

The day-to-day management of waste is primarily the responsibility of the state, territory and local governments. The primary fora for harmonised action on waste issues of national significance are the Environment Protection and Heritage Council (EPHC) and the National Environment Protection Council. Through these fora, Australian environ-

ment Ministers seek to work within and across governments, and with industry and communities, to achieve effective, efficient and nationally consistent policies on waste in order to enhance social, human health, economic and environmental outcomes.

The EPHC has been investigating alternative mechanisms for increasing the recycling of packaging and decreasing litter, including container deposit legislation, since April 2008. In May 2009, the EPHC considered the results of an investigation into these options, the Beverage Container Investigation final report (available at: [www.ephc.gov.au/news](http://www.ephc.gov.au/news)), and agreed to conduct a survey of the community's willingness to pay for improved packaging recycling and reduced litter.

At their meeting on 5 November 2009, the EPHC heard expert advice on the preliminary findings from the modelling study on the community's willingness to pay which indicated a high level of community interest in recycling packaging and reduced litter. The final study results were not available at the time of the EPHC meeting. Ministers will consider this report out of session with a view to making an evidence based decision on further work (if any) to address the community's desire to recycle more packaging and reduce litter.

At the same meeting the EPHC agreed to release a new national policy on waste and resource management. The National Waste Policy: Less Waste, More Resources (available at: [www.environment.gov.au/wastepolicy](http://www.environment.gov.au/wastepolicy)) has a strong focus on taking responsibility, through product stewardship, to reduce the environmental, health and safety footprint of manufactured goods during and at end of life. It will also provide for flexibility in the way product stewardship schemes are implemented. A key priority will be for the Australian Government to establish national product stewardship framework legislation, in consultation with states, territories, industry and the community. Public consultation on the design of the legislation will occur during 2010.

The policy charts the vision for resource recovery and waste management to 2020. Developed with regard to relevant COAG agreements and with the support of industry and key non government organisations, it provides for collaboration to

deliver effective approaches to domestic waste issues and aligns our waste management with Australia's international obligations.

The policy sets out a comprehensive action agenda across six areas: taking responsibility; improving the market; pursuing sustainability; reducing hazard and risk; tailoring solutions and Response to recommendations

providing the evidence. It will complement action on climate change and sustainability. Any decision to implement a national container deposit scheme would need to be consistent with the principles and directions laid out in the National Waste Policy: Less Waste, More Resources.

<b>Recommendation</b>	<b>Position</b>	<b>AG Comment</b>
Recommendation 1 The committee recommends that the EPHC advance its analysis of container deposit schemes without delay, ensuring that any further modelling draws on data derived from existing container deposit schemes and includes consideration of the model outlined in this bill.	Agreed	The Australian Government is committed to working through the EPHC to develop an evidence base on which to make a decision regarding further work to address the community's desire to recycle more packaging and reduce litter. Should the EPHC decide to proceed with further work, existing container deposit schemes, and the model outlined in this bill will be taken into account.
Recommendation 2 The committee recommends that the bill not be passed at this time.	Agreed	The Australian Government agrees that there is currently insufficient evidence to assess the merits of the proposed container deposit legislation and that a decision to implement such a scheme would not be appropriate at this time.

**Reports: Government Responses**

**Senator JACINTA COLLINS** (Victoria) (6.14 pm)—by leave—I present the government's response to the President's report of 26 November 2009 on government responses outstanding to parliamentary committee reports, and seek leave to have the document incorporated in *Hansard*.

Leave granted.

*The document read as follows—*

**GOVERNMENT RESPONSES TO PARLIAMENTARY COMMITTEE REPORTS RESPONSE TO THE SCHEDULE TABLED BY THE PRESIDENT OF THE SENATE ON 26 NOVEMBER 2009**

Circulated by the Leader of the Government in the Senate

Senator the Hon Chris Evans  
23 June 2010

**A CERTAIN MARITIME INCIDENT (SENATE SELECT)**

**Report on a Certain Maritime Incident**

The government response is being considered and will be tabled in due course.

**AGRICULTUREAL AND REALTED INDUSTRIES (Senate Select)**

**Pricing and supply arrangements in the Australian and global fertiliser market—Second interim report**

Response not required.

**Pricing and supply arrangements in the Australian and global fertiliser market—Final report**

The government response is being considered and will be tabled in due course.

**AUSTRALIAN COMMISSION FOR LAW ENFORCEMENT INTEGRITY (JOINT STATUTORY)**

**Inquiry into law enforcement integrity models**

The government response was tabled on 22 June 2010.

**Examination for the annual report of the Integrity Commissioner 2007-08**

The government response was tabled on 22 June 2010.

**AUSTRALIAN CRIME COMMISSION  
(JOINT STATUTORY)**

**Review of the Australian Crime Commission Act 2002**

The government response was tabled on 13 May 2010.

**Examination of the annual report for 2004-05 of the Australian Crime Commission**

The government response was tabled on 13 May 2010.

**Inquiry into the manufacture, importation and use of amphetamines and other synthetic drugs (AOSD) in Australia**

The government response was tabled on 13 May 2010.

**Inquiry into the future impact of serious and organised crime on Australian society**

The government response was tabled on 13 May 2010.

**Examination of the Australian Crime Commission annual report 2006-07**

The government response was tabled on 13 May 2010.

**Inquiry into the Australian Crime Commission Amendment Act 2007**

The government response was tabled on 13 May 2010.

**Examination of the Australian Crime Commission annual report 2007-08**

The government response was tabled on 22 June 2010.

**Legislative arrangements to outlaw serious and organised crime groups**

The government response was tabled on 13 May 2010.

**CLIMATE POLICY (SENATE SELECT)**

**Report**

The government response is being considered and will be tabled in due course.

**COMMUNITY AFFAIRS LEGISLATION**

**National registration and accreditation scheme for doctors and other health workers**

The government response is being considered and will be tabled in due course.

**Therapeutic Goods Amendment (2009 Measures No.2) Bill 2009 [Provisions]**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**COMMUNITY AFFAIRS REFERENCES**

**Lost Innocents and Forgotten Australians revisited – Report on the progress with the implementation of the recommendations of the Lost Innocents and Forgotten Australians reports**

The government response was tabled on 26 November 2009.

**COMMUNITY AFFAIRS STANDING**

**Funding and operation of the Commonwealth State/Territory Disability Agreement**

The government response is being considered and will be tabled in due course.

**Highway to health: better access for rural, regional and remote patients**

The government response was tabled on 25 February 2010.

**Towards recovery: Mental health services in Australia**

The government response is being considered and will be tabled in due course.

**Grasping the opportunity of Opal: Assessing the impact of the petrol sniffing strategy**

The government response was tabled on 22 June 2010.

**CORPORATIONS AND FINANCIAL SERVICES (JOINT STATUTORY)**

**Review of the Managed Investments Act 1998**

The government response is being considered and will be tabled in due course.

**Inquiry into Regulation 7.1.29 in Corporations Amendment Regulations 2003 (No. 3), Statutory Rules 2003 No. 85**

The government response is being considered and will be tabled in due course.

**Corporations Amendment Regulations 7.1.29A, 7.1.35A and 7.1.40(h)**

The government response is being considered and will be tabled in due course.

Corporate responsibility: Managing risk and creating value

The government response is being considered and will be tabled in due course.

**The structure and operation of the superannuation industry**

The government response is being considered and will be tabled in due course.

**Better shareholders – better company – Shareholder engagement and participation in Australia**

The government response is being considered and will be tabled in due course.

**Inquiry into aspects of agribusiness managed investment schemes**

The government response is being considered and will be tabled in due course.

**Inquiry into financial products and services in Australia**

The government response is being considered and will be tabled in due course.

**ECONOMICS LEGISLATION**

**Renewable Energy (Electricity) Amendment Bill 2009 and a related bill [Provisions]**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**Corporations Amendment (Improving Accountability on Termination Payments) Bill 2009 [Provisions]**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**National Consumer Credit Protection Bill 2009 and related bills [Provisions]**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**Trade Practices Amendment (Australian Consumer Law) Bill 2009 [Provisions]**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**Banking Amendment (Keeping Banks Accountable) Bill 2009**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**ECONOMICS REFERENCES**

Consenting adults deficits and household debt – links between Australia's current account deficit, the demand for imported goods and household debt

The government response is being considered and will be tabled in due course.

**Employee share schemes**

The government response is being considered and will be tabled in due course.

**Foreign investment by state-owned entities**

The government response is being considered and will be tabled in due course.

**Government measures to address confidence concerns in the financial sector – The Financial Claims Scheme and the Guarantee Scheme for Large Deposits and Wholesale Funding**

The government response is being considered and will be tabled in due course.

**Report on bank mergers**

The government response is being considered and will be tabled in due course.

**Government's economic stimulus initiatives**

The government response was tabled on 18 March 2010.

**GROCERYchoice website**

The government response is being considered and will be tabled in due course.

**ECONOMICS STANDING****Reserve Bank Amendment (Enhanced Independence) Bill 2008 [Provisions]**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**Australian Securities and Investments Commission (Fair Bank and Credit Card Fees) Amendment Bill 2008**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**Exposure draft of the legislation to implement the Carbon Pollution Scheme**

The government response is being considered and will be tabled in due course.

**EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS LEGISLATION****Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2009 [Provisions]**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**Education services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill 2009**

Recommendations in this report were dealt with during the debate of the bill. No formal response required.

**EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS REFERENCES****DEEWR tender process to award employment services contracts**

The government response was presented out of sitting in the Senate on 28 January 2010, and tabled in parliament on 2 February 2010.

**Provisions of childcare**

The government response is being considered and will be tabled in due course.

**Welfare of international students**

The government response is being considered and will be tabled in due course.

**ELECTORAL MATTERS (JOINT STANDING)****Civics and electoral education**

The government response is being considered and will be tabled in due course.

**Report on the conduct of the 2007 federal election and matters related thereto**

The government response was tabled on 18 March 2010.

**ENVIRONMENT, COMMUNICATIONS AND THE ARTS LEGISLATION****Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009**

The government response was tabled on 23 June 2010.

**ENVIRONMENT, COMMUNICATIONS AND THE ARTS REFERENCES****Forestry and mining operations on the Tiwi Islands**

The government response is being considered and will be tabled in due course.

**ENVIRONMENT, COMMUNICATIONS AND THE ARTS STANDING****Management of Australia's waste streams (including consideration of the Drink Containers Recycling Bill 2008)**

The government response was tabled on 25 February 2010.

**Renewable Energy (Electricity) Amendment (Feed-in-Tariff) Bill 2008**

The government response was presented out of sitting in the Senate on 30 April 2010, and tabled on 11 May 2010.

**Commonwealth Radioactive Waste Management (Repeal and Consequential Amendment) Bill 2008**

Recommendations in this report will be dealt with during the debate of the bill. No formal response required.

**The operation of the Environment Protection and Biodiversity Conservation Act 1999 – First report**

The government response is being considered and will be tabled in due course.

**The operation of the Environment Protection and Biodiversity Conservation Act 1999 – Second and final report**

The government response is being considered and will be tabled in due course.

**The reporting of sports news and the emergence of digital media**

The government response is being considered and will be tabled in due course.

**ENVIRONMENT, COMMUNICATIONS AND THE ARTS REFERENCES**

**Living with a salinity – a report on progress: the extent and economic impact of salinity in Australia**

The government response is being considered and will be tabled in due course.

**About time! Women in sport and recreation in Australia**

The government response is being considered and will be tabled in due course.

**ENVIRONMENT, COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS STANDING**

**Conserving Australia–Australia’s national parks, conservation reserves and marine protected areas**

The government response is being considered and will be tabled in due course.

**FINANCE AND PUBLIC ADMINISTRATION LEGISLATION**

**Plebiscite for an Australian Republic Bill 2008**

The government response is being considered and will be tabled in due course.

**National Security Legislation Monitor Bill 2009**

Recommendations in this report were dealt with during the debate of the bill. No further response required.

**Annual reports (No.2 of 2009)**

The government response is being considered and will be tabled in due course.

**FINANCE AND PUBLIC ADMINISTRATION REFERENCES**

**Staff employed under Members of Parliament (Staff) Act 1984**

The government response is being considered and will be tabled in due course.

**Government advertising and accountability**

The government response is being considered and will be tabled in due course.

**FINANCE AND PUBLIC ADMINISTRATION STANDING**

**Annual reports (No. 2 of 2007)**

The government response was presented out of sitting in the Senate on 7 June 2010, and tabled on 15 June 2010.

**Annual reports (No. 1 of 2008)**

The government response is being considered and will be tabled in due course.

**Annual reports (No. 2 of 2008)**

The government response is being considered and will be tabled in due course.

**Item 16525 in Part 3 of Schedule 1 to the health Insurance (General Medical Services Table) Regulation 2007**

The government response was tabled on 25 February 2010.

**Annual report (No. 1 of 2009)**

The government response is being considered and will be tabled in due course.

**Residential and community aged care in Australia**

The government response is being considered and will be tabled in due course.

**FOREIGN AFFAIRS, DEFENCE AND TRADE (JOINT STANDING)**

**Review of the Defence annual report 2006-2007**

The government response was presented out of sitting in the Senate on 25 March 2010, and tabled on 11 May 2010.

**Inquiry into Australia’s relationship with ASEAN**

The government response was tabled on 18 March 2010.

**Sealing a just outcome – Report from the inquiry into RAAF F-111 desal/reseal workers and their families**

The government response was tabled on 13 May 2010.

**Australia's relationship with India as an emerging world power**

The government response is not required.

**Review of the Defence annual report 2007-2008**

The government response is being considered and will be tabled in due course.

**FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES**

**Economic challenges facing Papua New Guinea and the island states of the southwest Pacific—Volume 1**

The government response is being considered and will be tabled in due course.

**FOREIGN AFFAIRS, DEFENCE AND TRADE STANDING**

**Australia's involvement in peacekeeping operations**

The government response was presented out of sitting in the Senate on 25 March 2010, and tabled on 11 May 2010.

**FUEL AND ENERGY (SENATE SELECT)**

**The CPRS: Economic cost without environmental benefit –**

The government response is being considered and will be tabled in due course.

**INTELLIGENCE AND SECURITY (JOINT)**

**Review of the re-listing of Ansar al-Islam, AAA, JAA, IMU, JeM and LeJ as terrorist organisations**

The government response was tabled on 13 May 2010.

**Review of the re-listing of Hizballah's External Security Organisation as a terrorist organisation**

The government response was tabled on 13 May 2010.

**Annual report of committee activities 2008-2009**

The government response is being considered and will be tabled in due course.

**Review of the listing of Al-Shabaab as a terrorist organisation**

The government response was tabled on 13 May 2010.

**Review of the re-listing of Hamas' Brigades, PKK LeT and PIJ as terrorist organisation**

The government response was tabled on 13 May 2010.

**LEGAL AND CONSTITUTIONAL AFFAIRS LEGISLATION**

**Migration Amendment (Immigration Detention Reform) Bill 2009**

Recommendations in this report will be dealt with during the debate of the bill. No formal response required.

**Crimes Legislation Amendment (Serious and Organised Crime) Bill 2009 [Provisions]**

Recommendations in this report will be dealt with during the debate of the bill. No formal response required.

**Telecommunications (Interception and Access) Amendment Bill 2009 [Provisions]**

Recommendations in this report will be dealt with during the debate of the bill. No formal response required.

**Personal Property Securities (Consequential Amendments) Bill 2009 [Provisions]**

The government responses was tabled on 4 February 2010.

**LEGAL AND CONSTITUTIONAL AFFAIRS REFERENCES**

**The road to a republic**

The government response is being considered and will be tabled in due course.

**LEGAL AND CONSTITUTIONAL AFFAIRS STANDING**

**Unfinished business: Indigenous stolen wages**

The Minister for Families, Housing, Community Services and Indigenous Affairs responded directly to the Chair of the Committee on 5 May 2010. No further response required.



**Stolen Generation Compensation Bill 2008**

The government response was tabled on 18 March 2010.

**Effectiveness of the Sex Discrimination Act 1984 in eliminating discrimination and promoting gender equality**

The government response was presented out of sitting in the Senate on 4 May 2010, and tabled on 11 May 2010.

**Disability Discrimination and Other Human Rights Legislation Amendment Bill 2008 [Provisions]**

Recommendations in this report will be dealt with during the debate of the bill. No formal response required.

**MEN'S HEALTH (SENATE SELECT)****Report**

The government response is being considered and will be tabled in due course.

**MIGRATION (JOINT STANDING)****Negotiating the maze – Review of arrangements for overseas skills recognition, upgrading and licensing**

The government response is being considered and will be tabled in due course.

**Immigration detention in Australia – A new beginning – Criteria for release from detention – First report of the inquiry into immigration detention**

The government response is being considered and will be tabled in due course.

**Immigration detention in Australia – Community-based alternatives to detention – Second report of the inquiry into immigration detention**

The government response is being considered and will be tabled in due course.

**Immigration detention in Australia – Facilities, services and transparency – third report of the inquiry into immigration detention**

The government response is being considered and will be tabled in due course.

**MINISTERIAL DISCRETION IN  
MIGRATION MATTERS (SENATE  
SELECT)****Report**

The government response is being considered and will be tabled in due course.

**NATIONAL BROADBAND NETWORK  
(SENATE SELECT)****Another fork in the road to national broadband – Second interim report**

The government response is being considered and will be tabled in due course.

**Third report**

The government response is being considered and will be tabled in due course.

**NATIONAL CAPITAL AND EXTERNAL  
TERRITORIES (JOINT STANDING)****Inquiry into the Immigration Bridge proposal**

The government response was tabled on 4 February 2010.

**PUBLIC ACCOUNTS AND AUDIT (JOINT  
STATUTORY)****Report 413 – The efficiency dividend and small agencies: Size does matter**

The government response was tabled on 4 February 2010.

**Report 414 – Review of the Auditor-General's reports tabled between August 2007 and August 2008**

The government response is being considered and will be tabled in due course.

**Report 415 – Review of Auditor-General's report tabled between September 2008 and January 2009**

The government response is being considered and will be tabled in due course.

**Report 416 – Review of the major projects report 2007-2008**

The government response is being considered and will be tabled in due course.

**PUBLIC WORKS (JOINT STANDING)****Report 5/2009—Referral made May to June 2009—Fitout and external works, ANZAC**

**Park West, Parks, ACT—Fitout of Tuggeramong Office Park, Greenway, ACT**

The government response is being considered and will be tabled in due course.

**Report 6/2009—Redevelopment of the Villawood Immigration Detention Facility**

The government response is being considered and will be tabled in due course.

**Report 7/2009—Referrals made August to October 2009—Construction of housing at Gordon Olive Estate, Brisbane, QLD—construction and renovation of housing at Larrakevah Barracks, Darwin, NT—Enhanced Land Force Stage 2, various locations—Midlife engineering services refurbishment of the Australian Embassy, Paris, France—Tropical marine research facilities, Cape Ferguson and Townsville, QLD—Redevelopment of Tarin Kowt, Afghanistan**

The government response is being considered and will be tabled in due course.

**REGIONAL AND REMOTE INDIGENOUS COMMUNITIES (SENATE SELECT)****Second report**

The Minister for Families, Housing, Community Services and Indigenous Affairs responded directly to the Chair of the Committee on 11 May 2010. No further response required.

**Third report**

The government response is being considered and will be tabled in due course.

**RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES****Iraqi wheat debt – repayments for wheat growers**

The government response is being considered and will be tabled in due course.

**Implications for the long-term sustainable management of the Murray-Darling Basin system—Final report**

The government response is being considered and will be tabled in due course.

**Import risk analysis for the importation of Cavendish bananas from the Philippines – Final report**

The government response is being considered and will be tabled in due course.

**Meat marketing – Final report**

The government response is being considered and will be tabled in due course.

**Investment of Commonwealth and State funds in public passenger transport infrastructure and services**

The government response is being considered and will be tabled in due course.

**Management of the removal of the rebate for AQIS export certification functions**

The government response is being considered and will be tabled in due course.

**Social Security and Other Legislation Amendment (Income Support for Students) Bill 2009 [Provisions]**

Recommendations in this report will be dealt with during the debate of the bill. No formal response required.

**RURAL AND REGIONAL AFFAIRS AND TRANSPORT STANDING****Australia's future oil supply and alternative transport fuels – Final report**

The government response is being considered and will be tabled in due course.

**Meat marketing – Interim report**

The government response is being considered and will be tabled in due course.

**Water management in the Coorong and Lower Lakes (including consideration of the Emergency Water (Murray-Darling Basin Rescue) Bill 2008)**

Recommendations in this report will be dealt with during the debate of the bill. No formal response required.

**Climate change and the Australian agricultural sector – Final report**

The government response is being considered and will be tabled in due course.

**STATE GOVERNMENT FINANCIAL  
MANAGEMENT (SENATE SELECT)****Report**

The government response is being considered and will be tabled in due course.

**TREATIES (JOINT STANDING)****Report 91 – Treaty tabled on 12 March 2008**

The government response was presented out of sitting in the Senate on 17 December 2009, and tabled on 2 February 2010.

**Report 94 – Treaties tabled on 14 May 2008**

The government response was tabled on 18 March 2010.

**Report 95 – Treaties tabled on 4 June, 17 June, 25 June and 26 August 2008**

The government response was tabled on 4 February 2010.

**Report 99 – Treaties tabled on 3 December 2008 and 3 February 2009**

The government response is being considered and will be tabled in due course.

**Report 100 – Treaties tabled on 25 June 2008 (2)**

The government response is being considered and will be tabled in due course.

**Report 102 – Treaties tabled on 12 and 16 March 2009**

The government response is being considered and will be tabled in due course.

**Report 103 – Treaties tabled on 12 March and 13 May 2009**

The government response was tabled on 13 May 2010.

**Report 106 – Nuclear non-proliferation and disarmament**

The government response was tabled on 25 February 2010.

**Report 107 – Treaties tabled on 20 August (2) and 15 September 2009**

The government response is being considered and will be tabled in due course.

**ENERGY EFFICIENT HOMES  
PACKAGE****Return to Order**

**Senator JACINTA COLLINS** (Victoria) (6.14 pm)—by leave—I table a statement relating to the order for the production of documents concerning the energy efficiency task force report.

**GOVERNMENT ADVERTISING****Return to Order**

**Senator RONALDSON** (Victoria) (6.14 pm)—by leave—Just after question time and immediately before the condolence motion, the Special Minister of State, Senator Ludwig, tabled a statement in the Senate concerning an order for the production of documents. It was a draft statement of reasons and draft correspondence to the Treasurer pursuant to my notice of motion No.827 dated 22 June. The minister indicated:

With reference to Senator Ronaldson's return to order motion dated 22 June 2010 requesting the production of a copy of a draft statement of reasons and draft correspondence to the Treasurer by the Department of Finance and Deregulation provided to the Cabinet Secretary and Special Minister of State on 14 May 2010, as indicated in Senate estimates by the Cabinet Secretary ... the draft statement and draft letter ... were working documents, being iterative drafts.

He then went on to say:

These documents have no separate status and the final versions of these documents have been declassified and tabled in this chamber.

The question is fundamental. There is a huge question mark hanging over this government as a result of this matter. I will not give honourable senators a potted history again because we have been discussing it all week. I will not give senators a full history of what occurred, but honourable senators would be aware that the minister granted an exemption to the Treasurer for the advertising campaign for the great big new mining tax. As we all

know from evidence given to Senate estimates and from information given in this chamber, that decision was made on 24 May, at the start of the estimates week. The minister refused to table that document and the accompanying ministerial statement until Friday, 28 May, which fortuitously was after Senate estimates had finished and after the Thursday morning when the Senate Finance and Public Administration Legislation Committee, chaired by Senator Polley, had set aside time for this matter to be debated. We then found out in the recalled Senate Finance and Public Administration Legislation Committee estimates last week that the department had provided to the minister a draft statement and a draft letter.

From the evidence given to the Finance and Public Administration Legislation Committee, it would appear that the minister apparently was able to redraft the letter to the Treasurer granting the exemption, but mysteriously he said he was too busy to redraft the ministerial statement until the Thursday or Friday morning of that week. There is one fundamental question mark that hangs over this debate today. If the draft ministerial statement had been tabled as I requested it and if it had indicated that the final statement and the draft statement were completely and utterly different, there might be a skerrick—and it would be only a skerrick—of credibility in the minister's argument that it took him four days to redraft this ministerial statement. But wouldn't you think, given that the credibility of the minister, Prime Minister and Treasurer were all on the line, that he would produce this draft statement and say: 'Here, I told you so. It is totally different to the statement that I released. I was in estimates and I didn't have time to do it'? There would be a skerrick of credibility were that to be, but by refusing to release this document the only conclusion we have left is that the final ministerial statement was identical

to the draft ministerial statement. The only conclusion this chamber can come to, the only conclusion that those people who are listening to this can come to, is that it was identical, that indeed that is why it was not released until today and that indeed it puts paid to any notion of credibility about requiring extra time to redraft the ministerial statement.

This government stands utterly condemned for its behaviour in relation to this exemption. This government stands utterly condemned for its refusal to come clean on this matter. Both sides of this chamber know that that exemption was not tabled on 24 May because the Special Minister of State, the Prime Minister and the Treasurer did not want this to become public during Senate estimates and because they knew that, if this were to become public, they would have been subject to far more intensive scrutiny than they have been since. I cannot hide my bitter disappointment that the government has not taken the opportunity to clear this matter up once and for all. This is a question mark that will hang over this minister and this Prime Minister from now until the election.

**Senator LUDWIG** (Queensland—Special Minister of State and Cabinet Secretary) (6.21 pm)—I note that we do not have much time left in the debate. I notice there are three minutes left. I will start and then seek to incorporate the remainder of my contribution. I start by saying that the position of the government is generally—and this is quite well understood in this place—not to produce iterative working drafts. There is no need to table the draft statement or the draft correspondence, because, for the purposes of transparency, accountability and scrutiny, I have tabled the final version of each.

And here is the record of open and transparent disclosure in relation to this issue. The

expenditure was approved as part of the budget process for the purposes of openness, transparency and accountability. It was specifically identified and published in the budget papers. In other words, we told the entire world, including the opposition, the Greens, Senator Fielding, Senator Xenophon, the media and the public on 11 May that this campaign was funded and was going ahead. The department was made aware of the Treasurer's request for an exemption on 12 May. This bears reiterating: at the time, after 12 May, the department was aware that a request for an exemption existed and was on foot. I made the decision on granting the exemption on Monday, 24 May.

The next day, on Tuesday, 25 May, I appeared, for the purposes of openness, transparency, accountability and scrutiny, at Senate estimates from 9 am to 11 pm and was questioned extensively on government advertising with the Department of the Prime Minister and Cabinet and its agencies. Had the opposition seen fit to ask on 25 May about the exemption, I would have been at the table and answered questions that were put to me about the decision I made the night before.

I appeared, for the purposes of openness, transparency, accountability and scrutiny, at Senate estimates on Thursday, 27 May from 9 am to 11 pm and was questioned extensively on government advertising with the Department of Finance and Deregulation. Had the opposition seen fit to ask on 27 May about the exemption, the department would have made them aware that an exemption was in train and I would have answered that as well that I had made the decision on the 24th.

For the purposes of openness, transparency, accountability and scrutiny, I tabled a statement of reasons relating to the exemption at 9.30 on the morning of Friday, 28

May. I put out a press release to the world to the same effect. I did not wait until Friday evening, until 5 pm, when everyone had gone home; my staff actually went up to the gallery and boxed the statement in the interests of transparency, openness, accountability and scrutiny.

For the purposes of openness, transparency, accountability and scrutiny, on Monday, 31 May I declassified cabinet-in-confidence correspondence between Treasury and myself. Again, my staff personally went up to the gallery and individually handed out copies of the correspondence to interested journalists.

For the purposes of openness, transparency, accountability and scrutiny, I attended question time in the Senate between Monday, 15 June and Thursday, 17 June and was questioned on the issue by Senator Back on the 15th.

For the purposes of openness, transparency, accountability and scrutiny, on Wednesday, 16 June Senator Fielding's loaded terms of reference were agreed by the Senate for inquiry by the Finance and Public Administration References Committee. I am not entirely sure, though, why an inquiry is needed. Nevertheless, for the purposes of transparency, accountability and scrutiny, relevant officials will be made available to assist the inquiry. Again, for the purposes of openness, transparency, accountability and scrutiny, on Thursday, 17 June the Auditor-General and the chair of the Independent Communications Committee appeared before a hearing of the Joint Committee of Public Accounts and Audit. And, again, for the purposes of openness, transparency, accountability and, for those opposite, scrutiny, I appeared at the reconvened Senate estimates on 17 June and was questioned extensively on government advertising with the Department of Finance and Deregulation.

For the purposes of openness, transparency, accountability and scrutiny, I attended question time in the Senate this week from Monday, 21 June to today and will be here tomorrow again—God willing. I was questioned on this issue by Senator Ronaldson on 22 June. In addition to this scrutiny, we have had a private senator's bill on government advertising introduced, inquired into, reported on and debated and we had an MPI on this issue yesterday. That is just the Senate. In the other place, the Prime Minister and the Treasurer have also fielded multiple questions on the issue for the purposes of openness and transparency. I would be surprised if ever before in the field of human endeavour had so much accountability and scrutiny been applied by so many to such great openness and transparency practised by so few.

Senator Ronaldson makes a lot of noise—

**Senator Ronaldson**—Oh, you are not fair dinkum!

**Senator LUDWIG**—and is continuing to do so about this issue, but what does he actually do? We are months away from an election but what do we know about the policy of the Liberals on government advertising? The answer is: not much. But we do know from the contribution of coalition senators to the report on Senator Brown's bill that they agree with the conclusions of Dr Hawke and the government that the Auditor-General is inappropriate to be both decision maker and reviewer. This is one of the only identified rational decisions that Senator Ronaldson seems to have been able to come to, that I have seen. So why must the Senate be subject to the hypocrisy of this display of con-fected outrage, the howls of derision, the thumping of tables, all the while supporting the decision we took? He cannot walk both sides of the street on this matter, but he is clearly attempting to do so—and failing badly.

Senator Ronaldson wants to be in the alternate government. Senator Ronaldson wants to be a cabinet secretary and a special minister of state, yet carries on with this farce. Senator Ronaldson, a challenge to you—

**Senator Ronaldson**—Through the chair, I presume.

**Senator LUDWIG**—Through the chair, I put a challenge to Senator Ronaldson. Stand up in here and commit clearly to this parliament that, if you are a special minister of state in a future government, you will produce, if asked, on request, at any time in the future, any iterative documents that would be subject to the type of order that you have put—that you would produce drafts; that you would produce iterative documents. If you do not publicly commit to that in here, you are acting completely hypocritical on this matter.

**Senator Ronaldson**—I promise not to avoid scrutiny in Senate estimates.

**Senator LUDWIG**—I take your interjection as a no. You are not going to take the opportunity of standing up in this place and saying, 'I will in any future government, if asked, produce iterative documents, drafts, in relation to decisions I have made.' What that points to is that Senator Ronaldson is being completely hypocritical in this place. I know he will not make that commitment because, in any future government, he would do what this government is doing—

**Senator Ronaldson**—On a point of order: I promise not to mislead Senate estimates in the way the minister did.

**The ACTING DEPUTY PRESIDENT (Senator Cash)**—There is no point of order.

**Senator LUDWIG**—Again, all we hear is hot air from Senator Ronaldson on this matter. It reminds me of those inflatable dolls that stand outside car parks that wave their

arms around. Of course, what we have not heard—and what I really expect to hear—is Senator Ronaldson committing publicly to stand in this place and make a rational decision to say, ‘I will release any iterative documents and drafts, if asked, into the future.’ Why will he not do that yet still continues with this farce? I think Senator Ronaldson needs to come clean.

Question agreed to.

### DOCUMENTS

#### Tabling

**The Clerk**—Documents are tabled in accordance with the list circulated to senators.

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

### INTERNATIONAL MONETARY AGREEMENTS AMENDMENT BILL (No. 1) 2010

#### First Reading

Bill received from the House of Representatives.

**Senator LUDWIG** (Queensland—Special Minister of State and Cabinet Secretary) (6.33 pm)—I move:

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

Question agreed to.

Bill read a first time.

#### Second Reading

**Senator LUDWIG** (Queensland—Special Minister of State and Cabinet Secretary) (6.33 pm)—I move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

The bill amends the International Monetary Agreements Act 1947 to allow Australia to accept the changes to the terms and conditions of the

New Arrangements to Borrow of the International Monetary Fund (IMF) adopted by the IMF Executive Board on 12 April 2010.

The New Arrangements to Borrow is a voluntary set of credit arrangements between the IMF and a number of its members. Australia, through the then Treasurer, played a role in the development of the New Arrangements to Borrow and we have been a participant in the New Arrangements to Borrow since its inception in 1998.

The purpose of the New Arrangements to Borrow is to act as backstop to the normal quota-based resources of the IMF, by providing the IMF with recourse to borrow from its members when supplementary resources are needed to forestall or cope with an impairment of the international monetary system, or to deal with a crisis that threatens the stability of the system.

The turbulence in the global economy and financial markets in recent years has seen the IMF provide substantial support at short notice to countries with balance of payments needs. In doing so, it has drawn heavily on its available resources and, additionally, has relied on ad hoc and temporary loans from a small number of its members.

On 2 April 2009, G20 Leaders in London committed to an expanded and more flexible New Arrangements to Borrow, as part of their global plan for recovery and reform. This provided a significant boost in confidence. It is important that Australia does its part in delivering on this commitment.

Under the expanded New Arrangements to Borrow, the IMF will be able to borrow up to approximately SDR 367 billion, significantly increased from the existing SDR 34 billion. Australia’s share of these expanded credit arrangements will be around SDR4.4 billion, worth around A\$7.5 billion, up from our existing SDR 801 million line of credit, worth about A\$1.4 billion, that was established in 1998.

In the event that the IMF calls on the New Arrangements to Borrow, a drawing under Australia’s credit line would be through a loan to the IMF, to be repaid to Australia in full, with interest, within five years; as it was on the only previous occasion on which the New Arrangements to

Borrow was activated to support Brazil over a decade ago.

In addition to expanding its size, this Bill will reflect the agreed amendments to make the New Arrangements to Borrow more flexible and a more effective crisis management tool. Among these changes, the predictability of the IMF's access to the credit arrangements during crisis periods will be increased. Strong governance structures will be retained, requiring the agreement of a large majority of participants before the New Arrangements to Borrow can be activated.

The IMF played an important role during the global financial crisis in restoring more normal conditions in financial markets, but the global economic recovery is not yet assured. Australia's prosperity will rely on a return to strong and stable growth in the world economy. Rapid implementation of the New Arrangements to Borrow would be a strong statement of our commitment to that recovery and would improve confidence within financial markets.

**The ACTING DEPUTY PRESIDENT (Senator Cash)**—In accordance with standing order 111, further consideration of this bill is now adjourned to the first day of the next period of sittings, commencing on 24 August 2010.

## BUDGET

### Consideration by Estimates Committees Reports

**Senator O'BRIEN** (Tasmania) (6.34 pm)—Pursuant to order and at the request of the chairs of the respective committees, I present reports from all legislation committees in respect of the 2010-11 Budget estimates, together with the *Hansard* record of the committees' proceedings and documents received by committees.

Ordered that the reports be printed.

## COMMITTEES

### Rural and Regional Affairs and Transport Legislation Committee

#### Report

**Senator O'BRIEN** (Tasmania) (6.35 pm)—On behalf of the chair of the Rural and Regional Affairs and Transport Legislation Committee, Senator Sterle, I present the report of the committee on the provisions of the Excise Tariff Amendment (Aviation Fuel) Bill 2010 and a related bill, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

### Finance and Public Administration References Committee

#### Report

**Senator RYAN** (Victoria) (6.35 pm)—I present the report of the Senate Finance and Public Administration References Committee on COAG reforms relating to health and hospitals, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Senator RYAN**—I seek leave to move a motion in relation to the report.

Leave granted.

**Senator RYAN**—I move:

That the Senate take note of the report.

The evolving time limits we have have got shorter and shorter, so I will be as brief as I can. I will commence my comments by recording my thanks to the secretariat. This was a short inquiry into a very significant issue. The secretariat has worked tirelessly, and I think all members of the committee particularly appreciated their efforts over the last two weeks. This is a report into the government's announcements regarding health reform, but they can more accurately be characterised as 'announcements regarding



hospital administration and funding'. It is in no way the most substantial reform since Medicare. It is focused entirely on hospitals—almost to the exclusion of health.

The government had numerous reports to draw on but needed to make a political announcement, and it did this rather than make a health announcement. We have heard that from a number of stakeholders, in particular, over the last two weeks. There is no better example of that than with respect to mental health and the government's failure in that regard. This became clear at the inquiry. There is little detail available outside the intergovernmental agreement and little detail about what this will actually mean for patients in public hospitals across Australia. It is typical of Labor. This was all about inputs, processes and flow charts so beloved by our Prime Minister; it was not about patients. It was typical in its use of rhetoric to overstate the political case, but it let the detail slip. We do not know how many Local Hospital Networks will be set up, we do not know where they will be, we do not know their boundaries, we do not know the boundaries of the Medicare Locals, we do not know how these will interact with the Local Hospital Networks and we do not know the role of local clinicians and health professionals in both of these bodies.

What we do know, however, is that the Commonwealth Auditor-General does not have the power to audit the Local Hospital Networks, as these are creatures of state parliaments. Given the discoveries of the Victorian Auditor-General about the shenanigans that have been undertaken in certain Victorian public hospitals under the Victorian Labor government, this is a critical flaw in the plan, as the Commonwealth parliament will be able to exercise no oversight over these new bodies.

I have also made some personal additional comments regarding the structure of our health system. Despite the superficial nature of these alleged reforms, they still contain the potential to stifle the dynamic elements of our health system that we will depend on for future reform. The most important example of this in the past was undoubtedly the Kennett government's introduction of casemix funding in Victoria in the 1990s. The very reform that this government is claiming as its own was pilloried by the ALP and then opposition leader Mr John Brumby when introduced. The then minister, the late Marie Tehan, was vilified by the Labor Party in Victoria and in Canberra. The hypocrisy of Premier Brumby and the Labor Party in this regard cannot go unnoticed. We have long memories, just as the Prime Minister does.

**Senator POLLEY** (Tasmania) (6.39 pm)—I would like to add my comments in relation to the heavy workload that all our committee secretariats have to deal with in this place and I would like to commend them for their work on this report by the Senate Finance and Public Administration References Committee on COAG reforms relating to health and hospitals. I would also like to thank the 37 contributors for their submissions and the witnesses who came before us.

But let us put on the record what this references committee was all about. It was a political stunt, because those opposite cannot deal with the facts. The facts are that when we came into government in 2007 the health system in this country had been neglected for over 11½ years. The now Leader of the Opposition has proven himself to be one of the worst ministers for health that this country has had to deal with. In relation to the National Health and Hospitals Reform Commission, I will quote from the former Chair when he came before the committee:

... it would be fair to say that we are all quite delighted that the vast majority of what we put

forward—which represented, as I said, the thinking of thousands of people around Australia—was being acted upon.

I think the investment that has been envisaged is a very significant investment and similar to what we hoped for.

What better endorsement would you have for what the federal government has been able to negotiate with all the states and territories, with the exception of WA. I think that is really quite significant. I urge people to read this report. The government members—both Senator Cameron and myself—put in a dissenting report, because we believed that it was essential that the facts of the hearing were put on the public record.

Those opposite continually like to quote Catholic Health Australia. I would also like to quote from the evidence that was given before us. Committee witnesses such as Catholic Health Australia all reinforced the true fact and that is that the problems that we are facing in this country now with our health system have not been brought about because of any incompetence on behalf of our government. In fact, it has been a long, long road to get where we are. They said:

Why would we think that providing public elective surgery to patients within clinically recommended times is terrific? It is because we are seeking to ensure that all Australians, regardless of income level and regardless of their socioeconomic status, have equitable access to health care when they need it.

They also said, ‘after all that is part of our responsibility to provide the best possible health care for all Australians.’ There are so many elements. Whether you talk about aged care, mental health, e-health, it is there in this report. I urge you to read it to get the real facts as to where the opposition stands and why this country now is facing the dilemma and we are doing the reforms that are so badly needed.

**Senator FIERRAVANTI-WELLS** (New South Wales) (6.42 pm)—Australians had an expectation that Mr Rudd would fix hospitals. That was his promise in 2007. Remember, ‘The buck stops with me. I have a plan to fix hospitals by 2009.’ Of course 2009 came and went. We have no plan. When the heat and the pressure really started to be put, he decided it was time that he needed to do something—a plan that is now in disarray. Despite all the hype and all the talk and all the spin without the substance, another cobbled-together plan emerged from the Prime Minister.

After 2½ years that this government had to develop a plan to ‘end the blame game’, what do we have? We were told, ‘We did not formally start this agreement until 5 February’—the formality started on 5 February—and then there was the Prime Minister at the National Press Club on 3 June with his first blueprint, the blue book. So we went from the big promises in the blue book on to the sales pitch that the government had in the green book. Then reality set in and we had the agreement and we had the red book. Of course, the reality is very different from the hype. The wheels are starting to fall off. It is very clear that ‘local’ does not mean local. The doctors on the Local Hospital Networks will not come from the local area, they will come from outside the area.

The transparency and the accountability so touted in the red book to stop the states syphoning off monies and using dollars for bureaucracy are gone; the National Funding Authority—gone, dumped even before the ink was dry. Funded? This campaign is a false, deceptive and misleading campaign of federal funding, and run locally, is just that: \$29.5 million—another hypocrisy of this government. They called government advertising a cancer on democracy and here is their independent committee approving this campaign without even looking at the ads.

We have no real reform. As people said, 'Labor's wasted opportunity for real health.' No real reform, business as usual with the states and, of course, the many, many specific concerns. As the AMA said:

The AMA is concerned that the funding structure agreed to in the IGA will not end the blame game, but instead merely provide different opportunities to undermine and 'game' the system.

So more bureaucracy—forget ending the blame game—because that is exactly what we are going to have. The public expectation of fixing the hospitals will not be met. There is no confidence that our public hospitals will be fixed; there is more of the same. One only has to look at page 6 of the *Australian* today—the headline says it all: 'Reforms to health "business as usual"'—because that is what it is. The states are more entrenched than ever and this is business as usual. This is not reform. This is not what the Australian public wanted.

**Senator CAMERON** (New South Wales) (6.45 pm)—I will not try to speak as quickly as Senator Fierravanti-Wells did, and if I do not get everything in I will just have to live with that. I find it absolutely hypocritical that Senator Fierravanti-Wells would stand up here and question the Labor government's record on health. We have to analyse the Howard government's record on health. When the current Leader of the Opposition, Tony Abbott, was the minister for health in 2003, \$108 million was cut from health. Here we have the opposition daring to argue about more money being spent on health, when they were the arch cutters of funding to health. In 2004, \$172 million was cut by Tony Abbott from the health budget. In 2005, Tony Abbott cut \$264 million from the health budget, and in 2006, \$372 million was cut out of the health budget. If the Howard government had been re-elected, a further \$497 million would have been cut from

health. That was a billion dollars from the health system.

What were they spending the money on? They were spending the money on pork-barrelling and electoral bribes. That was the economic incompetence of the Howard government. They allowed working people and working families to not have access to decent health, because they were too busy pork-barrelling and trying to bribe the electorate. How dare the opposition talk about lost opportunities in health when the Howard government was responsible for 11½ years of incompetence, neglect and cost cutting. That is the record of the Howard government. Even Dr Kerry Phelps said at the time:

The Treasurer, Peter Costello, announced in January of this year that there would be no new money for health in this budget, and it appears that that's exactly what's been delivered.

She went on to say:

I'd have to say it's very unpopular. It's not seen to address the fundamental issues, particularly in general practice, which relate to access and affordability.

I can go through the AMA's quotes for every budget under the Howard government, where the Howard government was ripping the heart out of Australia's health system. We are about changing that. We are about making sure that we can deliver a decent health system for every working family in this country—not just if you are rich enough to pay for it. In the public hospital system, we want to ensure that the money is there for ordinary Australian working families. (*Time expired*)

Question agreed to.

#### **Rural and Regional Affairs and Transport References Committee**

##### **Report**

**Senator HEFFERNAN** (New South Wales) (6.48 pm)—I present the final report of the Rural and Regional Affairs and Transport References Committee on the possible

impacts and consequences for public health, trade and agriculture of the government's decision to relax import restrictions on beef, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Senator HEFFERNAN**—I seek leave to move a motion in relation to the report.

Leave granted.

**Senator HEFFERNAN**—I move:

That the Senate take note of the report.

This inquiry was about the government moving from precautionary principle to risk analysis for the importation of beef from countries that have had or have BSE. In view of the fact that the industry decided to self-insure some years ago and not go to the trouble of mandatorily removing SRMs, in my view this puts the Australian public at a risk. The committee has three recommendations.

Debate interrupted.

#### DOCUMENTS

**The ACTING DEPUTY PRESIDENT (Senator Cash)**—Order! It being 6.50 pm, the Senate will proceed to the consideration of government documents. Orders of the day nos 74 to 99 relating to government documents were called on but no motion was moved.

#### ADJOURNMENT

**The ACTING DEPUTY PRESIDENT (Senator Cash)**—Order! There being no consideration of government documents, I propose the question:

That the Senate do now adjourn.

#### Baby Safe Havens

**Senator POLLEY** (Tasmania) (6.52 pm)—I rise tonight in the Senate to speak on the heart-wrenching issue of child abandonment and the need for baby safe havens in Australia. The funeral service for an aban-

doned baby boy held in Shepparton at the beginning of June this year reiterates the need to protect and save the lives of abandoned babies instead of allowing them to be left to endure harm or even death, as was the circumstances in this terrible story. The abandoned baby known as Angel Baby was left at a bus shelter in Shepparton in July 2008. Angel Baby was finally laid to rest on 3 June this year at the completion of a coronial inquest, nearly two years after he was found abandoned and dead. Sadly, the baby's mother was never identified and is yet to come forward. One cannot begin to imagine how this mother must be feeling after leaving her newborn baby in the knowledge that he may not be found and might ultimately die. This is a sad story but we cannot assume that the mother felt that she had no other option but to leave her baby, as she did, in the knowledge that it might ultimately die.

Monsignor Peter Jeffrey, the Shepparton police chaplain, who conducted the funeral service for Angel Baby, said that there had been extraordinary community support at this sad event and said:

There has been amazing support in two main areas from the community, the respect for the life of the infant and also concern for the mother.

It was of some comfort to see that there were people who cared for Angel Baby and his situation, and who wanted to provide him with a beautiful funeral service. Bereavement assistance and Monsignor Jeffrey, as well as many helpers and volunteers in Shepparton, organised and conducted the funeral service for this poor baby who did not get the chance to grow up and experience all the things that a young boy should. There are also people in my home state of Tasmania who followed the story of Angel Baby and were concerned throughout for the outcome. It is comforting to see that so many people do care about abandoned babies who are never given an opportunity to live a long

and happy life. Angel Baby did not get the opportunity to play with cars and trucks, to play chases at school or to go to his friend's birthday parties. He did not get to get his license, have his first girlfriend, get married or have children of his own.

I have previously spoken to the Senate about the need for baby safe havens that would allow for children to be given a chance at life, a chance to grow up and experience what life has to offer. Something needs to be done to allow unwanted babies the same chances as those who are born into a welcoming and loving family. A baby safe haven would allow for a safe place for unwanted babies to be left, without the mother having to fear prosecution. Sadly, Angel Baby did not have the opportunity to be raised by people who loved him. Instead, he was left to endure the harsh elements at a bus shelter that ultimately led to his death. It needs to be acknowledged that something can be done about this—baby's lives can be saved.

There is growing support for the implementation of baby safe havens. Recently, the Australian Medical Association voiced their support for their implementation. AMA's president, Dr Andrew Pesce said:

Government needs to consider Baby Safe Haven laws as a part of a support plan to assist struggling mothers. It's obviously very important that we as a community do everything we can to assist mothers and obviously their babies who are in such a degree of distress that they're thinking of abandoning their baby.

Pru Goward MP, the opposition member for Goulburn in the New South Wales state parliament, has also voiced her support for baby safe havens. In April this year, she said that the New South Wales opposition would support the introduction of baby safe havens in Australia and also said that the New South Wales coalition would support the introduction of baby safe haven laws similar to those

in the US that allow women to give up their babies safely and anonymously rather than abandon them. I hope she sticks to her word. I hope that is an election commitment that will be kept.

The Independent member for the electorate of Dubbo, Dawn Fardell MP, has also voiced her support for baby safe havens in the New South Wales parliament in a speech in March of this year. Ms Fardell has been vocal in her support for baby safe havens. I am grateful for her assistance in raising awareness and support for this important issue.

I have recently written to all state Premiers and attorneys-general yet again. While some states already have what they believe is adequate legislation to support babies, some states have indicated support to maybe consider this proposal. I continue to gather signatures for my baby safe haven petitions that have I presented previously both to the Senate and to the Tasmanian House of Assembly. To date, over 380 signatures have been presented to the Tasmanian House of Assembly and over 430 to the Senate. A Facebook group Support 'Safe Havens' for Abandoned Babies has over 4,800 members. This shows the magnitude of the support for abandoned babies and the need to protect them. Also, last year the Tasmanian state conference of the Catholic Women's League passed a resolution supporting my proposal. I put on the public record my thanks to that organisation for their caring work. It is clear that there is an increasing amount of public support on this matter. There is a growing consensus that community members support this idea and there is a need for continued debate to ensure that the best possible outcomes are achieved.

A number of countries around the world have adopted measures to protect unwanted babies from harm and death. In May this

year, Canada adopted a newborn drop-off facility for mothers to leave their babies anonymously and safely. The door to this facility is set in a private alcove, with an alarm sounding inside the hospital 30 seconds after the baby is left inside the alcove and the mother has left. Doctors are then able to assess the health of the baby, treating it in the same way as any other baby in the hospital. The mother remains anonymous throughout the entire process. Police in Canada have supported the implementation of the facility and do not seek out or investigate the mothers who use the facility. This is a positive step to save the lives of babies in Canada.

Europe has had facilities in place for a number of years to provide a safe place to leave unwanted newborns. Government and religious organisations in Asia and European countries are reintroducing safe newborn baby drop-off facilities, recognising the importance of the issue of baby abandonment and the need to save lives.

The United States enacted legislation in the early 2000s to provide for the legal abandonment of newborn babies. This was done to discourage mothers from abandoning or harming unwanted babies, with the main incentives being anonymity and immunity from prosecution. A range of facilities are used, including hospitals, police stations, fire stations and churches. Also, in four states, an emergency call can be made to request the pick-up of a child.

The concept of baby safe havens has been a huge success in South Africa. The non-profit organisation Door of Hope has set up a program at the mission church in Johannesburg offering unwanted babies a chance at life. I now quote from the Door of Hope website:

In August 1999 we installed a “hole in the wall” or “baby bin” in the wall of the Mission Church,

where babies can be placed 24 hours a day. A sensor alerts the people in the house whenever a newcomer has arrived. We will come to fetch the baby and will thereafter begin caring for him/her.

However, not all babies come through the “door of hope”. Sometimes the police bring them or a desperate mother will hand over her baby personally, or hospitals phone us to pick up little ones, whose mothers have disappeared after the delivery, leaving their babies behind.

Reports indicate that Germany has implemented approximately 80 baby hatches, recently celebrating their 10th anniversary. These hatches are highly successful. I quote:

Thirty-eight babies have been left in the organisation’s two baby hatches since 2000. Of these, 14 mothers have returned to reclaim their children, and the number of abandoned or killed babies has dropped in the city ...

The need for baby safe havens or similar facilities is recognised around the world and it is time that Australia followed this lead.

Most of the time, stories about abandoned babies do not have a happy ending. But we can make a difference. We can make it possible for unwanted babies to have a happy life, full of love and care rather than being left abandoned. Australia now needs to follow the lead of countries such as Canada to implement baby safe havens to save the lives of abandoned babies and to give these babies a chance. Even if a baby safe haven saved just one baby’s life it would make it all worth while. I encourage the community to talk about this issue and have the debate, and I call on all governments to start implementing such a process.

**Professor Christopher Nordin**

**Senator XENOPHON** (South Australia) (7.02 pm)—This evening I would like to pay tribute to Professor Christopher Nordin and the contribution he has made to medical research and preventive health in Australia, particularly in the area of osteoporosis and bone density. I want to pay tribute to Profes-

sor Nordin tonight because, at the end of this month, he will retire from clinical work at the Royal Adelaide Hospital at the age of 90. He will, however, continue his research work, contributing to a field he has been part of since the 1950s.

Professor Nordin was born to a Swedish-Finnish father and an English mother and was educated in England. During the Second World War, he served as a translator to the British legation in Stockholm. After the war he returned to England, where he began his studies in medicine. He received his qualifications in 1950 and went on to specialise in endocrinology.

In 1954, only four years after receiving his qualifications, he began to explore the link between calcium deficiency and osteoporosis. At the time, osteoporosis was thought to be related to protein deficiency, a view that had been promoted strongly during the 1930s. However, Professor Nordin felt that the truth lay in earlier work, dating back to the 1900s. These studies focused on calcium as the cause of osteoporosis. Professor Nordin eventually proved the connection and his work was published in 1960 after some difficulties. The link between calcium, vitamin D and osteoporosis is now universally acknowledged as vital to the treatment and prevention of this debilitating disease.

In 1981, Professor Nordin moved to South Australia to take up the position of senior research fellow at the Royal Adelaide Hospital. He will retire from clinical work at the end of this month after nearly 30 years with the Royal Adelaide Hospital. Europe's loss was very much South Australia's and Australia's gain. Over the span of his career, he has contributed to over 500 scientific publications, has been elected a Fellow of the Royal College of Physicians in both London and Australia, and became an Officer of the Order of Australia in 2007 for his work on the

link between calcium and osteoporosis. He has also pioneered research on the connection between vitamin D and calcium deficiencies and osteoporosis. In fact, he was the first to expose the universally low vitamin D levels among people in residential care, proving them to be at greater risk of developing osteoporosis. His work led to South Australia being the first state to implement a policy of providing vitamin D and calcium supplements to nursing home residents.

Professor Nordin is also the chair of a South Australian Department of Health working party dedicated to researching osteoporosis and promoting combined vitamin D and calcium supplements for all people in residential care. He would like to see similar supplements added to the Pharmaceutical Benefits Scheme, making them more affordable for pensioners and the elderly—those most at risk of osteoporosis. Professor Nordin says that, while the supplements are not as expensive as many of the drugs listed on the PBS, reducing their prices even further will help more pensioners to be able to see them as a necessity rather than a luxury. He is a great asset to my home state of South Australia, and to Australia as a whole.

I was fortunate enough to meet with Professor Nordin a few weeks ago to discuss his views on preventive medicine. I believe that preventive medicine is the one of the biggest untapped areas of health care today. While I acknowledge that the government committed various amounts in the last budget to preventive health, particularly in relation to smoking and alcohol consumption, I think we need to go much, much further. We need to listen to experts such as Professor Nordin.

There are obvious reasons why preventive health is often overlooked as a healthcare strategy. Increases in funding to specific services or programs often have immediate quantifiable outcomes—more beds, more

doctors or nurses and more services. It is harder to justify spending large amounts of money when the outcomes are not easily visible. When the benefits will only start to become apparent in 10, 15 or 20 years time, the temptation is to focus on something that will provide instant gratification. There is a strong temptation to do that.

This is the way forward if you want a stronger and better health system; however, Professor Nordin's argument—and it is one that I agree with—is this: spending money on preventive health programs now will save us significant amounts of money in the future as fewer people become sufferers of preventable diseases. Professor Nordin goes even further and says that preventive health should become a specialty in its own right. This would mean that chairs of preventive health could be established in major universities, conducting more research into the best and most effective forms of preventive health.

In his own field, Professor Nordin is a strong advocate for early testing to prevent the future onset of osteoporosis. It is now possible to predict the likelihood of someone developing osteoporosis up to twenty years in advance. If someone is considered likely to develop this devastating condition, there are several reliable measures a person can take to prevent it. These include increases in calcium and vitamin D, a restricted salt diet and weight-bearing exercise. It is relatively easy to identify those at risk through bone densitometry. This procedure is currently available for free for women who enter early menopause, suffer a fracture or are over 70 years of age.

If we can help people identify their risk and act accordingly, why wouldn't we? Not only will it save people years of physical pain, emotional suffering and reduced quality of life but it will also reduce the associated

medical costs to our society very significantly. Professor Nordin believes we should be offering free bone densitometry—a relatively cheap process—to women at menopause so that those at risk are identified earlier and can take appropriate steps to prevent the onset of osteoporosis.

Professor Nordin believes this type of preventive model can be extended to other conditions such as hypertension, which is linked to high salt intake. In this case, measures such as clearer food labelling and public awareness, in conjunction with medical monitoring, could lead to a reduction in cases. We know that a healthy diet and exercise reduces our chances of developing a whole range of health problems from diabetes and heart disease to Alzheimer's. It is now time for us to make a concerted effort to develop prevention and early intervention programs for some of our most common illnesses and diseases.

Professor Nordin has devoted his career to finding ways to reduce the impact of osteoporosis. His belief is that funding should be directed towards prevention at midlife, rather than expensive treatment at old age with the enormous costs involved with fractures and all the debilitation they cause, the nursing and all the hospital treatment associated with that. To put it another way: spend money building a strong fence at the top of the cliff instead of funding the world's best ambulance at the bottom. This is what we should be doing.

Professor Nordin's dedication to his work has benefited countless people all over the world. I would like to take this opportunity to acknowledge Professor Nordin, to thank him and wish him all the best for his future work. He is a remarkable Australian. South Australia is very privileged to have had him as a citizen of our state for a number of



years, and may he continue with his work for many more years.

#### **Muresk Institute of Agriculture**

**Senator BACK** (Western Australia) (7.10 pm)—I draw to the attention of the Senate the situation with the state of Western Australia's leading agricultural education institution and voice the fear that what we are experiencing in WA may in fact befall other states in Australia. I speak of the Muresk Institute of Agriculture being the agriculture and agribusiness wing of the Curtin University of Technology. For those unfamiliar with it, it would be the Roseworthy, the Dookie, the Gatton or the Hawkesbury of Western Australia.

After 85 years from 1926, Muresk is flagged to be closed as a place of higher agricultural education and learning. I had the privilege of being a member of the faculty as a veterinarian between 1975 and 1988, so have a keen interest. The stimulus or the catalyst for the closure, whilst I do not wish to dwell on it, has been the fact that the Curtin University with some 40,000 students on its Perth campus would see that education in the city is core to its activity and that the inconvenience of a limited number of students 100 kilometres from Perth is less so. Indeed, whilst I pick up on that, the Kalgoorlie school of mines, again a place of enormous distinction in the mining industry over many, many years, also conducted by Curtin University, faces I fear a similar fate.

Muresk was the first institution in Australasia to start agribusiness degree training and the qualifications in the 1980s recognising, unlike agricultural science, which is well performed by the University of Western Australia, that beyond the farm gate to the customer's plate is a critically important part of the cycle of agriculture. It was in that area that the agribusiness degree and its graduates over many years now since the mid-1980s

have forged outstandingly successful careers in agricultural banking with the stock firms, stock marketing, animal marketing and other agricultural and agribusiness products: food, retailing, transport, logistics to name but a few.

It was only today that friends of Muresk presented a petition to the parliament of Western Australia urging that the Muresk institute not be closed but that a new opportunity be found so that it can continue 85 years of a proud tradition offering agricultural and agribusiness education.

The Hon. Hendy Cowan, a past Deputy Premier of Western Australia, had been commissioned by the minister for education and the cabinet earlier this year to investigate all opportunities associated with higher agricultural education with a particular reference to Muresk. Quite correctly, Hendy Cowan started with an approach to employers to find out from them the quality of Muresk graduates. As we expected, he found that the employers are strongly of the view that it is the practical education they receive in the agricultural environment linked of course to the science, the economics and the business management of agriculture and agribusiness that is the essence of the quality of that particular qualification. As an aside, so do the miners in Kalgoorlie form very firmly the view that in that context it is the education within the mining community rather than in the western suburbs of Perth that is the value to those students.

I submitted my thoughts to Hendy Cowan because Western Australia and the people within those communities, similarly to those in the other states, are facing enormous challenges. I speak of the whole challenge of biosecurity and the availability of foodstuffs—and water, for that matter—going into the future. If you reflect just for a moment on what those challenges are, we will

be feeding another two billion people in the Asian region alone by 2050. We are facing a scenario where we do not now actually provide sufficient fish product for Australia's community, and we are going to have the challenge of feeding our own community as well as that of the Asian region. Where are the challenges? In the future we will have to achieve this with less land, less water, less input of finance, less fertiliser and fuel and fewer nutrients—and at this time we are facing the challenge of a rapidly ageing population of farmers. The average age of farmers and their wives in this country now exceeds 60 years, and that is something that we should be reflecting on. I made the point in my submission to the Cowan review that, if ever there was a time when it is essential that we be promoting agricultural and agribusiness education, it is now. We should not, on the other hand, be diminishing it or constricting it.

So not only are we faced with the scenario of students from agricultural communities who will not adjust, in most instances, to a large, city based university campus and therefore the need to be able to offer that sort of education in a rural climate—and that extends right around Australia—but we are also faced with the prospect that students from urban areas will not be experiencing the agricultural environment if we are in fact to withdraw from agricultural areas. I make the point that in Western Australia, and I suspect it is the same in the other states, we just do not have the luxury of the competitiveness that exists between the higher agricultural universities and institutions. We must have a far more complementary rather than competitive environment and share the resources. The point that I have made to the Hendy Cowan review is that this institution needs—and perhaps others around Australia facing a similar demise also need—an overarching institute of higher agricultural education

which can embrace all postsecondary training from TAFE level right through to the postdoctoral sphere, seamlessly allowing students to come from agricultural colleges and the high schools into agriculture and agribusiness education.

I will conclude my remarks, if I may, with the observation that over the last half-century in Australia those students who have been most disadvantaged in achieving a tertiary education have not been those from the low socioeconomic areas of cities—although I applaud the moves taken to ensure that students from low socioeconomic areas do get the chance to achieve what they will at the degree level and in higher education—but students from rural and remote areas. I applaud the announcement of the last few days that, in government, the coalition will invest up to \$1 billion in a regional education fund to bridge the education gap that I speak of between the cities and the regions. Whilst that of course applies to primary and secondary education, I make the point that with our demography and our geography there are significant challenges confronting parents in rural and regional areas, be they farmers or townfolk, in ensuring that their children receive adequate education at the tertiary level. My final comment, my final plea, is that what we are seeing at Muresk, I fear, is not confined to that institution in Western Australia. We see the pattern around Australia and I certainly think it is time that this chamber address the needs of higher agricultural education in this country.

#### **Victorian Ombudsman: Investigation into Brimbank City Council**

**Senator CONROY** (Victoria—Minister for Broadband, Communications and the Digital Economy) (7.19 pm)—I rise tonight to raise an important matter concerning flow-on effects of the 2009 Victorian Ombudsman investigation into the alleged improper con-

duct of councillors at Brimbank City Council. At the outset, I wish to advise the Senate that I raise this matter as a senator for Victoria, not in my capacity as Minister for Broadband, Communications and the Digital Economy. Furthermore, the principal set of circumstances I refer to centre on Mr Hakki Suleyman, a man who I am proud to have been able to call a friend for many years. Mr Suleyman is a respected member of the Australian Turkish Cypriot community. To this day he remains the Chair of the Migrant Resource Centre North West and the convenor of the Turkish Cypriot program on 3ZZZ community radio—a role he has performed for 20 years. He has been a proud member of the ALP for many years and is a passionate advocate for democratic processes and the importance of participating in these processes.

The facts are that a now discredited Ombudsman's report, which has led to not one single charge being laid to date against those adversely named within it, has been used as cover for a relentless, personal hate campaign against Mr Suleyman. The Ombudsman's report into Brimbank City Council is a torrent of vitriol that found no evidence of criminal acts, found no evidence for any charge to be laid and apparently targeted some individuals above others based on scurrilous allegations from unnamed parties. It undermined the basic right of all Australians to participate in the democratic process by recommending—and, sadly, having this recommendation agreed to—that no electorate officer or ministerial adviser may serve simultaneously as a councillor. The Ombudsman's report into the City of Brimbank is now a laughing stock, save for the fact that it has disrupted people's lives and left reputations in tatters. The calls for an Ombudsman's inquiry were the result of a bizarre power play by disgruntled, mostly failed, councillors from the City of Brimbank. As a

result of this investigation, many innocent political activists have been caught up in a long-running saga to defend their good names and rebuild shattered reputations.

The focus of this investigation was the so-called Suleyman group of councillors, allegedly a group of elected councillors tied to a very popular and electorally successful former mayor, Natalie Suleyman. Many false claims of misconduct were made against Natalie Suleyman. These accusations proved to be so baseless that no charges were laid. However, attention was then turned to her father, Hakki. And what test did the Ombudsman apply to this entire investigation? It was whether a person had exerted 'undue influence' upon council proceedings or had 'acted inappropriately'. Such accusations are impossible to quantify and highly subjective. Moreover, such bizarre findings are one of many factors that have helped shine a light on the legislative underpinnings of the office of the Ombudsman in Victoria.

So profound has been the public's loss of trust in those currently occupying the office of this important integrity watchdog and those serving as its investigators that the Victorian government charged the Public Sector Standards Commissioner, Mr Peter Allen, and the former Secretary of the Department of Premier and Cabinet, Ms Elizabeth Proust, with reviewing integrity processes across the state. The Proust review has identified an out-of-step legislative model that empowers the Ombudsman. The review explicitly calls for a modernised Ombudsman Act. A key recommendation was that a revamped act should require the publication of guidelines on the conduct of investigations in accordance with codified principles of procedural fairness. Additionally, those subject to any investigative procedures conducted by the Ombudsman would have the right to seek legal advice and a published reply. Further, such persons would have the right to disclo-

sure of adverse material, affording individuals the right to be advised of evidence presented against them.

Sadly, during the Ombudsman's inquiry into the City of Brimbank no such processes were in place. Indeed, my good friend Hakki Suleyman has suffered tremendously at the hands of those carrying out that investigation. Mr Suleyman has provided this information by way of formal complaint to the Ombudsman's office. Before the interview processes had even begun, his basic rights were affronted. Mr Suleyman states that he was threatened by investigator Lachlan McCulloch, who asked, 'Do you know who we are? Be careful.' Such an off-the-record threat from a public official is unconscionable. Mr Suleyman states that he was belittled and harassed, suffered the implication that his job was in danger and was badgered with the threat of phone taps. He states that upon the conclusion of the interview—or inquisition as it may be better categorised—he was further threatened by Mr McCulloch, who closed on him and said with malice: 'You lied today. I didn't finish you off yet.' He also said, 'Don't you talk to anyone about this, not even your wife, you got it?' Such an intimidatory statement is hardly becoming of an office that investigates matters relating to professional integrity. Nor, in my view, does it constitute being formally appraised of one's obligations during an Ombudsman's investigation. This is a disturbing allegation about an official trusted to investigate others in the case of Brimbank.

Thankfully, the Proust review has taken important steps toward overhauling the procedures in place at the Ombudsman's office and restoring transparency. To ensure that the independence of the Ombudsman remains accountable to the parliament, the review recommended that the Ombudsman be subject to oversight by parliamentary committee. However, such important proposals from

this robust review have not spared people like Hakki, or indeed his family, from having their reputation continually attacked and left in tatters.

In no small part, this reputational damage has been wrought by a sustained, biased and prejudicial media campaign, mainly undertaken by a journalist at the *Age* newspaper in Melbourne. The reporting has been led principally by Royce Millar, whose pursuit of a grubby story—purporting political scandal—led in one instance in the week of 11 June last year to his harassment of ALP members by telephone calls late at night. I understand that Mr Millar did not even have the courtesy to apprise branch members of the fact that he was a journalist. Indeed, he masqueraded as someone conducting an ALP survey on behalf of the ALP. Mr Millar, as a longstanding employee of the *Age*, should be aware of the journalist's code of ethics; one should identify themselves as a journalist, the organisation they represent and not exploit a person's vulnerability or ignorance of media practice. In this clumsy piece of journalism, Mr Millar identified that there are a number of active ALP members who are, to use his words, 'of Turkish background'. Seemingly by virtue of their heritage, Mr Millar is willing to condemn them as nothing more than stacks in thrall to Mr Suleyman. Moreover, Mr Millar has taken a perverse delight in explicitly naming and victimising Hakki Suleyman and his daughter, Natalie. Mr Millar has acted as the self-appointed judge, jury and executioner and has even questioned Mr Suleyman's democratic right to participate in the ALP. Mr Millar sought to shame Mr Suleyman's election to the ALP national conference as a miscarriage of due process, in an article on 19 June last year. The relentless conduct of Mr Millar fuelled calls for Mr Suleyman to be stood down from his employment. This was highlighted in Mr Millar's report from 7 May last year in which he

verballed the Ombudsman's report—at that point still unreleased—by exaggerating an alleged impropriety around 'MPs employing councillor comrades'. He further stated that '... the findings are likely to end some political careers and damage others'. Sadly, this has been prophetic: the matter of Mr Suleyman's employment is still being disputed with the Victorian parliament. As such, I will say very little of it here save that Mr Suleyman, in my opinion, performed his duties in the community diligently and with the greatest degree of respect for the dignity of the office.

Mr Suleyman has been hounded out of his job by a combination of relentless persecution by Ombudsman employees and a journalistic campaign that borders on the xenophobic. Even now, when the Ombudsman's report has been found to be a baseless document and to have resulted in not one charge being laid, Mr Millar and the *Age* newspaper have refused to acknowledge this or even apologise for their campaign. Mr Millar has misused his position to attempt to smear respected members of the community and has conducted a witch-hunt, based upon political affiliation, that has no place in an open democracy. Mr Suleyman's family have suffered and, indeed, the Turkish Cypriot community of Melbourne's north-west involved in the great Australian Labor Party have suffered by implication. Many innocent political activists have been caught up in the investigation of the Ombudsman and its attendant media coverage. However, none have suffered as grievously as Mr Suleyman. I thank the Senate for the opportunity to address this important matter.

**Senate adjourned at 7.28 pm**

## **DOCUMENTS**

### **Tabling**

The following documents were tabled by the Clerk:

*[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]*

#### Aged Care Act—

Aged Care (Amount of Flexible Care Subsidy – Extended Aged Care at Home – Dementia) Determination 2010 (No. 1) [F2010L01530]\*.

Aged Care (Amount of Flexible Care Subsidy – Extended Aged Care at Home) Determination 2010 (No. 1) [F2010L01529]\*.

Aged Care (Amount of Flexible Care Subsidy – Innovative Care Service – Congress Community Development and Education Unit Ltd) Determination 2010 (No. 1) [F2010L01532]\*.

Aged Care (Amount of Flexible Care Subsidy – Multi-Purpose Services) Determination 2010 (No. 1) [F2010L01531]\*.

Aged Care (Amount of Flexible Care Subsidy – Transition Care Services) Determination 2010 (No. 1) [F2010L01535]\*.

Aged Care (Community Care Subsidy Amount) Determination 2010 (No. 1) [F2010L01528]\*.

Aged Care (Residential Care Subsidy – Adjusted Subsidy Reduction) Determination 2010 (No. 1) [F2010L01295]\*.

Aged Care (Residential Care Subsidy – Amount of Oxygen Supplement) Determination 2010 (No. 1) [F2010L01294]\*.

Aged Care (Residential Care Subsidy – Amount of Viability Supplement) Determination 2010 (No. 1) [F2010L01512]\*.

Aged Care (Residential Care Subsidy – Basic Subsidy Amount) Determination 2010 (No. 1) [F2010L01480]\*.

Civil Aviation Act—Civil Aviation Regulations and Civil Aviation Order 100.5—Instrument No. CASA EX52/10—Exemption – time-in-service recording on maintenance release; Determination – non-

application of part of CAO 100.5 [F2010L01634]\*.

Commissioner of Taxation—Public Rulings—

Class Rulings CR 2010/20-CR 2010/22.

Product Ruling PR 2010/15.

Taxation Determination—Addendum—TD 96/45.

Customs Act—Tariff Concession Orders—

0943936 [F2010L01460]\*.

0945229 [F2010L01459]\*.

0946989 [F2010L01455]\*.

0947673 [F2010L01450]\*.

0948291 [F2010L01458]\*.

Defence Act—Section 51X—Utilisation of the Defence Force to protect Commonwealth interests against violence if specified circumstances arise—Report, dated 17 June 2010; and order, dated 3 June 2010.

Do Not Call Register Act—

Do Not Call Register (Access to Register) Amendment Determination 2010 (No. 2) [F2010L01633]\*.

Do Not Call Register (Administration and Operation) Amendment Determination 2010 (No. 2) [F2010L01632]\*.

Environment Protection and Biodiversity Conservation Act—Amendment of list of CITES species, dated 16 June 2010 [F2010L01731]\*.

Federal Financial Relations Act—

Federal Financial Relations (General purpose financial assistance) Determination No. 12 (March 2010) [F2010L01684]\*.

Federal Financial Relations (National Partnership payments) Determination No. 14 (January 2010) [F2010L01685]\*.

Hearing Services Administration Act—Hearing Services (Participants in the Voucher System) Amendment Determination 2010 (No. 1) [F2010L01642]\*.

Migration Act—Migration Regulations—Instruments IMMI—

10/026—Skilled occupations, relevant assessing authorities, countries and points for general skilled migration visas and certain other visas [F2010L01318]\*.

10/029—Level of salary and exemptions to the English language requirement for Subclass 457 (Business (Long Stay)) Visas [F2010L01409]\*.

10/030—Specification of occupations for nominations in relation to Subclass 457 (Business (Long Stay)) for positions other than in the business of the nominator [F2010L01412]\*.

10/032—Specification of occupations for nominations in relation to Subclass 457 (Business (Long Stay)) and Subclass 442 (Occupational Trainee) Visas [F2010L01414]\*.

National Health Act—Instruments Nos PB—

55 of 2010—Amendment determination – pharmaceutical benefits [F2010L01637]\*.

61 of 2010—Amendment determination – Pharmaceutical Benefits – Early Supply [F2010L01639]\*.

65 of 2010—National Health (Remote Aboriginal Health Services Program) Special Arrangements Instrument 2010 [F2010L01537]\*.

Veterans' Entitlements Act—Statements of Principles concerning—

Acute Articular Cartilage Tear No. 53 of 2010 [F2010L01666]\*.

Acute Articular Cartilage Tear No. 54 of 2010 [F2010L01667]\*.

Acute Meniscal Tear of the Knee No. 55 of 2010 [F2010L01668]\*.

Acute Meniscal Tear of the Knee No. 56 of 2010 [F2010L01669]\*.

Dupuytren's Disease No. 57 of 2010 [F2010L01676]\*.

Methaemoglobinaemia No. 47 of 2010  
[F2010L01660]\*.

Methaemoglobinaemia No. 48 of 2010  
[F2010L01661]\*.

Sinus Barotrauma No. 49 of 2010  
[F2010L01662]\*.

Sinus Barotrauma No. 50 of 2010  
[F2010L01663]\*.

\* Explanatory statement tabled with legislative instrument.

### **Tabling**

The following government documents were tabled:

Australian Institute of Health and Welfare—Report—Australia's health 2010—Twelfth biennial report.

Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 January to 31 March 2010.

*Education Services for Overseas Students Act 2000*—ESOS Assurance Fund—Report on provider defaults—Aerospace Aviation Pty Ltd.

Productivity Commission—Report no. 50—Gambling, dated 26 February 2010—Volumes 1 and 2.

**QUESTIONS ON NOTICE**

The following answers to questions were circulated:

**Hawker Britton****(Question Nos 2608, 2627, 2631 and 2633)**

**Senator Cormann** asked the Minister representing the Minister for Health and Ageing, upon notice, on 8 February 2010:

- (1) On how many occasions has the current and/or former Minister and associated parliamentary secretaries in the current parliament, and any departmental officials:
  - (a) met directly with representatives of Hawker Britton; and/or
  - (b) attended meetings that were also attended by representatives of Hawker Britton.
- (2) For each above mentioned meeting:
  - (a) what was the date;
  - (b) what was the topic of discussion; and
  - (c) which Hawker Britton representatives were present.

**Senator Ludwig**—The Minister for Health and Ageing has provided the following answer to the honourable senator's question:

Responding to this question would require Departmental officials to review calendar and diary entries since December 2007 for meetings that may have involved or been attended by Hawker Britton. This would require the manual examination of a large number of diary and meeting records, which is an unreasonable diversion of government resources.

Conducting the same searches across the diary records of current ministers and parliamentary secretaries in this portfolio would be an unreasonable diversion of resources for similar reasons. The records of former ministers and parliamentary secretaries are considered personal information in many circumstances and no access to those records will be sought.

**Export Finance and Insurance Corporation****(Question No. 2751)**

**Senator Ludlam** asked the Minister representing the Minister for Trade, upon notice, on 11 March 2010:

- (1) Can the Minister outline each step in the decision-making process leading up to the decision to direct the Export Finance and Insurance Corporation (EFIC) to extend \$US400 million of loans to the Papua New Guinea (PNG) liquefied natural gas (LNG) project using the national interest account.
  - (2) (a) Which agencies were consulted; and (b) of these, which agencies expressed concern to the Minister prior to loans being extended on the national interest account.
  - (3) (a) What concerns did AusAID raise; and (b) are their concerns listed in the national interest assessment.
  - (4) Can a copy be provided of the AusAID submission to the national interest assessment on the PNG LNG project.
  - (5) What are the dates and content of any meetings the Minister, the department and EFIC have held with: (a) the Australian exporter/service providers Oil Search and Santos regarding the PNG LNG project; (b) the United States of America-based Exxon Mobil or any of its subsidiaries based in
-



- Australia or PNG regarding the project; and (c) Australian-based construction companies and consultants who have applied for tenders associated with the project.
- (6) On what date did EFIC first come into possession of the report Gold Ridge Social Action Plan evaluation by Australian National University academics Dr John Burton and Dr Colin Filer, dated 20 September 2006, that provides evidence that facilitation payments were made by Australian Solomons Gold Limited (ASG) subsidiary Gold Ridge Mining Ltd to the personal bank accounts of a number of landowner representatives in return for access to reopen the Gold Ridge site.
  - (7) Does the Minister believe that it is appropriate for the Australian Government to provide insurance to a company that used facilitation payments in the manner described.
  - (8) Is the decision by EFIC to grant provisional political risk insurance (PRI) to ASG in 2009, despite the finding of the abovementioned report, consistent with EFIC environmental policy, corruption policy, International Finance Corporation performance standards, Organisation for Economic Co-operation and Development (OECD) common approaches and Equator principles.
  - (9) Will the Minister or EFIC be reporting to the OECD Export Credit Working Group or the Equator Principles Secretariat that it supported a category A project that used facilitation payments in a post conflict context.
  - (10) How much of the Solomon's PRI is covered by the national interest account.
  - (11) Are facilitation payments contrary to principles of corporate social responsibility.
  - (12) (a) What discussions has the Minister, the department and EFIC had with ASG about the facilitation payments; (b) when were these discussions; and (c) what was the nature of the discussions.
  - (13) On what grounds is EFIC satisfied that the use of facilitation payments does not stop EFIC from supporting this project with PRI.
  - (14) Is the Minister confident that ASG undertook the reestablishment of Gold Ridge in compliance with international law and EFIC environmental policy compliance.
  - (15) What does the second PRI policy to ASG cover.
  - (16) With reference to the answer to question on notice no. 2364 (Senate Hansard, 30 November 2009, p. 9632): is it common practice for EFIC to let clients know that insurance has been conditionally approved.
  - (17) Does EFIC agree that it is appropriate that its clients announce to market that they have received 'conditional insurance' before such conditions have been fulfilled.
  - (18) What were the precise social and environmental conditions that EFIC imposed on ASG in order for it to receive its second allotment of PRI.
  - (19) Has ASG (now Allied Gold Limited) fulfilled these conditions.

**Senator Carr**—The Minister for Trade has provided the following answer to the honourable senator's question:

- (1) EFIC considered the transaction, which involved extensive liaison with project sponsors. This also included a call for submissions on the environmental and social aspects of the project, to which non-government organisations responded with submissions. The EFIC Board considered the PNG LNG loan transaction, deciding to place part of the loan on its Commercial Account, taking into account capital and counterparty limits, and made a referral for the balance of the request to the Minister for Trade for consideration of National Interest Account support. After extensive consultation with government agencies and discussion with the PNG Government, the Australian Government considered the issues and approved the loan.
- (2) (a) The Department of the Prime Minister and Cabinet; the Treasury, the Department of Finance and Deregulation; the Attorney-General's Department; the Department of Innovation, Industry,

- Science and Research; the Department of Resources, Energy and Tourism; the Office of National Assessments; and AusAID. (b) Information on agencies' input is policy advice to ministers and part of a Cabinet process and therefore is not provided.
- (3) (a) Any issues raised by AusAID are policy advice to ministers and part of a Cabinet process and therefore are not provided. (b) Issues raised by AusAID and other agencies were taken into account in assessing the national interest.
  - (4) AusAID's input to the national interest assessment on the PNG LNG project is policy advice to ministers and part of a Cabinet process and therefore is not provided.
  - (5) As would be expected for such a project and given departmental (including the post) and EFIC involvement, there have been a number of meetings held with project proponents and sponsors (such as ExxonMobil, Oil Search and Santos), as well as Australian companies considering tendering for contracts, over an extended period and in various locations. It would be a significant diversion of resources to detail all such meetings.
  - (6) EFIC first received a copy of an unofficial report on 17 April 2008 which listed Australian National University academics Dr John Burton and Dr Colin Filer as the authors. As the payments referred to in this report may have constituted an offence, DFAT referred the matter to the Australian Federal Police (AFP) which investigated the matter. The AFP investigation was unable to establish to the requisite standard of proof any criminal offences under Commonwealth legislation by ASG or any other entity.
  - (7) Political risk insurance (PRI) on the National Interest Account is provided where there are national interests, subject to project proponents complying with relevant international and domestic requirements, such as those set out by the OECD, which cover the use of facilitation payments. The AFP did not establish any criminal offence in respect of the payments (see response to Question (6)).
  - (8) No PRI policies have been issued. Provision of PRI to the Gold Ridge project is conditional on EFIC's satisfaction with the environmental and social management aspects of the project, consistent with accepted international standards.
  - (9) EFIC is not currently providing any support to companies associated with the redevelopment of the Gold Ridge project. Should EFIC issue a policy in favour of the Gold Ridge mine project, it would report in compliance with international requirements.
  - (10) EFIC is not currently providing any support to companies associated with the redevelopment of the Gold Ridge project. Should EFIC issue a policy in favour of the Gold Ridge mine project, all of the transaction would be placed on the National Interest Account.
  - (11) There is no agreed definition of corporate social responsibility (CSR). The Government considers that, as the mine is likely to contribute to sustainable development and the welfare of Solomon Islanders, as its redevelopment would need to comply with international norms in respect of social and environmental aspects and as no criminal offence under Commonwealth law was established in respect of any payments, there is no inconsistency with CSR. EFIC's commitment to corporate responsibility, including social, environment and anti-corruption objectives, are available on the EFIC website at:  
<http://www.efic.gov.au/corp-responsibility/Pages/anticorruptioninitiatives.aspx>.
  - (12) (a) As the payments may have constituted an offence, DFAT referred the matter to the Australian Federal Police (AFP) for consideration. Given the investigation, it would have been inappropriate for the issue to be discussed with ASG. The AFP did not establish any criminal offence in respect of the payments (see response to Question (6)). (b) Not applicable. (c) Not applicable.
  - (13) The Government's approval of PRI for the Gold Ridge project was made conditional on EFIC's satisfaction with the environmental and social management aspects of the project, including the

landowner agreement negotiating process. No offence was made out in respect of the payments (see response to Question (6)).

- (14) I (Mr Crean) am not aware of any breaches of international law by any companies associated with the project. Support for the Gold Ridge project is conditional on EFIC being satisfied with the environmental and social management aspects of the project and the Government is confident that EFIC's environment and social policy and processes are sound.
- (15) There are currently no valid PRI policies issued for ASG.
- (16) It is normal practice for EFIC, as it is typical for any provider of financial services, to advise clients of the status of approvals for support sought by them. This allows clients to continue with their planning (particularly in terms of the development of complex projects) and respond to issues that may arise in the assessment and consideration of a transaction by a financial services provider. Conditional support should be communicated to the client so that the client can understand the conditions that must be satisfied.
- (17) ASG was a publicly listed company at the time the conditional approval was given. Public companies are obliged to keep the market informed in compliance with continual disclosure rules. EFIC would not seek to impose any conditions that would result in a public company breaching such obligations.
- (18) There are currently no valid PRI policies issued for ASG. Provision of PRI would be conditional on EFIC's satisfaction with environmental audits and management plans; landowner agreements, resettlement and community action plans and community development plans; and financing arrangements. The corruption clause in the PRI policy also was to be amended to ensure that the policy could be cancelled if there were any prior activity which later was found to be in the nature of corrupt activity.
- (19) EFIC is currently not providing any support to companies (including ASG and Allied Gold) associated with the redevelopment of the Gold Ridge project. Any provision of new support would need to comply with conditions imposed by the Government and EFIC's requirements including those relating to environmental and social matters which are ongoing obligations. A new assessment will be undertaken given the change of ownership and likely changes to the insurance coverage sought.

#### **Civil Aviation Safety Authority**

#### **(Question No. 2794)**

**Senator Ludlam** asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 27 April 2010:

- (1) How many Boeing 747s that were manufactured between 1969 and 1982 and included approximately 850 kilos of depleted uranium as counterweights in the tail section are entered on the Civil Aviation Safety Authority's aircraft register.
- (2) How many such aircraft have been issued with air operators certificates to operate within Australian airspace.
- (3) Have there been any accidents or incidents in Australian airspace relating to such aircraft.
- (4) What contingency planning measures are in place in case of an accident or an incident with such aircraft.

**Senator Conroy**—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator's question:

- (1) and (2) The Civil Aviation Safety Authority has advised there are no such aircraft on the Australian aircraft register.

- (3) The Australian Transport Safety Bureau has advised there are no records of accidents or incidents in Australian airspace for such aircraft.
- (4) Aerodrome emergency procedures include provision for handling accidents and incidents involving hazardous materials.

**Infrastructure, Transport, Regional Development and Local Government: Program Funding**

**(Question No. 2798)**

**Senator Cash** asked the Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government, upon notice, on 3 May 2010:

- (1) (a) What are the Government's current guidelines in regard to promoting cycling and the safety of cyclists; and (b) what funding was provided to support this for each of the following financial years: (i) 2006-07, (ii) 2007-08, (iii) 2008-09, and (iv) 2009-10 to date.
- (2) How many cyclists have been killed or hospitalised in road crashes for each of the following financial years: (a) 2004-05; (b) 2005-06; (c) 2006-07; (d) 2007-08; (e) 2008-09; and (f) 2009-10 to date.

**Senator Conroy**—The Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable senator's question:

- (1) The Government provides funding to Austroads for the secretariat of the Australian Bicycle Council, which manages and coordinates the Australian National Cycling Strategy 2005–2010. As part of the Jobs Fund, the Government also established the \$40 National Bike Paths Program, which is delivering over 160 new and upgraded bike paths around the country.
- (2) Cyclists killed or hospitalised due to road crashes, Australia

Year	Cyclists killed	Cyclists hospitalised
2004-05	37	4,038
2005-06	42	4,370
2006-07	44	4,789
2007-08	28	N/A
2008-09	33	N/A
2009-10*	28	N/A

Notes

\* 2009-10 to the end of March 2010

N/A - not available

Sources

Bureau of Infrastructure, Transport and Regional Economics 2010. Australian Road Deaths Database. Accessed May 2010.

Australian Institute of Health and Welfare (AIHW): Henley G and Harrison JE 2009. Serious injury due to land transport accidents, Australia 2006-07. Injury research and statistics series no. 53. Cat.no. INJCAT 129. Canberra: AIHW.

**Customs Services**  
**(Question No. 2803)**

**Senator Cash** asked the Minister representing the Minister for Home Affairs, upon notice, on 3 May 2010:

For each state and territory, what has been the cost of providing customs services and processing at airports for each of the following financial years: (a) 2005-06; (b) 2006-07; (c) 2007-08; (d) 2009-10 to date.

**Senator Wong**—The Minister for Home Affairs has provided the following answer to the honourable senator's question:

The cost of providing customs services and processing at airports for each state and territory is as follows:

	QLD*	NSW	VIC	SA	WA	NT
(a) 2005-06	\$25,455,617	\$41,245,997	\$24,241,154	\$3,380,950	\$11,961,954	\$2,757,669
(b) 2006-07	\$28,677,690	\$42,534,882	\$24,559,691	\$3,595,903	\$13,727,140	\$3,830,971
(c) 2007-08	\$30,210,691	\$43,042,306	\$25,997,080	\$4,164,201	\$13,432,884	\$4,835,833
(d) 2008-09	\$31,611,633	\$45,944,775	\$27,723,142	\$4,338,533	\$15,414,585	\$5,481,602
(e) 2009-10 to date**	\$26,853,900	\$39,758,144	\$22,696,297	\$3,769,420	\$13,078,316	\$4,856,793

\*QLD includes Brisbane, Cairns and Gold Coast airports.

\*\* as at 30 April 2010.

The above figures are the cost of processing passengers and crew at airports and exclude national support, the provision of technology and the cost of detector dogs.

**Attorney-General's: Privacy Complaints**  
**(Question No. 2815)**

**Senator Cash** asked the Minister representing the Attorney-General, upon notice, on 3 May 2010:

- (a) How many complaints relating to the department, agencies and authorities in the Minister's portfolio were received by the Office of the Privacy Commissioner for each of the following financial years: (i) 2006-07, (ii) 2007-08, (iii) 2008-09, and (iv) 2009-10 to date; and (b) what was the substance of the complaints.

**Senator Wong**—The Attorney-General has provided the following answer to the honourable senator's question:

- (a) (i) 11, (ii) 11, (iii) 15, (iv) 12.
- (b) Since 1 July 2006, of the privacy complaints received by the Office of the Privacy Commissioner relating to the Attorney-General's Department or its portfolio agencies:
- 11 alleged there had been unlawful and or unfair collection of personal information under Information Privacy Principle 1.
  - 4 alleged that there had been a failure to provide notice about the collection of personal information under Information Privacy Principle 2.
  - 3 alleged the collection of personal information intruded unreasonably into an individual's affairs under Information Privacy Principle 3.
  - 9 alleged there were inadequate security measures to protect personal information held under Information Privacy Principle 4.

3 alleged that there had been a failure to provide access to personal information under Information Privacy Principle 6.

4 alleged that there had been a failure to make appropriate amendments to personal information under Information Privacy Principle 7.

7 alleged that there had been a failure to check the accuracy of personal information under Information Privacy Principle 8.

1 alleged that personal information had been used for an irrelevant purpose under Information Privacy Principle 9.

3 alleged that there had been improper use of personal information under Information Privacy Principle 10.

32 alleged that there had been improper disclosure of personal information under Information Privacy Principle 11.

1 alleged that there had been unlawful disclosure of spent conviction information under Part VIIC of the Crimes Act 1914 (Cth).

Please note complaints can contain more than one allegation, so the numbers of allegations will exceed the total numbers of complaints received.